The Seven Deadly Sins of M&A

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Background

Too often, technology companies seeking a profitable exit make the flawed assumption that the due diligence process resides solely in the hands of the buyer. This assumption can lead to fatal mistakes that can undermine value, slow the process, or even kill the deal. The truth is, as a selling company, you have an enormous opportunity to shorten due diligence timelines and maximize the value that the buyer assigns to your company. The trick is to avoid the Seven Deadly Sins of M&A:

1. Failure to Validate the Buyer
2. Failure to Prove Ownership of Intellectual Property
3. Ignoring Unresolved Litigation
4. Discrepancies in Financial, Accounting or Operational Planning
5. Failure to Validate Company Agreements
6. Unresolved HR and Employee Liabilities
7. Sloppy Corporate Governance

Addressing these common pitfalls well in advance of a buyer knocking at your door will ensure that your company is perceived as healthy, attractive and as risk-free as possible.

Be Prepared

Technology companies are generally bought, not sold. The largest buyers—companies like IBM, Oracle, Citrix, etc.—are looking at smaller companies on an ongoing basis in order to expand their portfolio.

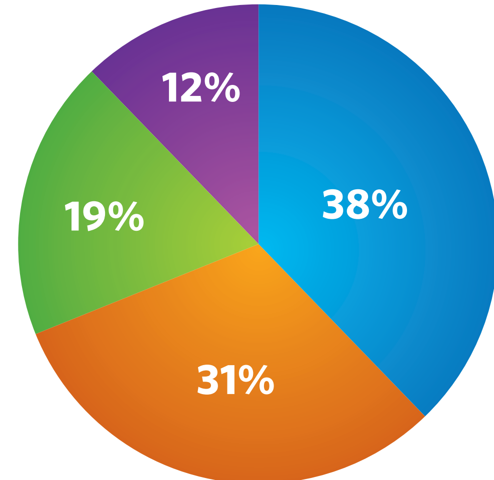
For the smaller company this has two important implications:

1. **You need to be prepared for the due diligence process now.**
2. **To do so, you need to view your company from the outside in.**

The accounting firm Price Waterhouse Coopers (PwC), one of the key accounting firms that does technology deals, conducted a survey of sellers in technology deals that demonstrates the importance of being prepared for the due diligence process. The chart at the right summarizes the responses to the question, **"What would have most favorably impacted your deal?"**

⇨ **Out of 452 respondents, thirty-eight percent replied that performing more seller due diligence or pre-sale prep would have been most beneficial to the deal outcome.** Thirty-one percent believed having more bidders at the table would have been most beneficial, while a fifth thought it would have been best to facilitate the due diligence process by providing more materials to the buyer. Finally, twelve percent thought they would have benefited by having audited financial statements available before the due diligence process began.

What Would Have Most Favorably Impacted Your Deal?



- Performing more sell-side due diligence or pre-sale prep
- Having more bidders at the table
- Providing more detailed information to buyer for their due diligence
- Having audited financial statements available before the sale

Source: 2011 PwC Poll—452 Votes Received

Why Should You Care About the Seven Deadly Sins? Here are the harsh realities:

- **Buyers back away from fifty percent of tech deals at some point during the due diligence process.**
- **The purchase price in eighty-five percent of deals is lower at close than what was specified in the term sheet.**
- **In sixty-seven percent of tech deals there are adjustments in the post-closing purchase price, typically coming out of the escrow account.**

These statistics emphasize the seriousness of avoiding potential M&A pitfalls well in advance of the deal process. Viewing your company from an external prospective and addressing potential buyer concerns in advance will not only make a buyer much more probable to pay the price that was agreed to in the term sheet, but will also make the deal move faster. Remember, during the due diligence process, time is not your friend. The longer the diligence process stretches out the higher the probability that concerns will arise and purchase price adjustments will occur.

Understanding Buyer Due Diligence. Typically large tech buyers such as IBM, Cisco, EMC, Hewlett Packard, Google and Microsoft will send a team into your organization of twenty to thirty, or even fifty people. Foreign buyers are often even more thorough. Sometimes these buyer SWAT teams can be larger than the companies they're buying.

