Rough Lawyer Notes — M&A DealDate: 23 May 2025Client: ABC Corp (Buyer)Target: XYZ LtdParties- Buyer: ABC Corp, Delaware Corp, CEO John Smith- Target: XYZ Ltd, incorporated in CA, main business: SaaS platform- Contact at target: Sarah Lee (COO)Deal type- Stock purchase, all shares acquired- Estimated price ~$50M, mix cash + equity from buyerTimeline- NDA signed 15 May- LOI expected by end of May- Due diligence 1 June - 30 June- Target close by mid-JulyConfidentiality- NDA has 2-year confidentiality term- Standard non-solicit of employees clause includedDue Diligence Needed- Financials: last 3 years (audited pls)- Material contracts: customers + vendors- IP: patents, licenses, software code ownership- Employment: key employee contracts, benefits- Pending lawsuits? None disclosed yet- Regulatory compliance: check for any pending notices- Tax records for last 5 years- Real estate leases: 2 offices, need copiesKey deal points to confirm- Purchase price adjustments on working capital- Earn-out possibility? Client unsure but wants option- Indemnity caps – client wants $5M cap, counterparty pushing for $2M- Closing conditions: financing approval, no material adverse change- Termination fee: 2% of deal value if buyer backs outRisks flagged- IP ownership clarity – some software developed by contractors, confirm assignment- Potential key employee departures post-close- No major lawsuits but check historical litigation filesClient instructions- Prioritize quick close (within 2 months)- Avoid lengthy indemnity battles- Keep escrow minimum if possibleNext steps- Draft LOI for client review by Friday- Request preliminary due diligence docs from target- Setup call with target legal counsel next week- Inform client on risk areas and update weeklyMiscellaneous- Discussed choice of governing law — likely Delaware- Arbitration clause to be included in final SPA