



Post-Acquisition Litigation

SITUATION

Following the signing of an agreement to acquire a group of retirement homes, the transferee challenged several transactions carried out at the initiative of the transferor immediately prior to closing.

The buyer initiated international arbitration proceedings (CEPANI) to claim compensation for the loss of value of the target company.

OUR ROLE

FTI Consulting was appointed as an independent expert by the purchaser to give its opinion on the financial impact of the disputed transactions.

Our work focused on the following aspects:

- analysis of the documentation relating to the disputed transactions, which resulted from the unwinding of a series of complex contracts;
- analysis of the evolution of the healthcare real estate market;
- assessment of the impairment of the target company's assets (complex options on the walls of retirement homes);

- evaluation of the additional commitments (liabilities) of the target company between the signing and the closing.

Finally, we prepared an independent expert report for the court to detail our opinion on the loss (approximately twenty million euros).

OUR IMPACT



Our work allowed us to propose a robust valuation of the various heads of damage suffered by the buyer thanks to the detailed analysis of particularly complex contractual mechanisms.

Our work also allowed us to strengthen the claimant's position by analysing the alleged acts from an economic perspective and showing that they were contrary to the target's corporate interest.



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