

TENANT TIPS

June 2014

Let's make a **DEAL**



THE ABCS OF MERGERS & ACQUISITIONS

While no two M&A deal is the same, there are three core transaction structures. According to Dan Everingham at Everingham & Kerr, Inc., understanding the differences can often make or break a business.

STOCK PURCHASE

Buyer acquires a controlling majority or all of seller's voting shares therefore becoming owner of seller's assets and liabilities.

ASSET SALE

Buyer acquires most of the seller's assets via cash or shares and assumes all liabilities associated with those assets. The selling company legally exists after the sale but often operations wind down after the deal closes.

MERGER

Two distinct companies agree to legally become a new, combined entity. It starts when one party buys the other's shares or assets then either company is reconstituted or a fresh entity is created.

MAKING THE RIGHT DECISION

Deal structure negotiations can be challenging and choosing the right type is complicated by a number of competing legal, tax and other financial considerations. For example, a buyer preferring an asset sale may need to offer a higher price or other concessions to get a seller who wants a stock deal to play ball. That's why it's important to have experienced M&A advisors working with you. In the end, it often comes down to which party wants the deal more and is willing to compromise.

For more information or to schedule a consultation, contact Dan Everingham at 856.546.6655 or dre@everkerr.com.



Everingham & Kerr, Inc.

Merger & Acquisition Advisors focused
on the Lower Middle Market

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