The SWAT team will descend upon your company and look at every aspect of your business, all while you're trying to conduct business as usual. If you're unprepared you'll find yourself scrambling to meet the buyer's due diligence requests and this can adversely affect your business processes at precisely the time when you need to look your

best. Remember, these due diligence teams are very good at what they do and are battle tested; in some cases they've done over one hundred M&A deals. They know exactly what to look for, so expect them to expose any problems that will adversely affect deal value. Being prepared is your best resource. Put yourself in the shoes of the buyer. What will they be looking for? Assessing the health and hygiene of your company yourself and addressing concerns long before the buyer arrives is the best way to accelerate the due diligence process and maximize value.

Deadly Sin 1: Failure to Validate Value to the Buyer.

validate value

Of all the deadly sins, this is the most important. Can you provide the evidence to support the buyer's business case to purchase your company?

In all M&A deals there will be a sponsor at the buying company whose job is to create a business case for buying your company. If you don't understand that business case, and if you can't assist that internal sponsor in developing that case and presenting it to their support team, then the deal will likely never get off the ground.

⇨ **It is crucial that you understand your company's value in the hands of a potential buyer.** Why should they buy you? What are the synergies your company will bring to theirs? What are counter-arguments to the reasons the buyer may not think you're a good fit? Once you understand the value that you're bringing to the table, make sure that your team is in agreement concerning that value and that they are able to help the buyer articulate that value. You will need to develop an internal advocate for the deal at the buyer.

intellectual property

Deadly Sin 2: Failure to Prove Ownership of Intellectual Property.

Often company executives are not aware of what's in their code base, what they own, what they don't own, what they have rights to transfer or not transfer, or what third-party technologies they are utilizing. Not having a firm grasp of your intellectual property can have serious ramifications on deal timing and deal success. You need to know the details of your IP agreements before you are asked, and they need to hang together. Most top technology acquirers will demand an audit of your code base to determine that you own everything in it and that you have the right to transfer it.

- **Can you provide evidence that you own your IP?**
- **Do you have patents?**
- **Do you have trademarks?**
- **Do you know what third-party technologies are being used in your products?**
- **Are there any lawsuits relating to your intellectual property?**
- **Are there any known or assumed infringements?**
- **Do you have any intellectual property that is currently in dispute?**

There are software products—one is called Black Duck, another is called Palamida—which allow you to search your code in order to find out if someone else's code is in your code. It's worth doing. If the buyer finds that you are infringing on someone else's code you will be required to license that code in order to sell your product. This can take months or quarters to rectify, paralyzing deal progress and significantly compromising deal value.

IP risks can often be avoided through the use of Proprietary Information Agreements with all employees and consultants, and through limitation of key representations to actual knowledge.

Deadly Sin 3: Ignoring Unresolved Litigation.

resolve litigation

Are there potential lawsuits or litigation that could surface during due diligence or after the deal is announced? It's not uncommon for the due diligence process to reveal litigation exposure that the owners of the selling company were not even aware existed.

These exposures could relate to IP, customers, former or current employees or even company practices that are no longer in use. Don't fool yourself: If your company is facing any real or potential lawsuits they will be exposed during the due diligence process.

Unresolved litigation will reduce deal value at close or from escrow and should be dealt with well before a buyer shows interest.

⇨ **Once the due diligence process has started, unresolved litigation is much more difficult and costly to address and will delay and potentially kill a deal.** Review unresolved and potential litigation with an attorney, put the relevant documents into your data room, and resolve issues before they become factors in whether or not your company looks attractive to a buyer.

Deadly Sin 4: Discrepancies in Financial, Accounting or Operational Planning.

finances

Can your company face the scrutiny of a public company audit? Many small companies can't. If your company is acquired by a public company your company will be subjected to a public company audit. Any unidentified exposure in revenue recognition, booking, or deferred revenue practices will directly reduce your deal value at least dollar for dollar. **Are your forecasts credible and consistent? Do you have any taxation issues? Do you follow GAAP accounting?** If you can't credibly present your financial picture to a potential buyer you throw your credibility into question, at best delaying a deal, at worst killing it.

