

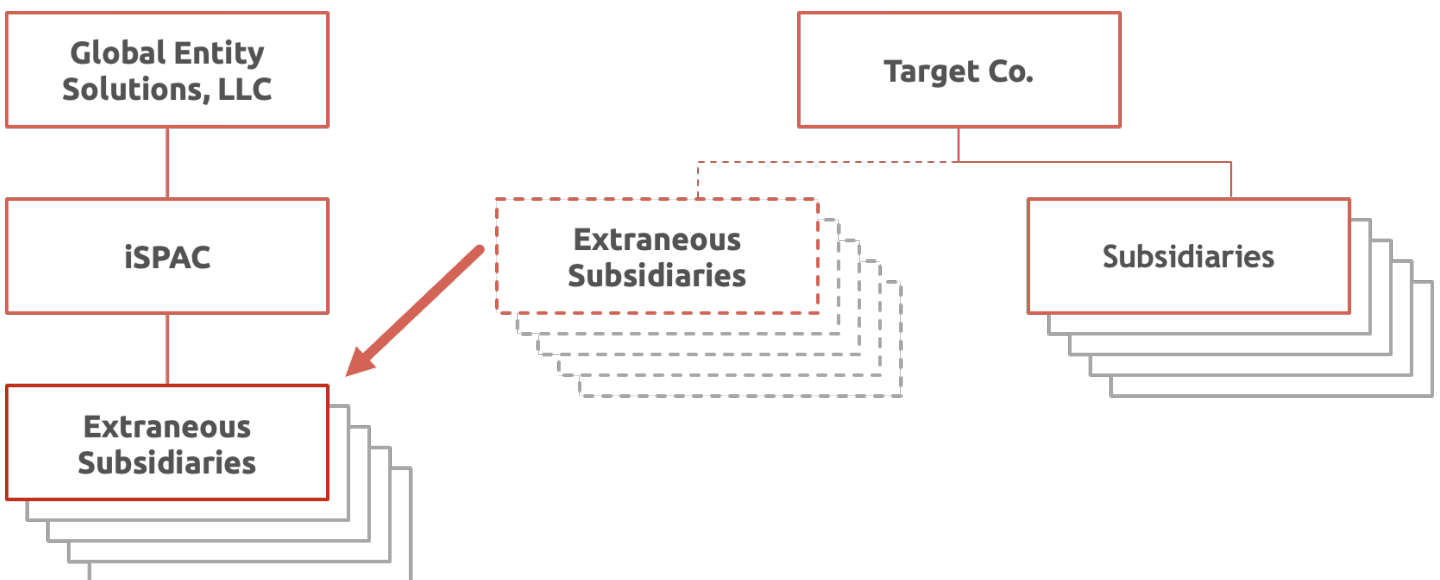
GLOBAL ENTITY SOLUTIONS

SIMPLIFY YOUR M&A TRANSACTION WITH THE IMPLODING SPAC

M&A often results in legal entities being acquired that are redundant or unnecessary from the perspective of the Acquirer. These unneeded legal entities lead to an increase in integration costs, additional overhead, increased risk, and a corporate structure that is more difficult to manage. The imploding SPAC (iSPAC) can be used to streamline your M&A transaction by eliminating costs and ensuring an efficient post acquisition structure that minimizes undue risk. In M&A it is certainly true that an ounce of prevention is worth a pound of cure when it comes to corporate structures. Don't make the costly mistake of integrating extraneous legal entities, dealing with them at the onset is the best course of action.

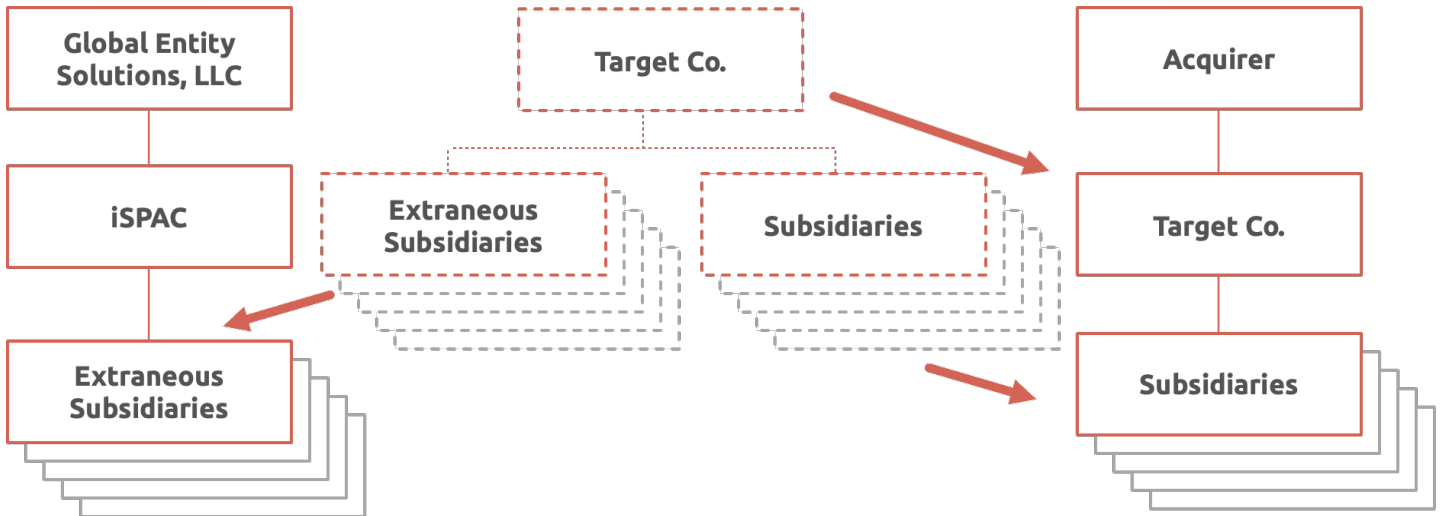
Use of the iSPAC Before M&A Transaction (M&A Transaction Closes after the transfer of Extraneous Subs)

The iSPAC can also increase the value of your transaction by shifting the costs to eliminate unneeded legal entities from Acquirer to Target. In many cases the Target will be in a better position to utilize expenses incurred pre transaction than the Acquirer will be post transaction. This may be because the Acquirer cannot deduct the expenses due to NOLs or other complicated tax rules, or there may be a rate differential that results in the Target getting more bang for the buck. In any case, careful planning coupled with the use of the iSPAC can increase the value of your M&A transaction.



Use of the iSPAC for M&A with Concurrent Close (Tripartite agreement is used to effectuate concurrent close)

In certain situations, both Target and Acquirer may recognize the value of the iSPAC to clean up the structure but it is not feasible to implement as a standalone step before the transaction closes. When this is the case, the iSPAC can be utilized via a tripartite agreement with either a "condition precedent" or "condition subsequent" clause in the Sales and Purchase Agreement. This allows flexibility to shift the shutdown costs as the parties see fit; and from a practical standpoint, the iSPAC is entered into concurrently with the close of the M&A transaction.



Use of the iSPAC Post M&A Transaction

(Target is acquired and extraneous subs are transferred post closing of M&A Transaction)

If the Acquirer does not wish to enter discussions with Target about extraneous legal entities the iSPAC can also be used post-closing.

