The Deal.com features Jerry Silk on Limits of Hedge Fund Risk Disclosures

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The Deal.com featured BLB&G Partner Jerry Silk discussing the risks and limits of hedge fund investing in the midst of the latest in a series of corporate scandals and collapses, exemplified by the demise of once prominent brokerage firm, Refco Inc., and its hedge fund investors, Sphinx Ltd. and PlusFunds Group Inc.

In the article, "A Big Fat Mess: When Hedge Funds Fail", Mr. Silk maintains that there are limitations to hedge fund investing and that "a fund cannot simply put risk disclosures in a document and expect to be absolved of any and all liability." He also states that one cannot hide behind risk disclosures if there was prior knowledge of possible risk, and that general partners are obligated to give "full and accurate" information to LPs with regard to the value of a fund.

Mr. Silk is actively involved in the firm's prosecution of highly successful M&A litigation, representing shareholders in widely publicized lawsuits, including the litigation arising from the proposed acquisition of Caremark RX, Inc. by CVS Corporation - which led to an increase of approximately $3.5 billion in the consideration offered to shareholders. He has also played a major role in similar groundbreaking and precedent-setting results in deal cases such as the Chicago Mercantile Exchange's proposed merger with CBOT Holdings and the private equity buyout of Ceridian Corporation, among others.