Accurate financial statements are central to determining value in a transaction. Buyers are expert at smoking out inaccuracies in your forecasts or reported financials and they'll take that out pound by pound from your transaction value. ⇨ **If your company has not had a recent audit, or ever had one, it's probably time to do it.**

Do you have public company Rev Rec/Bookings/Deferred Revenue practices? Are your forecasts credible? Are they consistent? Can you prove your pipeline? Have you identified exposures in advance and are they transparent to the buyer? What kind of cash flow will you have at closing? What does your balance sheet look like? Are you in good standing?

Here are a few additional accounting questions to ask:

- When was your last audit? Who did it? Any prior audits?
- Have you ever had to restate your financial statements?
- Are there any foreign entities or consolidations?
- Any one-time charges or restructuring charges?
- What are your intangible assets?
- Have you ever acquired another company or entity?
- Do you account for non-cash expenses for options & warrants per FASB 123?
- Can you detail your Revenue Recognition policy (conservative or liberal)?
- Have you changed how you recognize revenue over the last few years?
- How has VSOE been established?
- Is your pricing policy consistent in your customer agreements?
- Are your auditors involved in your revenue recognition decisions?
- Do you report bookings and backlog separate from deferred revenue? Do you reconcile these accounts?
- In how many states have you filed income tax returns? Have you ever been audited by the IRS, state or city?
- In how many states do you file sales and property tax returns? Are you current?

- Do you have any sales tax nexus issues? Who makes your sales tax nexus decisions?
- Who does your payroll tax returns and filings? For which states? Are they current? Have you ever been audited?
- Have you ever had to get a Good Standing certificate from a state? When was the last time? Could you get them now in all states where you do business?
- How accurate are your fixed assets and equipment records? Do you write off old, obsolete or unused equipment?
- Do you have any old accounts receivables or payables? Can you detail your write-off history?
- What types of liabilities are not included on your balance sheet? Do you include all royalties, leases, warranties, taxes, commissions, and settlements of potential claims?
- Can you explain all your insurance coverages (D&O, E&O, Property, Liability, etc.)?
- Can you detail your equipment and office leases? Any special terms? Are any of your leases not at market rates?
- Do you have any venture debt or bank debt agreements?
- Can you explain the financial covenants, collateral, term, pre-payment penalties, Change in Control provisions, MAC clauses and any other special terms?
- Are you in compliance with your debt agreement terms and conditions?
- Is your Operating Plan different from your Board Plan, or the plan you will show the buyer? Can you explain the differences?
- Can you provide a performance-to-plan waterfall showing how you have performed in prior years compared to your current plan?
- How many months do you forecast cash, and how reliable is your 90-120 day cash forecast?

Deadly Sin 5: Failure to Validate Company Agreements.

agreement inventory

One of the frightening realizations you may experience when attempting to sell a company is that buyers will require you to produce all of your company agreements entered into from the very first day you started doing business.

These could be vendor agreements, customer agreements, employee agreements, or any other type of agreement you've entered into. The buyer will be interested to see if these agreements are all signed and that you're not in default or out of compliance with any of them.

It's important to take a complete inventory of these agreements and ensure that nothing is missing, incomplete or inaccurate. ⇨ **In particular, buyers will be looking for any nonstandard terms and conditions, such as exclusivity, or source code escrows, unusual support or product obligations, termination rights, or the non-assignment or cancellation of a contract.** If there's value associated with a contract and it's not transferable, that will be of interest to the buyer and potentially reduce the value of the deal. If an assignment is in question and you have to go back and get consent, it will cause delays in the transaction and reflect poorly on your company's credibility.

Inventory your company agreements now, identify any nonstandard terms, make sure they're all accounted for and signed. Upload them to a virtual data room so they're immediately accessible when a buyer wants to see them.

human resources

Deadly Sin 6: Unresolved HR and Employee Liabilities.

