

EXERCISE

DUE DILIGENCE

Background

You've been assigned to a deal team representing SPI Components, a manufacturer of bike parts and accessories. SPI is being acquired in a stock deal by Tempo Cycles, a manufacturer of high-performance road bikes.

The partner tells you that SPI is a small business and their management team has never been involved in a major corporate transaction. Tempo's lawyers are about to start their diligence review so the partner has asked you to draft an email to the SPI team to give them a high-level overview of the diligence process, including the various things that Tempo is likely to be interested in reviewing.

Before writing the email, the partner would like to meet with you to hear your thoughts on what information the email should include.

Instructions

Consider the diligence process SPI is likely to face and come prepared to discuss your thoughts on what to include in your email to the SPI team.