

"Private Credit Valuations Under Pressure: Enforcement Trends, Litigation Risks and Mitigation Tactics," *Private Equity Law Report*

Publications

May 21, 2026

Partners Stephen Ascher and Charles Riely and Associate Shailee Diwanji Sharma co-authored an article for *Private Equity Law Report* examining the regulatory and litigation risks facing the private credit industry as valuation practices come under increasing scrutiny.

[Read More](#)

The authors detail how investor redemption pressures and heightened regulatory focus, including the Securities and Exchange Commission's (SEC) 2026 examination priorities, have put fund managers, boards, and valuation committees on notice. A key driver is the classification of private credit assets as Level 3 under fair value accounting standards, meaning valuations depend on subjective assumptions that can be challenged after the fact by regulators, investors, or opposing experts.

The article outlines categories of emerging civil litigation, from securities fraud class actions against publicly traded business development companies to breach of fiduciary duty claims and LP-GP disputes, and addresses the criminal dimension, noting that Jay Clayton, the former SEC chair now serving as US Attorney for the Southern District of New York, publicly warned that "sketchy marks" in private market valuations had drawn prosecutorial attention. Stephen, Charles, and Shailee offer steps fund managers, boards, and valuation committees can take to strengthen valuation governance, build contemporaneous documentation, and address redemption fairness obligations during periods of portfolio stress.

Related Attorneys



Stephen Ascher

Partner

sascher@jenner.com

+1 212 891 1670



Charles D. Riely

Partner

criely@jenner.com

+1 212 891 1686

Shailee Diwanji Sharma

Associate

SSharma@jenner.com

+1 212 407 1758

Related Locations

New York

© 2026 Jenner & Block LLP. Attorney Advertising. Jenner & Block LLP is an Illinois Limited Liability Partnership including professional corporations. This publication, presentation, or event is not intended to provide legal advice but to provide information on legal matters and/or firm news of interest to our clients and colleagues. Readers or attendees should seek specific legal advice before taking any action with respect to matters mentioned in this publication or at this event. The attorney responsible for this

communication is Brent E. Kidwell, Jenner & Block LLP, 353 N. Clark Street, Chicago, IL 60654-3456. Prior results do not guarantee a similar outcome. Jenner & Block London LLP, an affiliate of Jenner & Block LLP, is a limited liability partnership established under the laws of the State of Delaware, USA and is authorised and regulated by the Solicitors Regulation Authority with SRA number 615729. Information regarding the data we collect and the rights you have over your data can be found in our Privacy Notice. For further inquiries, please contact dataprotection@jenner.com.

Stay Informed

