



M&A Insights and Deal Terms



Deal Statitistics

Targets of the Independent Sponsor

- Typical EBITDA for Targets acquired (or invested in)
 - 12% had EBITDA less than \$2 Million
 - 54% had EBITDA between \$2 Million and \$5 Million
 - 33% had EBITDA between \$5 Million and \$10 Million
 - <1% had EBITDA between \$10 Million and \$15 Million
 - >1% had EBITDA greater than \$15 Million
- Typical Industries of Targets
 - 65% targeted the manufacturing and distribution industries
 - 62% targeted the business service industry
 - 52% targeted the commercial and industrial industries

Capital Sources

Capital Sources for Independent Sponsors shift the longer the Independent Sponsor is operating:

- Independent Sponsors operating for less than one year tend to rely on high net worth individuals, family offices and their own funds
- Independent Sponsors operating for more than five years shift and still rely on high net worth individuals, family offices and their own funds, but do so ratably with PE funds, Mezz Funds and Funds that underwrite all or large portions of the debt and equity

Broken Deal Costs

Typically, broken deal costs are shared by the Independent Sponsor and the equity funding source:

- 15.9% of Independent Sponsors surveyed said that the equity funding source covers broken deal costs
- 26.2% of Independent Sponsors surveyed said that the Independent Sponsor covers broken deal costs
- 24.4% of Independent Sponsors surveyed said that the Independent Sponsor covers broken deal costs prior to partnering and the equity funding source covers broken deal costs after the partnership started
- 26.8% of Independent Sponsors surveyed said that the equity funding source and the Independent Sponsor split broken deal costs

Closing Fees

- Closing Fees are calculated:
 - Flat Number – 21%
 - Percentage of Transaction Value – 66%
 - No Closing Fee – 6%
 - No Closing Fee, but an increased Management Fee – 2%

- Typical Closing Fee Amounts:
 - Less than \$100k – 7%
 - \$101k-\$250k – 30%
 - \$251k-\$500k – 48%
 - Greater than \$500k – 15%

Management Fees

- Management Fees are calculated:
 - Flat Number – 15%
 - Flat Number with escalations– 5%
 - Percentage of EBITDA with no floor and no cap – 18%
 - Percentage of EBITDA with floor and cap– 42%

- Typical Management Fee Amounts:
 - Less than \$100k – 5%
 - \$101k-\$250k – 46%
 - \$251k-\$500k – 43%
 - Greater than \$500k – 2%

Management Fees Continued

- Credit Agreement Restrictions
 - Management fees are usually subordinated to any senior and mezzanine debt at the portfolio company level
 - Fees are restricted if the portfolio company does not comply with debt covenants or if paying the management fee would result in non-compliance
 - It is rare for management fees to stop accruing entirely or terminate, with just over 4% and 2% of surveyed transactions reporting these outcomes.

Hurdle Rate and Carried Interest

- Typical Independent Sponsor Carried Interest Amounts:

- Less than 5% – 2.5% of transactions
- 5%-9.9% – 4.4% of transactions
- 10%-14.9% – 14.5% of transactions
- 15%-19.9% – 25.2% of transactions
- 20%-24.9% – 38.4% of transactions
- Greater than 25% - 11.3% of transactions

- Typical Hurdle Rates before Carried Interest Kicks In:

- No Hurdle Rate – 6% of transactions
- Less than 5% – 1% of transactions
- 5%-7.9% – 19% of transactions
- 8%-9.9% – 58% of transactions
- 10%-11.9% – 5% of transactions
- Greater than 12% – 3% of transactions

Catch-Up

- Nearly three—quarters of transactions had a full catch-up where, after reaching a hurdle, the independent sponsor was caught up to the new carried interest rate.
- An additional 11% of transactions had a partial catch-up.
- 16 % of transactions had no form of catch-ups.