Do you know who your key employees are? Will they stay? Key employees are typically central to the deal and the announcement that a key employee is leaving may impact deal value.

If key employees leave after the deal is completed it can reduce escrow or their own individual holdbacks. This discussion should take place well before the diligence team gets to your site.

Ensure that all your employee records and contracts are in order, current, signed and organized in a virtual data room for review. ⇨ **It's of particular importance to ensure that proprietary rights agreements are current and in order.** If there are proprietary rights agreements that apply to ex-employees and they are not current or in order, tracking down those ex-employees in the midst of the due diligence process can be a nightmare.

In many cases ex-employees come back during this period and ask for pay-offs, even though you thought their employment or founder issues had been resolved.

A buyer will also be interested in knowing the answers to the following questions:

- **Are there any change of control terms (stock accelerations, severances, or bonuses), and have they been disclosed?**
- **Are your contractors really "contractors" or will the buyer assume, based on their employment practices, that they are really employees?**
- **Have you kept up best practices for employee reviews, performance improvement, bonuses and termination? If not, there's a potential for litigation. It's amazing how many employee disputes will arise during the deal process.**
- **Do you have any 409A tax exposures in your option grants?**

In addition, ensure that all your current and ex-employee and shareholder addresses are up to date. Nothing is more frustrating than delaying a deal because you can't locate an ex-employee to get their signature on a consent or document that should have been signed years ago.

Deadly Sin 7: Sloppy Corporate Governance.

policies & procedures

When scrutinizing your company a buyer will want to know how your company's processes, customs, policies, laws and institutions impact how it is controlled.

They'll want to know the nature and extent of the accountability of the participants in the business as well as the relationships among the stakeholders and the goals by which the company is governed. Be prepared to answer these types of questions:

- **Have all of your company's securities and stock issuances been properly issued and authorized?**
- **Are board meeting minutes up-to-date, signed and available for review?**
- **Are management, investors and the board of directors in agreement on distribution of proceeds?**
- **Are all critical corporate documents in your virtual data room?**

When corporate governance policies are incomplete or sloppy it causes delays in the due diligence process and is costly to tidy up. ⇨ **Do it ahead of time.** Make sure everything is complete, organized and available for review in a virtual data room.

Buyers will also be interested in whether management, investors and the board of directors are in agreement on how the distribution of proceeds will occur. In many cases the buyer puts an offer on the table and there is an argument or disagreement between the management, investors and board on how the distribution will take place. The buyer only uses this scenario to reduce the value of the deal and increase the size of the escrow account.

Understanding Capital Structure. Not having a firm handle on your capitalization structure and what the payouts are to employees, investors, founders and debt holders is a liability. When a company buys your company they're typically buying all your employees and normally employee options will accelerate or vest. The two most common ways are a single trigger and a double trigger.

Single trigger generally means that upon acquisition or change of control, the employee will vest all remaining stock. **Double trigger**, which is more common for founders and executives, generally means that upon acquisition the employee will vest all remaining stock only after termination or demotion. The double trigger is much more valuable to an acquiring company as it helps retain employees.

Understanding Escrow Coverage.

Typically a buyer will ask for ten to thirty percent of the total purchase price to go into an escrow account. That escrow account will typically be set up for one to three years. If it's a three-year account it will typically be released in annual installments. This allows the buyer to come back and make claims against that account to compensate for undisclosed liabilities or liabilities that arise post closing. ⇨ **To prevent claims against escrow it's important to come up with a very specific and detailed disclosure document, which discloses anything that could negatively affect value and protects sellers from future legal action or claims against escrow.**

Most agreements provide for a Disclosure Schedule to provide these protective disclosures.

Indemnification Baskets.

Often the escrow account will be set up with an indemnification arrangement. If a buyer suffers loss due to a breach of representation the seller will be required to provide relief. Typically, the indemnification arrangement will include minimum indemnification thresholds and limitations customarily referred to as baskets and caps. The cap refers to the maximum amount of remuneration a buyer can receive for losses caused by a seller representation breach.

