

Simpson Thacher Secures First Department Reversal in Breach of Contract Case

12.01.22



The Firm successfully represented the Estate of Robert B. McKeon, founder of private equity firm Veritas Capital Fund Management, L.L.C. in an appeal before the New York Appellate Division, First Department. On December 1st, the First Department unanimously reversed the New York Supreme Court's September 10, 2021 decision that dismissed claims brought by the Estate against Veritas and its current principals. The claims concern an agreement governing the Estate's continuing rights and interests in Veritas and a subsequent transaction between Veritas and Dyal Capital Partners. As part of the Dyal transaction, Dyal purchased equity interests in Veritas and also extended a loan to Veritas with the loan proceeds distributed to the principals. The Estate alleges Veritas and its principals breached their contract with the Estate by failing to obtain the Estate's consent to the Dyal transaction and by withholding from the Estate portions of the equity and loan proceeds from the Dyal transaction. The First Department reversed the motion court's ruling on all grounds, agreeing with the Estate that it had sufficiently pleaded breaches of contract.

The Simpson Thacher team includes Craig Waldman, Joshua Polster and John Santacruz. Joshua Polster argued the appeal before the First Department on November 3, 2022.

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