

Private Equity Newsletter - December 2008

December 8, 2008 | Client Update

The discounts at which portfolio company debt is currently trading have led an increasing number of private equity funds to consider purchasing this debt in the secondary market as an investment opportunity. Alternatively, many portfolio companies are considering repurchases of their own debt, to accomplish the twin goals of increasing equity value by retiring debt at a discounted price while reducing leverage during this volatile period in the global financial markets. This newsletter highlights several legal issues for private equity funds and their portfolio companies to consider in evaluating a potential purchase of portfolio company debt.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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