Structuring The Transaction

Structure Considerations for the Seller

- Taxable vs. tax free
- Assets vs. stock
- Types of consideration
- Special provisions that may be applicable

Tensions between Purchaser and Seller

- With regard to overall structure
- Allocation of basis

The Return of Earnouts and Pricing Terms

Post-Closing Purchase Price Adjustments (“PPA”)

- PPA provisions were found in 81% of deals surveyed
- 87.5% of deals surveyed based the PPA on several metrics including:
 - 88% Include Working Capital as a metric
 - 90% include a Debt component
 - 86% include a Cash component
 - 25% used some other components that are deal specific
- 97% of deals surveyed included payments at closing based on the Target’s estimates
 - Representing a 33% increase since 2006
- 13% of deals had a threshold necessary to exceed to receive a PPA

Post-Closing Purchase Price Adjustments (“PPA”)

- A separate PPA Escrow was included a little over half the time
 - In deals surveyed with separate PPA Escrow’s, it was the sole source of recovery in 74% of the time, representing a 28% increase since 2006.
 - In deals surveyed where a separate PPA Escrow was not included, adjustment recovery came from:
 - 54% came from True-Up Payments from indemnity escrow
 - 31% came from Payments not from Indemnity Escrow
 - 9% were silent
 - 6% had no indemnity/escrow holdback

Earnouts

- Earnout provisions were found in 19% of deals surveyed
 - The most popular metrics used to determine the Earnout amount were Revenue and Earnings/EBITDA
- The median Earnout potential was 39% of the closing payment
 - Consistent over the last several years except for a low of 30% in 2018
- The median Earnout period length was 24 months
 - 29% were 1 year or less
 - 23% were 1-2 years
 - 4% were greater than 5 years
- 68% of deals containing Earnout provisions allowed the Buyer to offset an Indemnity Payment against the Earnout

Earnouts

- 29% of deals with Earnouts contained either a Covenant to Run Business Consistent with Past Practice or a Covenant to Run Business to Maximize Earnout
- 29% of deals surveyed with Earnouts included the Buyer's right to operate post-closing in the Buyer's discretion
- 16% of deals surveyed with Earnouts included the express disclaimer of a fiduciary relationship
 - Representing a 9% increase since 2008
- 35% of deals surveyed with Earnouts included an "Earnout is not a security" provision
 - Representing a 14% increase since 2016



Deal Certainty

Pervasive Qualifiers: Material Adverse Effect (“MAE”)

- MAE definitions were found in 97% of deals surveyed
- Almost all MAE definitions included forward looking language
 - Ex. “Material Adverse Effect” means any result, occurrence, fact, change, event, or effect that has, or ***could reasonably be expected to have***, a materially adverse effect on...”
- 67% of deals surveyed containing an MAE definition included the target company’s ability to consummate the contemplated transaction
 - Ex. Material Adverse Effect “means any event, occurrence, fact, condition or change that is materially adverse to (a) the business, results of operations, ...or (b) the ability of [Vendor/the Corporation] ***to consummate the transactions contemplated hereby; ...***”

Pervasive Qualifiers: Material Adverse Effect (“MAE”)

- MAE Carve-Outs were included in 96% of deals surveyed, representing a 22% increase from 2006
- Most frequent categories of Carve-Outs appearing in deals with MAE:
 - Economic Conditions
 - War on Terrorism
 - Changes in Law
 - Changes in Accounting
 - Industry Conditions

Pervasive Qualifiers: Material Adverse Effect (“MAE”)

- 96% contained at least one Carve-Out by Disproportionate Effect:
 - Ex. “Material Adverse Effect” means any change...except to the extent resulting from (A) changes in general local...***(provided that such event, change, or action does not affect Seller in a substantially disproportionate manner)***”
- MAE Carve-Outs were applicable to the Target or Subsidiaries together in 77% of deals surveyed
 - MAE Carve-Outs were applicable to the Target or Subsidiaries individually in 3% of deals surveyed
 - 20% were silent regarding MAE Carve-Outs to Subsidiaries

Pervasive Qualifiers: Knowledge

- 90% included Constructive Knowledge in the definition of Knowledge, representing a 28% increase from 2006
 - 56% included “Reasonable or due inquiry”
 - 46% included “Reasonable or due inquiry of knowledgeable persons”
 - 11% included Role-based constructive knowledge
 - 10% included other forms of constructive knowledge
 - 6% included other forms of reasonable or due inquiry
- 10% included Actual Knowledge in the definition of Knowledge, a 26% decrease from 2006
- 1% did not define Knowledge
- 99% of deals surveyed identified persons whose Knowledge is imputed, a 6% increase from 2006

Covenants: Updating Disclosure Schedules

- 31% of deals surveyed permitted or required updating disclosure schedules before closing
 - 51% of which allowed or required updated information both Pre-Signing and Post Signing
 - 49% of which allowed or required updated information Post-Signing only
- 7% of deals surveyed prohibited updating disclosure schedules before closing
- 62% were silent

