

University of Texas
Corporate Counsel Institute
Houston, Texas

**Preparing for an M&A Transaction: due diligence considerations,
engaging an investment bank and letter of intent matters**

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Moderator:

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Topics to be Covered

Preparing for an M&A event (20 mins) (Kelly)

Use of investment bank/key terms of engagement (25 mins)(Matt/Rob)

Certain key terms of LOI/NDA (15 mins) (Rob/Matt/Kelly)

Questions

Preparing for an M&A Event

Getting Organized – Transaction Structure

- Auction Process vs. Single-Buyer Transaction
- Advantages of the Auction Process
 - Competitive process with multiple buyers should result in higher sales price
 - Seller better controls process with a required timeline for all bidders
 - Expected in public company transactions
- Advantages of Single-Buyer Transaction
 - Typically, less expensive due to lower legal and banking fees
 - Can be much quicker since negotiating with a single company
 - Easier to maintain confidentiality

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Getting Organized – Establish your Deal Team

- Internal Deal Team
 - Smaller companies may only include members of the management team due to resource and confidentiality restrictions
 - Larger companies may have Corporate Development lead with assistance from representatives in each department (legal, finance, ops, HR, etc.)
 - Exclude sales and marketing

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