

Overview: This course introduces participants to the specific terms typically negotiated in the context of an asset purchase. Using an actual asset purchase agreement, participants will (i) gain an understanding of the practical reasons behind various provisions, (ii) learn to recognize pro-buyer and pro-seller terms, (iii) observe how each provision connects to others in the agreement, and (iv) practice how to reflect diligence and other issues in the agreement. Particular focus will be given to assignment and change of control issues in asset purchases. Participants will practice negotiating specific terms in the agreement, with a focus on clarity and precision. Practice tips will include how to approach preparing the first draft of an agreement. While certain provisions will be discussed in more detail, the aim of this course is to give the participant a broad understanding of the transaction document as a whole so that he or she feels comfortable reviewing, drafting, and negotiating this type of document.

Objectives: Upon completion of this course, participants will be able to:

- Interpret LOIs and term sheets
- Demonstrate a broad understanding of APAs and comfort level reviewing an APA
- Draft and negotiate basic terms in an APA

Key Topics:

- Review of asset purchase characteristics
- Review of standard contract building blocks
- Key areas for negotiation:
 - Money – Price/Value protection
 - Deal protection/risk allocation devices:
 - Reps & Warranties
 - Covenants
 - Conditions
 - Standards:
 - Qualifiers
 - Carve-outs
- The interplay between deal protection mechanisms and remedies
- Discussion of simultaneous vs. delayed closing
- Drafting process:
 - Translating the term sheet and using precedent
 - Incorporating due diligence
 - Pro-seller vs. pro-buyer language

Supplemental Materials/Additional Resources:

- Sample APA
- Term sheet
- Various on-line document sources

Simulation Exercise: Drafting specific provisions of an APA using a term sheet, pro-buyer form precedent, and additional information received from the client.