Covenants: Notice of Breach; Operation in Ordinary Course

- In 63% of deals surveyed, the Target was expressly required to notify the Buyer of a breach representing an 10% decrease from 2008
 - 35% were silent regarding Notice of Breaches
- 97% of deals contained covenants to operate in the ‘ordinary course of business’
 - 92% were qualified by “Consistent with Past Practice” and 8% were not
 - 19% were qualified by an “Efforts” standard and 81% were not

Closing Conditions: No Shop

- 90% of deals surveyed included a No Shop/No Talk provision
 - Only 3% of deals surveyed contained a Fiduciary Exception to the provision, representing a 15% decrease since 2008
- 44% of deals surveyed containing No Shop provisions were structured as direct stock purchases
 - Representing an increase of 8% since 2008

Closing Conditions: Reps and Warrants

- Accuracy of Target's Representations: Timing
 - 19% of deals surveyed required accuracy at closing only
 - 81% required accuracy both at signing and closing
 - 1% required accuracy at signing only

Closing Conditions: Reps and Warrants

- Accuracy of Target's Representations: Material Qualifiers
 - "When Made" (i.e. at signing)
 - 44% required accuracy "In all material respects"
 - 8% required accuracy "In all respects"
 - 48% of deals included an MAE qualification (accurate in all respects except unexpected MAE's)
 - "Bring Down" (i.e. at closing)
 - 5% required accuracy "In all material respects"
 - 42% required accuracy "In all respects"
 - 53% of deals included an MAE qualification (accurate in all respects except unexpected MAE's)

Closing Conditions: Reps and Warrants

- Accuracy of Target's Representations: Materiality Scrape's in deals with Materiality/MAE qualifiers
 - 97% included Materiality Scrape When Made (i.e. at signing)
 - Representing a 24% increase since 2006
 - 94% included Materiality Scrapes at Bring Down (i.e. at closing)
 - Representing a 32% increase since 2006

Closing Conditions: Buyer's MAC Condition

- 40% included Stand-Alone MAC Condition Only
 - Ex. “Since the ***date of this Agreement***, there has not been any Target Material Adverse Change”
- Just 8% included Back Door MAC Conditions Only, representing a decrease of 8% since 2008
 - Ex. “Since the ***Balance Sheet Date***, there has not been any Target Material Adverse Change”
- 49% included both a Stand-Alone MAC Condition and Back Door
- 2% included neither a Stand-Alone MAC Condition nor Back Door

Closing Conditions: No Legal Proceedings

- 96% of deals surveyed included as a standalone condition that there are no legal proceedings challenging the transaction, representing a 35% decrease from 2014
 - Of those, 80% included ‘any legal proceeding’ in the condition and the other 20% limited the condition to government ‘legal proceedings only’
 - Sample formulation: “There will not be pending [or threatened] any action, suit, or similar legal proceeding brought by any Governmental Entity [or any Person] challenging or seeking to restrain or prohibit the consummation of the transactions contemplated herein.”

Closing Conditions: Appraisal Rights

- 72% of deals surveyed included appraisal rights conditions, representing a 20% increase since 2017
 - 6% had the condition that appraisal rights are not available to specified percentage of holders
 - 30% had the condition that Appraisal Rights are not exercised by a specified percentage of holders
 - 22% had the condition that Appraisal rights are neither available to nor exercised by percentage of shareholders

Dispute Resolution: Termination Fees

- Termination Fees
 - The average termination fee to be paid by buyer was 5.8% of transaction value
 - The average termination fee to be paid by seller was 6.6% of transaction value (this includes escrow turnouts but does not include potential Earnout consideration)

Indemnification

Indemnification: Survival/Time to Assert Claims

- Ex. “All representations, warranties and covenants in this Agreement and the Disclosure Schedules and any other certificate or document delivered pursuant to this Agreement ***will survive the Closing for a period of ___ months***”
- Median Survival Period was 15 months
 - Less than 12 months = 14%
 - 12 months = 36%
 - >12 to <18 months = 12%
 - 18 months = 32%
 - Greater than 18 months = 7%
- 14% included express No Survival provisions

Indemnification: Survival/Time of Fundamental Reps

- In deals surveyed with indemnification provisions for Fundamental Reps, 50% were bound by a Statute of Limitations
 - 3% survived for 1 year or less
 - 9% survived for 2 to 3 years
 - 17% survived for more than 4 years
 - 7% survived indefinitely
- In deals surveyed with indemnification provisions for Tax Reps, 79% were bound by Statute of Limitations
 - 2% survived for 1 year or less
 - 4% survived for 2 to 3 years
 - 9% survived for more than 4 years
 - 0% survived indefinitely