Baskets work in two ways. A basket can be structured to either mimic an insurance deductible or as a tipping basket. If structured like an insurance deductible, the buyer is only entitled to receive the amount of loss in excess of the threshold. For example, if the basket were $250,000 and the buyer's claim were $350,000, the buyer would receive $100,000 from the seller.

The second type of basket is a tipping basket. This structure provides that once the threshold of the basket is reached, it "tips" over and the entire liability becomes subject to remuneration by the seller. Using the example above, the buyer would receive the full $350,000.

Conclusion

Today's buyers are ruthless when it comes to due diligence, so it's imperative when entering into a potential transaction to be organized, thorough, and to ensure that nothing the buyer might be interested in seeing is inaccurate or missing.

Start by putting yourself in the shoes of the buyer and do an honest transaction-readiness assessment of your company. Are there any glaring red flags? Would you be impressed if you were the buyer? These assessments will consist of several hundred questions and will expose any problem areas that need to be addressed.

Secondly, know a potential buyer's business case and be prepared to articulate exactly how your business will add value to theirs. Set up a virtual data room right away so that it can be activated quickly when a potential buyer shows interest. Being prepared can make the difference between a good deal and a great deal, or even a deal that goes through versus one that dies. **Don't wait. Your company should always operate as if a buyer is right around the corner.**

Centaur Partners, along with investment banking, offers transaction readiness services, and will assist you in understanding what issues exist, and how to mitigate them. Morgan Lewis provides legal audits and can work closely with Centaur Partners to craft solutions to identified concerns.

Question and Answer with David Stastny of Centaur Partners and Tom Kellerman of Morgan Lewis

Q: What is the typical state of a company's contracts when they need to find and review them for problems or liabilities? How long does this contract review process typically delay the due diligence process?

David: The answer to that question can be as varied as the companies we deal with. Usually smaller companies that have many, many contracts are in the worst shape because they don't have the resources needed to organize and screen their contracts. We've been in companies that have twenty total employees but may have a thousand contracts. Typically in these cases a buyer will sample twenty-five to thirty of those contracts. If discrepancies or irregularities are found they'll do a deep dive, which could slow the deal down for months. Larger companies are typically in better shape. They may only have a few big customers, they'll have a CFO, and in many cases they'll have a VP of Legal. That scenario typically results in the quickest turnarounds. So, the contract review process can really take place in a couple of days or it can slow a deal down by months or quarters.

Tom: Emerging companies on limited budgets often place records management on a low priority. Often they cannot locate the final signed copy of important contracts, which can cause significant delays in the due diligence process. More concerning, occasionally the third party has a signed copy that includes problematic provisions that the target company had forgotten about, which can derail a deal entirely. Starting early to collect the final signed versions of the important contracts can avoid unhappy surprises.

Q: For a small selling company will buyers accept less than a full formal financial audit or is review by an independent accounting firm sufficient?

David: If a public company is buying a private company, which is the most

common scenario, they will not integrate the financials of a private company without a full audit. What they're avoiding is tainting their financials and having to restate them to their public shareholders. So, if you can't get an audit or don't have an audit the most probable way they're going to buy your team is as an asset sale. They will come in and they will tell you what they're buying. And usually it comes down to people and their employment contracts, the code, the IP, customers and accounts receivable. That's bad for the seller because what they're leaving you with is your liabilities. They're leaving you the liabilities of former employees; they're leaving you the liabilities of your debt. So, no, a public company won't typically buy a private company unless you have a full financial audit.

Tom: If the buyer is sufficiently larger than the seller, the buyer may accept unaudited financials if the historical financials for the past two years are "auditable". This does not automatically occur. Financial statements are unlikely to be auditable unless the company's independent accountant reviews them at the time and agrees that there is sufficient information available to perform an audit at a later date. Often this is far less expensive than obtaining a full audit at the end of each year.

Q: What is the best strategy for staging information access during the buyer due diligence review process?

