

1. From LOI to SPA Transaction Roadmap

Course Scope and Objectives

- This course covers final M&A execution stages after negotiations conclude.
- You learn to convert commercial terms into "**binding legal documentation**".
- You master drafting, negotiating, and closing Stock Purchase Agreements.
- You understand managing the path from term sheets to deal closing.

The Transition Point in Your Transaction

- Your M&A deal reaches an inflection point: principles → legal obligations.
- You completed due diligence and agreed on core deal structure.
- Those agreements now sit in a signed "**term sheet**".
- Term sheets define price, payment mechanics, and key conditions.
- Most term sheets span roughly 5–10 pages.
- They set structure but stay non-binding, except exclusivity and confidentiality.

Converting Principles into Legal Documentation

- The next phase converts principles into a definitive purchase agreement.
- The "**Stock Purchase Agreement**" or APA becomes legally binding.
- These agreements usually run 150–300 pages.
- One term sheet bullet expands into multiple precise legal paragraphs.
- "**Working capital adjustments**" become a defined calculation methodology.
- You select locked box or completion accounts mechanisms.
- You define which balance sheet items count as working capital.
- You set normalized working capital using historical averages.
- You establish accounting policies for consistent measurement.
- You design dispute processes for final calculation disagreements.



1. From LOI to SPA Transaction Roadmap (Part 2)

💰 Building Payment Structures from Commercial Agreements

- The term sheet included earnout payments tied to future performance.
- You now build the full payment structure in the SPA.
- You specify exact formulas for performance metric calculations.
- You define measurement periods and extraordinary event adjustments.
- You assign calculation responsibility and dispute resolution procedures.
- You define consequences if business structure changes post-closing.

📄 Expanding Representations into Legal Provisions

- The term sheet stated seller representations and warranties.
- You now expand this into dozens of legal provisions.
- Each representation covers finance, tax, or IP ownership.
- You define scope using knowledge qualifiers and materiality thresholds.
- You create disclosure schedules listing all representation exceptions.

🛡️ Constructing Protection Mechanisms

- The term sheet outlined indemnification for representation breaches.
- You now construct the full "**indemnification architecture**".
- You define reimbursable losses and claim procedures.
- You set survival periods, caps, deductibles, and escrow structures.

🕒 Establishing Closing Conditions

- The agreement identified required pre-closing conditions.
- You translate these into enforceable conditions precedent.
- You list approvals, consents, and material adverse change clauses.
- This principles-to-provisions process takes 4–8 weeks.
- Your role ensures intent becomes "**binding legal obligations**".

🏗️ THE CONSTRUCTION PHASE: FROM CONCEPT TO CONTRACT

