

MERGERS AND ACQUISITIONS

To help meet shippers' accelerating demands for quality, reliability, safety, and advanced technology, motor carriers are increasingly looking for ways to expand and become more efficient. Often this means taking part in an acquisition, merger, or joint venture. The Scopelitis firm carries on a national law practice involving all aspects of trucking transactions - including finding partners, structuring and negotiating deals, and providing legal advice to buyers and sellers on related antitrust, transportation regulation, tax, and employment issues. Also, our efforts on behalf of e-transportation and logistics clients positions us to help negotiate and advise on mergers and acquisitions in that fast-developing marketplace as well.

Finding Buyers and Sellers. Drawing on a network of over 4,000 trucking-related clients and many other industry contacts, we have helped numerous buyers and sellers locate merger and acquisition partners.

- We first obtain details from company executives on the kind of deal-partner the company is seeking -- for example, industry segment, size, area of operation, commodities hauled, technology, or equipment compatibility
- Scopelitis lawyers then make a series of confidential no-names contacts with other companies, investment bankers, agents, and lawyers to identify transaction possibilities the company might want to pursue
- Company executives, with our assistance, explore the leading candidates' profitability, operations management, employee programs, core carrier contracts, customer relations, service quality and safety record, and financial management
- If company discussions with the candidates prove fruitful, we assist the company in structuring and negotiating a deal

Structuring and Negotiating Deals. We frequently assist company executives in evaluating potential deal-partners, structuring a transaction, and negotiating the price and other terms. Typically, the steps include

- Deciding on an asset sale, stock sale, or merger
- Assessing and allocating risks (reviewing audited financials, insurance limits/deductibles, Phase I environmental audits, USDOT compliance, safety and maintenance programs, recordkeeping, employment issues, and contracts/leases with customers, suppliers, contractors)
- Identifying possible transportation regulatory and tax savings achievable through a consolidation, plus strategies for minimizing accepted risks
- Assessing antitrust concerns
- Negotiating a purchase price
- Drafting a letter of intent and definitive deal documents
- Participating in due diligence inquiries
- Assisting the client with closing

Transportation Aspects of Industrial Mergers and Acquisitions. Many manufacturers, distributors, and retail chains operate fleets of commercial trucks. When such companies negotiate mergers and acquisitions, questions relating to those fleets may arise. These include

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placing a value on the companies' transportation operations, assessing a trucking fleet's vehicle and driver safety performance and other acquisition risks, identifying potential cost savings (including state and federal permits and fees) in combining the two merger partners' truck fleets or in converting one or both fleets into for-hire motor carriers, and conducting due diligence inquiries. We have extensive experience with the regulatory and tax aspects of transportation operations, as well as with providing both business-related and legal advice on transportation mergers and acquisition.

Linking Attorneys' Fees to Value Received. The Scopelitis firm frequently proposes contingent fee arrangements that link its level of compensation to the value its clients ultimately achieve from a transaction. Professional services are also offered on an hourly-rate basis.