

Letters of Intent: The End of the Beginning - the Beginning of the End

By Michael J. Radin, Esq.

Tarlow Breed Hart & Rodgers, P.C. 101 Huntington Avenue, Suite 500 Boston, MA 02199

Telephone: (617) 218-2000 | Fax: (617) 261-7673

Email: mradin@tbhr-law.com



What they are – two levels

business functions

bridge between general discussions and formal agreements

Identify key understandings – e.g. deal pricing parameters

legal functions

basic description of transaction

outline of the processes ahead – due diligence, key assumptions

(e.g., key personnel, technology, contracts, customers, consents)

What they are not

not complete

representations warranties, disclosure schedules purchase price allocation indemnities

not intended to be binding (*except* specific sections specifically referenced)

Key Considerations

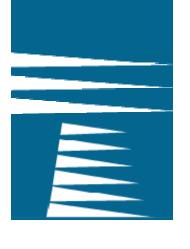
what parts are binding

confidentiality

closing conditions – mutually acceptable terms

Big Mac termination no shop clauses





Take aways

- Key issues should be identified
- Be thoughtful identify essential drivers
 - Key technology?
 - Key people?
 - Key customers?