



## Private equity soundbite

### Off in chains? The risk of extradition from the UK to the US

#### Reed Smith LLP Key PE contacts

**Perry Yam** – London  
+44 (0)20 3116 2626  
pyam@reedsmith.com

**Mark Pedretti** – New York  
+1 212 549 0408  
mpedretti@reedsmith.com

**Ben Davis** – London  
+44 (0)20 3116 3819  
ben.davis@reedsmith.com

**Dr. Justus Binder** – Munich  
+49 (0)89 20304 127  
jbinder@reedsmith.com

**Marc Fredj** – Paris  
+33 (0)1 44 34 80 63  
mfredj@reedsmith.com

**Lucas d'Orgeval** – Paris  
+33 (0)1 44 34 80 65  
ldorgeval@reedsmith.com

**Emmanuel Vergnaud** – Paris  
+33 (0)1 44 34 80 56  
evergnaud@reedsmith.com

**Franck Coudert** – Paris  
+33 (0)1 76 70 40 11  
fcoudert@reedsmith.com

**James Cross** – London  
+44 (0)20 3116 2627  
jcross@reedsmith.com

**Charles Hewetson** – London  
+44 (0)20 3116 2976  
chewetson@reedsmith.com

The last few years have seen a number of high profile extraditions of UK citizens to the US. Often these have been accompanied by voluble indignation about the apparent lack of connection between the relevant conduct and the US and the suggestion that UK business people are at risk even where the UK authorities have chosen not to act. Perhaps unsurprisingly, in this apparently uncertain environment, private equity managers have expressed concerns that they may be at risk, as a result of activity within their investments.

In short, this should not happen unless individual managers have become personally involved in such conduct. The key requirement for someone to be extradited from the UK to the US is that they have committed a criminal offence (under the laws of both the UK and the US) which is serious enough to merit a custodial sentence of at least one year (under the laws of both countries).

Accordingly, any individual who has not personally committed such an offence should not be subject to extradition. Inappropriate conduct by others in the context of investments that are made should not mean that private equity managers have committed a relevant offence where they have no knowledge of (or involvement in) any of the wrongdoing and haven't deliberately turned a blind eye. However this obviously reinforces the need for appropriate due diligence and management controls over who you are doing business with and what they are doing, not only to protect your investments, but also to reduce further the risk of any wrongdoing or any suggestion that any managers were personally involved (or connived) in it.

If you would like to discuss this further, contact Charles Hewetson on [chewetson@reedsmith.com](mailto:chewetson@reedsmith.com) or +44 (0)20 3116 2976 or Patrick Beale on [pbeale@reedsmith.com](mailto:pbeale@reedsmith.com) or 44 (0)20 3116 2824.

## Team recognition

### Paris team recognised for private equity work

We are delighted that Marc Fredj, Isabelle MacElhone, Lucas d'Orgeval and Emmanuel Vergnaud from our Paris team have been recognised as leading practitioners in the market by French business magazines Magazine des Affaires and Deciders for their private equity and M&A work.



## Transaction highlights

### Recent deals across our platform

A Paris team led by partner Emmanuel Vergnaud recently closed several transactions for client OTC Asset Management including investments in Gaia Energies Nouvelles, a company specialising in solar water heaters, Legende Entities, a well known movie producer, and Exsel Bois, a structural building projects firm located in La Réunion.



A London team led by Philip Taylor and James Cross advised the recently launched Channel 4 Growth Fund on its inception and first four investments into TV production companies. The Growth Fund took minority stakes in Arrow Media, Lightbox, Popkorn and True North, supporting the growth and development of these British creative businesses. Channel 4 CEO, David Abrahams, announced the investments in his speech at the prestigious James MacTaggart Memorial Lecture and this year's Edinburgh International Television Festival.

## Upcoming networking evening

### London Oktoberfest private equity event – 30 October

The annual BVCA and Reed Smith private equity Oktoberfest networking event is taking place on Thursday 30 October from 6-10pm in our London office.



This popular event is attended by mix of BVCA member firms and Reed Smith contacts and we welcomed more than 80 industry professionals last year.

We would be delighted to have you join us for a relaxed evening of networking with fellow industry peers over German food, beer and wines. For further details please contact Nariah Goldring on [ngoldring@reedsmith.com](mailto:ngoldring@reedsmith.com). Please note that due to limited capacity there are only a small number of places for intermediaries and other non-investment professionals.

## New London seminar

### Navigating private equity transactions – 13 November

On 13 November, senior Reed Smith private equity and leveraged finance lawyers will lead a brand new seminar providing an overview of the legal aspects of private equity transactions in today's market.



Aimed at junior to mid-level investment professionals and those wanting to gain a better understanding of the legal elements of private equity transactions, the seminar includes an interactive case study that provides an insight into the equity, acquisition and debt finance elements of the private equity deal process.

The seminar will run from 9.00am - 12.30pm, following by a networking lunch.

If you would like to be added to the invite list for this seminar, please email [ngoldring@reedsmith.com](mailto:ngoldring@reedsmith.com).