David: Typically, we give our sellers a comprehensive list of what should go into the data room. This information is then tiered for the appropriate audiences. Anything that's not particularly proprietary is designated as Level One. Level One access is granted to anyone who shows interest in being a buyer. Level Two documents have some degree of sensitivity. Normally before a buyer is granted access to Level Two documents they will have to have signed an NDA or potentially get far enough along in the process to have signed a term sheet. Level Three documents are the most sensitive and include documents addressing ownership structure, any special deals with employees, or anything that might harm the company if it got out to the public. Access to Level Three documents is normally only granted to buyers who have not only signed an NDA, but have also

gotten to the point where they have shown a very high level of interest. Typically they'll be hundreds or thousands of documents in the data room, but only a very small percentage will be at that Level Three tier of security.

Tom: On occasion the best potential buyer is a direct competitor that wants to do a "deep dive" on highly confidential technical data and designs. In such an instance, the seller may need to insist that an independent party perform a technical review under a NDA and report back to the buyer on their conclusions without disclosing confidential information to the buyer. Such an arrangement requires planning and is best identified in the Letter of Intent.

Q: What can be done to avoid IP problems in the sales process?

Tom: Often obtaining intellectual property rights is the primary reason for the buyer to complete the acquisition. As a result, it is imperative for the seller to know what it has and what it does not have. Most of the time, buyers will accept that the IP portfolio is incomplete so long as the seller knows what it has and can clearly articulate its value. Buyers often are unwilling to buy into a problem or back out when it turns out that the IP portfolio is less than was represented.

Sellers need to know what they own, what they have licenses to use, and what IP rights they have licensed to third parties. Sellers need to be able to clearly articulate their complete portfolio and IP strategy and keep their story straight and unchanged from the start of the process.

Q: What are typical fees for investment banks for M&A? A monthly retainer plus tiered success fees?

David: A typical structure is a monthly retainer, which can vary greatly depending on the scope of work involved, but the range might be around ten to thirty thousand dollars per month. Normally the success fee starts with a minimum fee. This is a base fee paid to the bank regardless of the company's eventual sale price. Then, as higher levels of enterprise value are attained, the fees go up in order to appropriately compensate the investment bank.

Q: What problems typically arise in the due diligence process?

Tom: Most problems that arise after due diligence is underway relate to surprises. Sometimes it is discovered that the seller's technology platform relies upon a fundamental patent licensed from a university, which turns out to be non-exclusive or limited in important ways. Exclusive marketing rights granted to early companies can suddenly come to the surface. Often the seller's capitalization table and rights are unclear and not fully documented. Unexpected disagreements with founders no longer involved in the company can destroy a deal. Key employees who are fully vested and actively seeking new employment can scare off a buyer.

Q: Given the consolidation of large companies and fewer buyers today is there a growing market of mid-size companies looking to acquire?

David: Yes, there are. There is a much larger group of mid-size public and mid-size private companies that are now moving into the market as buyers. We're finding that many technology companies are waiting longer to go public and are raising rallies of capital that are like public offerings, but from the private market. One example: There was a private company with fairly small revenue that recently did a round of financing and raised 900 million dollars from Intel Capital at a 4 billion dollar pre-money valuation. That group could continue to do M&A deals for the next ten years without having to go public. Compared to five years ago, many, many private companies are getting very large rounds of funding and are moving into the buyer's market.

Q: What steps can a seller take to streamline the sales process?

Tom: Advance preparation can make all the difference. Know your own story completely before the buyer asks. If at all possible, first fill in the gaps, get all important documents signed, get the patent filings up to date, clarify the capitalization table, and resolve any outstanding disputes with customers, vendors or shareholders before talking to the buyer.

Q: What's the most common reason that diligence fails?

David: The first deadly sin. The champion within the buying company wants to buy your company, but when the team comes in they can't validate your customers, your pipeline, your synergies, your code and your business plan. It's unfortunate, but often when a smaller company's senior staff is put under pressure they don't give the same responses to key questions. The buyer's team will come in and talk to one senior executive and ask what the forecast is, then they'll have an independent meeting with a second senior executive and an independent meeting with a third senior executive and they'll get three different answers. Normally when that happens, diligence falls apart. It's imperative to the buyer that they validate the business case. If they can't validate the business case the other six deadly sins really don't matter.

