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Mergers, Acquisitions and Private Equity Investments

The market for the purchase and sale of companies is an active one. Pryor Cashman's Corporate Group represents both strategic and financial buyers and sellers in this arena. We serve both long-standing corporate clients and clients who have engaged us specifically for a pending deal. Our experience encompasses both public and private mergers, acquisitions and investments, representing foreign and domestic corporations, individual entrepreneurs, high net worth individuals and private equity funds.

Integral to providing good legal advice to buyers and sellers is a clear understanding of the economics and financial aspects of any deal. A private equity (financial) buyer may be concerned with the feasibility of a profitable exit strategy from day one, while a corporate (strategic) buyer may be more concerned with potential cost-savings and the problems of integrating the acquired business into its existing operations. Another common area of concern to both buyers and sellers is the tax consequences of a transaction. Sellers may prefer to sell equity rather than assets to avoid double taxation issues, while buyers want to buy assets to avoid assuming undisclosed or unwanted liabilities.

We also know that practicality is essential. Understanding the importance of meeting deadlines, we are committed to devoting the time and resources necessary to close deals on schedule.

Drawing on the knowledge and experience of various Pryor Cashman practice groups, we can analyze the range of business and legal issues that may arise in structuring and negotiating a transaction. For example, if there are complex capital structures to be worked out as part of the consideration or if a securities offering is involved, we can draw on the expertise of our securities lawyers.

Transnational acquisitions present special concerns. A frequently problematic area, for example, is the treatment of terminated employees in a cross-border asset acquisition. Many countries have laws which are far more protective of employee rights than those in the U.S. Also, if the target company represents a first investment by a buyer in a particular jurisdiction, the buyer may need to investigate the tax burden of operating in that jurisdiction (and possibly engage in some proactive tax planning).

Finding creative solutions to such complex issues may determine whether the economics of the transaction make sense to both parties. If we need assistance in finding such a solution or advice on international tax issues, we have access to Interlaw, a worldwide network of affiliated law firms, each offering expertise in commercial and transactional law in its particular jurisdiction.