M&A Transactions in Practice | AI Practice Guide

Read the agreement. Check what AI missed.

A cited explanation.
A moving deal diagram.
A partial read to catch.

Repeat the two original prompts from the 1:37 explanation. Map the transaction, inspect the ownership arithmetic and identify the provisions the model did not read.

WHAT YOU WILL DO

01 Explain the legal structure

Ask who merges into whom, who survives and what each share receives.

02 Draw three stages

Separate the signing picture, merger event and post-closing ownership.

03 Check coverage and calculations

Find the unread material and label AI-derived percentages clearly.

Public edition: original exercises 1 and 2 on pages 4 and 5. The next part of this Lab follows up on the unread material. This edition does not include the final transaction brief.

Historical January 2024 Synopsys-Ansys agreement. This is educational practice, not legal advice, a current forecast or a statement of actual closing ownership.

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Before you start

Use the original agreement

Start with the Agreement and Plan of Merger dated January 15, 2024, filed January 16 as Exhibit 2.1. Keep the document date visible. Add the historical proxy/prospectus if checking shareholder calculations. Do not substitute later closing terms into the original exercise.

Open the original SEC merger agreement

Keep the same project and chat

Add the source to project knowledge, ask the structural questions, then ask for the three-stage diagram in the same chat. Projects make sources available; availability does not prove every section was read. Product controls and plan features can change.

Check current Claude project guidance

Read coverage comes before reliance

The recorded answer disclosed about 262 of 407 KB read, with later provisions and Exhibit A definitions omitted. This is a limitation of that run, not a general file-size limit. Original exercise 1's introduction has been corrected in this edition so it does not imply a guaranteed full read.

Label the calculated percentages

The source diagram's approximate 83.6% / 16.4% split uses simplified share-count arithmetic, excluding equity awards and possible exchange-ratio changes. It is not a contractual percentage or actual closing ownership. Recalculate it before reuse.

Repeat, then stop at the same boundary

Page 4 retains exercise 1: explain with citations. Page 5 retains exercise 2: draw and inspect. References to exercise 3 in the source concern the next part of the Lab, which is not included here. Resolve unread material before claiming a complete agreement review.

1 Explain the structure with section references

A project keeps the agreement available for cited analysis. Verify what Claude actually read: the recorded first answer disclosed an incomplete read.

Use it when. The answer must come from a document you can open. Ask for the structural sequence and a section number for each claim, then check the cited text yourself.

STEPS

Open a new chat in the project containing the original agreement. Send the original prompt below and read the first lines of the answer before the detailed analysis.

ORIGINAL PROMPT

> Read the merger agreement in this project and explain the legal structure step by step: who merges into whom, which company survives, what each Ansys share receives, and who owns Ansys afterwards. Cite the section number for each point, and conclude whether this is legally a merger and economically an acquisition.

WHY THE PROMPT WORKS

Name the source. Points the request to the loaded agreement rather than general knowledge.

Fix the questions. Requires the merger direction, surviving entity, share consideration and ownership outcome.

Require section numbers. Gives you a route to open the supporting clause and compare its meaning.

Ask for a conclusion. Makes the legal form and economic acquisition claim explicit, so you can test both.

CHECK THE ANSWER

Open at least two cited clauses. For the original January 2024 signing terms, check the eligible-share consideration of $197.00 cash plus 0.3450 Synopsys share, subject to the agreement. Keep this separate from later closing terms.

CATCH THE PARTIAL READ

The recorded answer reported about 262 of 407 KB read and omitted later provisions and Exhibit A definitions. A complete-looking explanation can rest on a partial read. Record the missing material and follow up before wider reliance; exercise 3 is in the next part of this Lab.

MAKE IT YOURS

Replace the source and companies with your own case. Keep the four structural questions and citation rule. Ask what was not read and which numbers are the model's arithmetic. The diagram's estimated ownership split is not an agreement figure.

2 Draw the deal as a three-step diagram you can click through

Artifacts

An Artifact can also be a diagram you step through, which shows a sequence better than a paragraph. Here it draws the deal structure at three moments.

Use it when. Use an artifact when a sequence is easier to see than to read. The page shows the deal at three moments, with step buttons and Play, and the cash and share flows to the Ansys shareholders.

STEPS

1. Stay in the same chat and send the prompt. The diagram opens on the right.
2. Click through the three stages and read the labels on the arrows.

PROMPT

> Draw an animated structure diagram in three steps - before signing, at the effective time, and after closing - showing Synopsys, Merger Sub, Ansys and both shareholder groups. Label the cash and share consideration flowing to Ansys shareholders and the ownership percentages after closing.

WHY THIS PROMPT WORKS

"Draw an animated structure diagram in three steps"	Asks for a diagram you step through, which opens as an artifact beside the chat.
"before signing, at the effective time, and after closing"	Names the three moments, so each step shows one state of the deal.
"showing Synopsys, Merger Sub, Ansys and both shareholder groups"	Lists who must appear, reusing the structure Claude explained in exercise 1.
"Label the cash and share consideration flowing to Ansys shareholders and the ownership percentages after closing"	Asks for the numbers on the picture: $197.00 and 0.3450 Synopsys share per Ansys share, and the split after closing.

Check

The diagram has the three stages you asked for, each with labelled arrows, and the step buttons and Play work. The consideration should read $197.00 in cash plus 0.3450 Synopsys share per Ansys share. The ownership percentages (about 83.6% and 16.4%) are Claude's own arithmetic, not agreement figures, so compare them with the prospectus. If one label is wrong, ask Claude to fix that element only instead of redrawing everything.

ChatGPT

Ask for the same diagram in Canvas.

AI tip

Ask which numbers on the picture are Claude's own. It says the 83.6% and 16.4% are its arithmetic, not agreement figures: 86,917,171 Ansys shares x 0.3450 is about 30.0 million new Synopsys shares, against 152,521,036 Synopsys shares outstanding.

If it goes wrong

The split is not in the agreement. Claude excludes equity awards and any change to the Exchange Ratio under the 19.9999% cap (1.5(d)), and uses the share counts as of the dates in the representations, so the closing split would differ slightly. Compare the percentages with the prospectus, and ask Claude to fix a wrong label only.

Make it yours

Replace the companies and shareholder groups with your own deal, keep the three moments, and ask Claude to show the calculation behind every percentage.