

## Jason Herman Quoted in *Private Equity Law Report* on Mitigating Risks for Credit Funds Lending to Affiliated Portfolio Companies

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Funds Partner Jason Herman was interviewed for a *Private Equity Law Report* article titled, “How to Use LPACs and Third Party Valuation Providers to Mitigate the Inherent Risks of Captive Debt and Equity Investing.” The article is the first in a two part series focusing on how to identify and mitigate risks associated with pursuing debt and equity investments in the same portfolio company when a sponsor manages private credit funds that provide financing to the portfolio companies of their affiliated private equity funds.

Jason noted, “particularly where private credit funds include a captive investing strategy, significant conflict-mitigation procedures need to be put in place to validate the funds’ actions.” He further explained that, in addition to debt-structuring techniques, common tools credit fund managers often adopt to address conflicts include going to the LP advisory committee (LPAC) for approval and appointing a third-party independent fiduciary.

To read the full article, please [click here](#) (subscription required).

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