Indemnification: Survival of Fraud/intentional misrepresentation

- Fraud/Intentional Misrepresentation Carve-Out's
 - Additional survival time of Fraud/Intentional Misrepresentation reps after expiration of the general survival period:
 - 33% were bound by the Statute of Limitations
 - 31% survived indefinitely
 - 27% were silent or unspecified on survival
 - 1% survived 1 year or less
 - 2% survived 2 to 3 years
 - 5% survived more than 4 years

Indemnification: Survival IP Reps

- IP Carve-Out
 - Additional survival time of IP reps after expiration of the general survival period:
 - 13% were bound by Statute of Limitations
 - 63% survived 1 year or less
 - 8% survived 2 to 3 years
 - 7% survived more than 4 years
 - 0% survived indefinitely

Indemnification: Caps

- Caps as a percentage of the transaction value in deals with determinable caps:
 - Less than 1% Cap found in 26% of deals surveyed
 - 53% of which had RWI Reference
 - 1% to < 5% Cap found in 10% of deals surveyed
 - 6% of which had RWI Reference
 - 5% to < 10% Cap found in 31% of deals surveyed
 - 8% of which had an RWI reference

Indemnification: Caps (Cont'd)

- Caps as a percentage of the transaction value in deals with determinable caps:
 - >10% to 15% Cap found in 29% of deals surveyed
 - 2% of which had an RWI reference
 - >15% to 25% Cap found in 10% of deals surveyed
 - 1% of which had an RWI reference
 - >50% to Total Purchase Price as the Cap found in 1% of deals surveyed (none of which had an RWI reference)
 - Total Purchase Price as the Cap found in 4% of deals surveyed
 - 2% of which had an RWI reference

Indemnification: Baskets

- Non-Tipping Baskets were found in 45% of deals, representing a decrease of 7% since 2016
 - Ex. “Sellers shall not be required to indemnify Buyer for Losses until the aggregate amount of all such Losses exceeds \$500,000 (the “Deductible”) in which event Sellers shall be responsible **only for Losses exceeding the Deductible**”
- Tipping Baskets were found in 38% of deals, representing a decrease of 5% since 2017
 - Ex. “Sellers shall not be required to indemnify Buyer for Losses until the aggregate amount of all such Losses exceeds \$500,000 (the “Deductible”) in which event Sellers shall be responsible for the **aggregate amount of all Losses, regardless of the Threshold**”
- Combinations were found in 2%, representing an increase of 1% since 2017
 - Ex. “Sellers shall not be required to indemnify Buyer for Losses until the aggregate amount of all such Losses exceeds \$300,000 (the “Threshold”) in which event Sellers shall be responsible **only for Losses in excess of \$500,000 (the “Deductible”)**”
- 15% did not contain a Basket, representing an increase of 11% since 2017

Indemnification: Baskets

- Frequency that certain provisions count towards the Basket:
 - 99% included Breaches of Seller/Target Reps and Warranties
 - 5% included Breaches of Seller/Target Covenants
 - 15% included other indemnity claims (i.e. included Reps/Warranties and Covenants and other Indemnified Matters, but less than all Indemnified Matters)

Indemnification: Baskets

- Size of Baskets as a percentage of the transaction value in deals including Deductible and/or First Dollar Baskets:
 - 59% of Baskets were 0.5% or less of the transaction value
 - 17% of Baskets were 0.5% to 1% of the transaction value
 - 17% of Baskets were 1% to 5% of the transaction value
 - 7% of Baskets were of 5% or greater of the transaction value

Indemnification: Sandbagging

- 48% of deals surveyed included a Pro-Sandbagging/Benefit of the Bargain provision, representing a decrease of 17% since 2006
 - Ex. “The right to indemnification, reimbursement, or other remedies based upon any such representation or warranty will not be affected by any Knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of such representation warranty...”
- 2% had an Anti-Sandbagging Provision, a 5% decrease since 2006
- 50% were silent regarding Sandbagging, an 15% increase from 2006

Indemnification: Non Reliance/ No Other Representations

- 63% included express non-reliance
 - Ex. “Buyer acknowledges and agrees... that **Buyer is not relying and has not relied on any** representations or warranties”
 - 54% of which included a Fraud Carve-Out
- 64% included an express disclaimer of sellers representations
 - Ex. “Buyer acknowledges and agrees that **Target has not made and is not making any representations or warranties** whatsoever... except as provided in Section X”
 - 60% of which included a Fraud Carve-Out
- 19% did not include either provisions above

