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Broken-Deal Fees Put Alignment in Spotlight

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[Stephanie Pindyck Costantino](#)

Stephanie Pindyck Constantino, a partner with Troutman Pepper Locke, was quoted in the May 21, 2026, *Private Funds CFO* article, [“Broken-Deal Fees Put Alignment in Spotlight.”](#)

“There has to be both an incentive to proactively seek deals and to manage costs,” says Stephanie Pindyck-Costantino, partner at Troutman Pepper Locke. “Some LPs will look for broken-deal costs to be capped before being borne all or in part by the house. In addition, LPs may look for broken-deal costs to be returned as part of a hybrid waterfall if a GP originally suggested a deal-by-deal waterfall.”

“The costs around a GP-led or secondary transaction are heavily negotiated and, in some instances, can cause one or more potential investors to walk away from an otherwise desirable investment opportunity,” says Pindyck-Costantino.

“We document the cost sharing arrangements in as many scenarios as possible at the outset of the deal, the term sheet stage, if at all possible.”

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