About David Stastny

David is a Managing Director and the Founder of Centaur Partners, LLC, a rapidly growing, premier M&A investment banking boutique. The Centaur senior team has completed $5 billion of M&A and $1 billion in private placements during their financial advisory careers. Their partner, Dresner Partners, maintains offices in Chicago and New York. They provide financial advisory services to middle market companies throughout the world, including institutional private placements of debt and equity, merger and acquisitions advisory, financial restructuring and valuations. Centaur and Dresner have combined their focus on mergers and acquisitions and private fund raising transactions to expand distribution to their clients.

From 1999 through 2010, Mr. Stastny was senior managing member of both the Osprey and GKM Ventures family of funds where his team completed investments in over 30 technology companies. In the ten years prior to his venture capital fund, Mr. Stastny held senior investment banking positions at Soundview Financial Group (sold to WIT Capital), Oppenheimer and Co. (sold to CIBC World Markets) and Robertson Stephens & Co. (sold to Bank of America and then Fleetbank). Mr. Stastny has also been the lead and/or senior banker on many premier technology IPOs, follow-on offerings, buy and sellside M&A advisory, hostile takeover defense, private placements, spinouts and restructurings.

About Tom Kellerman

Tom Kellerman is a partner in Morgan Lewis's Silicon Valley office and is the leader of the firm's Northern California Corporate and Business Transactions Practice. He concentrates his practice on advising companies, investment banks, and venture capital funds focused on public offerings and private finance transactions, 1934 Act reporting obligations, mergers and acquisitions, and corporate governance matters within the technology industry.

Mr. Kellerman has experience in equity public offerings, venture capital and other private equity transactions, and securities compliance and corporate governance advice. He has represented issuers and underwriters in more than 75 public offerings and advised on more than 100 venture capital and

other private placement transactions. Mr. Kellerman practiced for four years in London and has a particular expertise in cross-border transactions for technology companies.

He also frequently speaks and writes on topics related to his practice expertise Mr. Kellerman teaches at the Director Education and Certification Program of the UCLA Anderson School of Business, and regularly speaks on corporate governance, securities, and finance issues.

Mr. Kellerman is admitted to practice in California.

About Morgan Lewis

Morgan Lewis provides comprehensive litigation, merger and acquisition, finance & restructuring, regulatory, intellectual property, and employment and benefits legal services to corporate clients in many industries and markets. We craft and execute business- and industry-specific strategies that address the full scope of our clients' challenges and opportunities in the courtroom, in the boardroom, within the workforce, and in government and policy matters.

Founded in 1873, Morgan Lewis offers 725 partners and nearly 2,000 lawyers as well as scores of patent agents, benefits advisers, regulatory scientists, and other specialists—in 28 offices across North America, Europe, Asia, and the Middle East.

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About Centaur Partners

Centaur Partners provides strategic merger and acquisition advisory and management consulting services to high technology companies, and is associated with Dresner Partners. The Centaur team has completed transactions for or consulted hundreds of public and private clients in Software as a Service (SAAS) and Cloud, IT Security and Infrastructure, Big Data Analytics, Internet, Mobile and Digital Media.

- More than $5 billion in M&A
- Over $1 billion in private capital raises
- Over $2 billion in public financing

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About Dresner Partners

Dresner Partners is a FINRA-registered, middle-market investment bank headquartered in Chicago, Illinois with offices in New York City, Palo Alto, California, and Richmond, Virginia. Founded in 1991, Dresner Partners provides financial advisory services to middle market companies throughout the world, including institutional private placements of debt and equity, merger and acquisitions advisory, financial restructuring & corporate turnarounds, valuations and strategic consulting services. Dresner Partners is also a member of IMAP, an exclusive global organization of leading merger and acquisition advisory firms. An affiliated company, Dresner Corporate Services, is a strategic communications firm specializing in public and investor relations.

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