

EXERCISE

SYNDICATED LOANS

Background

Your client is in the middle of negotiating a term sheet for a syndicated loan. They're planning on using the funds to acquire a competitor. The GC is new to the company and doesn't have a lot of experience with these types of loans. She's asked to have a call to discuss what's standard in the market regarding the following:

- The types of syndicated loans available and whether one type is better than the others for the company's purposes;
- The kinds of obligations they can expect to have during the syndication period;
- Whether they'll have veto power over the lenders that join the syndicate;
- How long the syndication period could last; and
- Whether they're responsible for communicating and coordinating with all the lenders once the loan closes and the syndication process is done.

Instructions

Come prepared to discuss the above.