

## Private Equity Newsletter - November 2005

November 22, 2005 | Client Update

In structuring an initial equity investment and the subsequent stockholder arrangements entered into immediately before a portfolio company's initial public offering, our private equity fund clients often ask, "What rights and obligations should we have after the IPO that are different from the public stockholders?". Should the private equity funds retain their rights to nominate (and obligations to vote for) directors and their tag-along rights, drag-along rights, veto rights and other provisions after public stockholders have acquired a meaningful ownership position? These issues can be particularly difficult in a "club deal" (i.e., a portfolio company with multiple private equity fund investors).

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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