

TOP 5 PLANNING CONSIDERATIONS FOR MERGERS AND ACQUISITIONS IN TODAY'S ECONOMY

Corporate & Securities Legal Experts Offer Companies Insight on Buying and Selling in the Recession

Timing is everything when it comes to the success of mergers and acquisitions—and now is the time to buy. While the current economic state is certainly dismal in numerous respects, it also presents unexpected opportunities for company growth and change. With plummeting sales, tightening budgets and increasing debt, many businesses are becoming desperate to shed their risk-laden assets. This has created a “push” to sell, providing stable companies with a myriad of options for purchasing new business that can help them weather the economic storm, and end up prime-positioned in the end.

“It’s a buyer’s market, no doubt. Companies across multiple industries are feeling the economic strain.

For many businesses, if an experienced buyer were to come along and offer to rescue their assets or acquire stock, they might sell for less than they normally would.”

— Joel Weinstein, partner, Rutter Hobbs & Davidoff Incorporated

Weinstein and other prominent attorneys

from the Corporate & Securities practice group at Century City-based Rutter Hobbs & Davidoff share the following top five practical considerations for any company considering a buyout or takeover:

o **Surveying the Marketplace & Carefully Bargaining** – The current marketplace is abounding with high-potential business opportunities. Businesses everywhere are in trouble, and by strategically watching the corporate landscape, a company can identify prospective transactions and develop strategies for gaining new assets.

o **Honing Your Company’s Long-Term Goal** – Companies need to be wary of “falling in love on the first date.” Rather than purchasing assets from the first potential target that comes along, a company must identify its long-term goals, and then conduct extensive preliminary research before committing to a transaction.

o **Lining Up Financing Ahead of Time** – Before acquiring another business, a company needs to take a hard look at its own financial stability and take steps to

secure any loans.

o **Considering the Target’s Company Culture** – In order to ensure continuity moving forward, it is important to evaluate a target company’s corporate culture and management style, and confirm that it employs similar practices.

o **Developing a Transition Plan** – When preparing for a merger or acquisition, it is imperative for a company to devise a transition plan. For example, computer software can fall apart if it cannot be integrated on a larger scale. Necessary measures must be taken to ensure a smooth crossover period.

About the Corporate & Securities Group

The Corporate & Securities group at Rutter Hobbs & Davidoff employs a comprehensive, practical approach in representing the best interests of privately held and publicly traded companies. The group’s proactive counsel combines extensive knowledge of the law with creative business solutions to drive successful outcomes. A full-service business model enables the reputable team

of attorneys to effectively represent clients in structuring and closing transactions and also serve outside general counsel. The group provides guidance and advice regarding the myriad details of corporate governance and business dealings, putting in place safeguards such as buy-sell and supply/distribution agreements to mitigate the possibility of future disputes. For more information, visit www.rutterhobbs.com/practiceareas/corporate-securities.asp.

About Rutter Hobbs & Davidoff

Century City-based law firm Rutter Hobbs & Davidoff represents clients in matters involving business disputes and litigation, real estate, intellectual property, labor and employment, corporate and securities, bankruptcy and corporate reorganization, estate planning and probate litigation. For more than one-third of a century, the firm’s experienced attorneys have represented middle market companies, early stage entities, large corporations and individuals. For more information, visit www.rutterhobbs.com.

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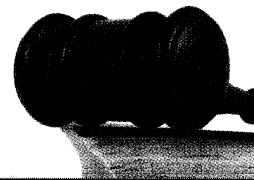
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