

BRG FORENSIC ACCOUNTING

SPA AND DISPUTE ADVISORY OFFERINGS

We assist throughout the deals continuum to help you minimize risk, maximize value, and avoid surprises.

PRE-CLOSING

- Advise clients on drafting economic, accounting, and financial sections of the sales and purchase agreement (SPA).
- Assist with negotiations of economic, accounting, and financial components of the SPA.
- Assist with preparation and evaluation of estimated closing statements.

POST-CLOSING

- Assist with preparation of closing balance sheet and earnout statements.
- Assist with preparation of dispute notice.
- Advise on negotiations and settlement discussions by evaluating strength of position for items in dispute and developing litigation strategy.

DISPUTE/CLAIM

- Advise on each step of the dispute resolution and claims processes.
- Serve as consulting and testifying experts.
- Serve as Neutral Accountant.

SPA and Dispute Advisory – Sell-Side Example

We advised a seller in the aerospace and defense industry on drafting specific policies to address several areas of judgment and complex Generally Accepted Accounting Principles (GAAP) accounting identified in its sell-side quality of earnings report.

After closing, the buyer prepared the closing statement and sought to reduce the purchase price by \$10 million based on the buyer's application of GAAP and accounting judgments.

In assisting the seller with evaluating the buyer's closing statement, we identified several instances in which the buyer failed to appropriately apply the specific policies included in the SPA. We drafted a dispute notice that rejected the buyer's proposed downward adjustment and proposed a \$2 million upward adjustment.

The parties were unable to reach a settlement and submitted the matter to arbitration. The seller retained us to serve as experts. We explained how the specific policies governed each of the disputed items. Based on our submissions, the seller won each item in dispute.

As a result of our work, the seller received an additional \$2 million in value.

FRANK DERY | Managing Director
FDery@thinkbrg.com
D 773-943-7065 | M 312.636.3430

KEN MATHIEU | Managing Director
KMathieu@thinkbrg.com
D 773.943.7054 | M 312.952.0624

INTELLIGENCE THAT WORKS