

EXERCISE

LOAN CLOSINGS

Background

You represent a California based confectionary manufacturer, Venus Inc. You're helping Venus with a syndicated loan transaction. The purpose of the loan is to finance the acquisition of another confectionary manufacturer, and the principal amount of the loan is for slightly more than the negotiated purchase price. In connection with closing, Venus expects to make several payments, including to the sellers, certain members of the target's management team, and to several service providers.

The transaction is in its final stages, and most of the conditions precedent to closing have been satisfied. The lender representing the syndicate is based in New York, and they reached out to Venus to set a target closing date. Venus's General Counsel would like to discuss what a realistic target closing date could be, and what the closing process will look like.

Instructions

Come prepared to discuss the following:

- What are some factors to consider when selecting the target closing date?
- Who will likely be responsible for preparing and collecting signature pages to the transaction documents?
- What will happen with the signatures if the closing is delayed?
- What information will Venus need to include in the Borrowing Notice before the closing date?
- Would you expect a funds flow memorandum to be used in this deal? Why or why not?
- Should Venus Inc. expect to receive one wire or multiple wires in connection with closing?
- Which parties are likely to participate in the closing call? Why?