

# Business Attorney Richard A. Kranitz comments on the emergence of sexual misconduct due diligence in acquisitions

*No longer looking just at financial information, prospective buyers are digging deeper into a company's overall health, including misconduct claims*

GRAFTON, WISCONSIN, UNITED STATES, October 28, 2018 /EINPresswire.com/ -- "With the increase of high-profile sexual misconduct cases against high ranking corporate officers, buyers are increasingly turning more attention to social due diligence and including the so called 'Weinstein Clause' in their offer terms", says veteran attorney [Richard A. Kranitz](#). The Weinstein Clause, a moniker originating from the widely publicized allegations against movie producer Harvey Weinstein, could refer to many different forms of a contractual clause ranging from escrowed funds against potential damaging claims arising after the sale to guarantees that there are no known claims of sexual misconduct against current high-level corporate executives. The increasing use of the Weinstein clause highlights the concerns that many buyers have of later revealed damaging information.

Such concerns are also increasing buyers' focus on social due diligence. No longer looking just at financial information, prospective buyers are digging deeper into a company's overall health, such as online reputation, social media presence, as well as potential outstanding misconduct claims or liabilities. Increased emphasis on responding to sexual misconducts against high level corporate executives is a growing trend in the business world. According to Temin & Co., a consulting group, corporations have drastically shortened the average time between report of alleged misconduct and dismissal from six weeks in mid-2017 to little over two weeks in mid-2018.

Richard Kranitz cautions that some, however, are skeptical as to the real-life impact of increased efforts to mitigate risk from corporate sexual misconduct. In an interview with the Washington Post, noted attorney Debra Katz welcomed the focus such efforts put on sexual misconducts, but was unsure whether it would have real life impact. Ms. Katz noted that high number of sexual misconduct cases go unreported. Furthermore, if the misconduct was perpetrated by an



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**Richard A. Kranitz**



**About Richard Kranitz**

As an attorney, I did corporate, securities and tax planning for corporations, partnerships, joint ventures, limited liability companies, multi-unit enterprises, and a variety of different non-profit entities. In addition, I counseled their owners and executives in compensation planning, estate plans, and asset protection. Early in my career I gained experience as a law clerk to a federal judge and in 10 years of corporate litigation. Besides extensive legal experience, I am experienced in various phases of business in many industries.

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**Attorney Profile Richard Kranitz**

executive at the highest level, efforts such as the Weinstein Clause may be unlikely to cause disclosure of information regarding the misconduct.

"Even if there are hurdles such as calculations of damages in enforcing such a clause, the attention on the issue of unknown sexual misconduct by the seller in corporate M&A shows the increased significance of such issue. It will take a multi-dimensional approach, including contractual clauses and deeper due diligence, to address the issue of unknown sexual misconduct in corporate acquisitions," [Mr. Kranitz](#) concludes.

The complete article will be published on the Blog of Richard Kranitz at <https://richardkranitzblog.blogspot.com/>

#### About Richard A. Kranitz

Richard Kranitz is an experienced attorney and business consultant in the areas of corporate, securities and tax planning for corporations, partnerships, joint ventures, limited liability companies, multi-unit enterprises, and a variety of different non-profit entities. In addition, he has counseled their owners and executives in compensation planning, estate plans, and asset protection.

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*Richard A. Kranitz, business attorney*

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The image shows a screenshot of the Advicoach website. At the top, it reads "Blog of Richard Kranitz, Attorney at Law, Wisconsin. <https://advicoach.com>". Below this, there is a blog post dated Monday, September 3, 2018, titled "Richard Kranitz, Attorney in Wisconsin: In dispute over international Business Consulting Services, reviewing a complex defamation suit brought in the Ontario Courts, the Canadian Supreme Court unanimously rules". The post includes a small photo of Richard A. Kranitz and a snippet of text: "In dispute over international Business Consulting Services, reviewing a complex defamation suit brought in the Ontario Courts, the Canadian Supreme Court unanimously rules that neither considerations of personal jurisdiction over some U.S. defendants nor the greater weight of factors appropriate for forum non conveniens analysis warrants dismissal of the Canadian action for trial in the courts of Illinois". To the right of the blog post is an "About Me" section with a photo of Richard Kranitz and a link to "View my complete profile". Below the blog post is a "Blog Archive" section showing "2018 (6)" and "September (4)".

Below the blog post is a section titled "Blog of Attorney Richard A Kranitz in Wisconsin". This section shows a browser window with the Advicoach website. The website has a navigation menu with "Business Coaching", "Resources", "Events", and "Our Story", and a "Talk With A Coach" button. Below the navigation is a large red banner with a photo of Richard Kranitz and the text "Meet the Coach Richard Kranitz". Below the banner is a short bio: "Prior to joining Advicoach, I worked for many years as a business attorney, primarily focused on counseling firms through all stages of growth from raw startup to public firms with hundreds of investors. I dealt with issues related to rapid growth, turn-arounds, venture capital and securities offerings, mergers, acquisitions, divestitures, turn-arounds and foreign operations. I served as a board member of companies in a wide range of industries as well as a number of tax exempt entities. Advicoach has given me an additional set of tools to aid entrepreneurs and managers to achieve their dreams."

Below the bio is the text "Profile of Richard A Kranitz on Advicoach".

#### References

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