

EXERCISE

M&A CLOSINGS

Background

You've been assigned to a deal team representing Tempo Cycles in its acquisition of SPI Components and have been given the following information:

- The deal will be structured as an asset purchase for cash.
- The deal should sign and close on the same day (in about two weeks from now) but it's possible there will be a delayed closing with about a month between signing and closing.
- SPI Components is planning to enter into a major supply agreement with a new vendor in a few weeks.

The partner asks you to think about the ways a delayed closing would impact the purchase agreement and the closing.

Instructions

Come prepared to discuss at least two ways a delayed closing would impact each of the purchase agreement and the closing process.