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# For Private Equity, the New Year Rings in New Regulatory Pressures

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Barbara Sicalides, a partner in Troutman Pepper’s Antitrust Practice Group, was quoted in the January 4, 2024 *Middle Market Growth* article, “[For Private Equity, the New Year Rings in New Regulatory Pressures.](#)”

“There were a number of indications made by antitrust enforcement leadership warning that this was going to happen,” says Barbara Sicalides, a partner with Troutman Pepper, adding that the FTC issued a policy statement on unfair competition in November 2022. In June 2023, the FTC announced proposed revisions to its premerger notification rules, which would allow the FTC to look back at the add-on acquisitions made over a 10-year period (it had been a five-year period prior to the revision), and there is no longer a size threshold.

“It feels extreme. There are some Welsh Carson deals that only added three or five percent market share to the portfolio company. Based on the complaint and the new merger guidelines those small acquisitions can now be looked at and regulators can arguably attempt to go back to the formation of the platform company. The reasoning is there is concern when portfolio companies get so big in a single market. Companies can wind up having leverage with the payers. This could be an issue in the healthcare industry, but this rule is far reaching and not limited to healthcare,” says Sicalides.

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“As for the Welsh case, Welsh is fighting the complaint aggressively and their challenges to the lawsuit are reasonable,” notes says Sicalides. “Once we have a ruling from the court on Welsh Carson’s motion to dismiss we will have a better sense of the risks to all private equity firms. Either way, private equity will want to be more careful about the risks they expose themselves to as they choose which deals to do and as they document their deal rationale and business plans.”

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