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AI Deals, No Illusions: A Practical Red-Flag Guide for Buyers and Boards

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This article addresses the challenges in acquiring an artificial intelligence (AI) company, such as foundational model and full stack providers; vertical AI vendors (e.g., companies that specialize in AI for sectors such as finance, health care, or manufacturing); AI product companies (e.g., companies that integrate AI into user applications); and API wrappers or providers. The value of an AI company, and its acquisition, often turns on data provenance, intellectual property (IP) clarity, regulatory compliance, people risk, and governance hygiene. This article provides in-house counsel and executives with an in-depth summary to surface hidden liabilities before they become a problem for an acquisition or divestiture.

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