

Memorandum of Understanding

This is a non-binding agreement between two or more parties outlining the terms and details of an understanding, including each parties' requirements and responsibilities.

MBO, MBI, LBO

These are types of buyouts: Management Buyout (MBO) is when a company's management team purchases the assets and operations of the business; Management Buy-In (MBI) is when an outside management team buys in; Leveraged Buyout (LBO) is when a company is purchased with a significant amount of borrowed money.

Long Stop Date

This is a deadline by which all conditions of a transaction must be fulfilled, otherwise the transaction may be terminated.

Letter of Intent (LOI)

This is a document outlining the preliminary terms of a deal between two parties.

Information Request List

This is a list of information that a buyer requests from a seller during the due diligence process of an M&A transaction.

Information Memorandum

This is a document provided by the seller of a business to potential buyers, containing detailed information about the business and the terms of sale.

Financial Fact Book, Vendor Financial Due Diligence Report

These are documents prepared to provide detailed financial information about a company to potential buyers.

Deadlock

This is a situation in which decision-making has come to a standstill due to the inability of the parties to agree.

Closing Conditions

These are conditions that must be met for a transaction to close.

Closing Accounts, Locked Box Mechanism and Leakage

These are various mechanisms used to determine the final purchase price in an M&A transaction.