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# The Ins and Outs of Due Diligence

Clean Energy Trust

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New York Partner Mike Malfettone and Chicago Partner [Kathleen Swan](#) co-authored an article with Clean Energy Trust focusing on best practices for startups navigating the due diligence process during an investment transaction. The authors discuss creating a data room to effectively share information with investors concerning legal, business and intellectual property matters.

“The effective use of a data room—a virtual ‘space’ used to store and share sensitive files—protects the Company from future liabilities by preventing claims that the Company misrepresented a situation or failed to provide important information to investors. All information provided by the Company should be indexed and retained in the data room, so when questions arise, the data room is the definitive source on which everyone can rely,” they write.

Malfettone and Swan go on to discuss methods for handling confidential and sensitive information. They highlight mistakes that entrepreneurs often make in the due diligence process, and ways to avoid those mistakes.

To read the full article, [click here](#).