Indemnification: Materiality Scrape

- For determining breach and damages: found in 59% of deals surveyed, a 12% increase from 2018
 - Ex. ***“For purposes of this Article X (Indemnification), the representations and warranties of Seller shall not be deemed qualified by any references to materiality or to Material Adverse Effect***
- For determining damages only: found in 29% of deals surveyed, a 7% decrease from 2018
 - Ex. ***“For the sole purpose of determining Losses (and not for determining whether any breach of any representation or warranty has occurred), the representations and warranties of Seller shall not be deemed qualified by any references to materiality or to Material Adverse Effect.”***
- For determining breach only: found in 12% of deals surveyed, a 4% decrease from 2018
 - Ex. ***“For purposes of this Article VII (Indemnification), the representations and warranties of Seller shall not be deemed qualified to materiality or to Material Adverse Effect **in determining whether such representation or warranty has by any references been breached.*****

Indemnification: Damages/Losses Covered

- Out of Pocket Damages

- 87% of deals surveyed with survival provisions did not limit damages to Out of Pocket Damages (down 10% since 2006) whereas 13% did limited damages to Out of Pocket (up 10% since 2006)

- Diminution in Value

- 79% of deals surveyed with survival provisions were silent on Diminution in Value indemnification
- 12% of deal surveyed expressly included Diminution in Value indemnification
- 9% expressly excluded Diminution in Value indemnification

Indemnification: Damages/losses covered

- Types of Damages in deals surveyed with survival provisions
 - Incidental Damages
 - Silent = 82%
 - Expressly included = 5%
 - Expressly excluded = 13%
 - Consequential Damages
 - Silent = 65%
 - Expressly included = 8%
 - Expressly excluded = 26%
 - Punitive Damages
 - Silent = 24%
 - Expressly included = 2%
 - Expressly excluded = 74%

Indemnification: Damages/losses covered

- Types of Damages in deals surveyed with survival provisions (Cont'd)
 - Lost Profits
 - Expressly included in 5%
 - Expressly excluded in 13%
 - Silent in 82%
 - 8% expressly excluded damages based on multiple factors and the 92% were silent regarding multiple factor damages
- Buyer's Right to Indemnification for claims "if true"
 - Limited to Actual breaches in 88%
 - Included Alleged breaches 12%

Indemnification: Third Party Claims

- Control of Defense
 - Indemnifying Party had the ability to control the defense of Third Party Claims in 85% of deals surveyed, representing a 4% decrease since 2016
 - 44% of which first required the indemnifying party to acknowledge liability
 - 88% included exceptions to indemnifying party's ability to control the defense
 - 90% imposed limits on the ability of the defending party to settle claim, representing a 5% decrease since 2016
 - 68% required the settlement to include a complete release
 - 47% required written consent of the other party
 - 53% limited relief to monetary damages

Indemnification: Third Party Claims

- Control of Defense Costs
 - 9% of deals surveyed had the Indemnifying Party responsible for Indemnified Party's Defense Costs for claims on which it ultimately prevails, representing a decrease of 13% decrease since 2014
 - 6% did not have the indemnifying part responsible
 - 85% of deals surveyed were silent regarding defense costs

Indemnification: Escrow/Holdback

- Escrows/Holdbacks as a Percentage of Transaction
 - Average without an RWI Reference = 9.1%
 - Average with an RWI Reference = 2%
- Escrow/Holdbacks were not an exclusive remedy in 74% of deals surveyed
 - 8% had Escrow/Holdback as an exclusive remedy
 - 12% expressly had no escrow holdback
 - 5% were silent regarding Escrow/Holdback

Indemnification: Reduction Against Buyer's Indemnification Claims

- 88% of deals surveyed included a reduction against Buyer's indemnification claim for Insurance Proceeds
- 22% of deals surveyed included a reduction for Tax Benefits
- 60% included that Buyer mitigate losses, an increase of 38% since 2006
 - 83% of which were based on an efforts standard
 - 15% based on "to the Extent Required by Law" standard
 - 3% were based on other standards

Indemnification: Reps and Warranties Insurance

- 52% of deals surveyed referenced Reps and Warranties Insurance (“RWI”), an increase of 23% since 2016
 - 41% were expressly bound at signing
 - 59% were not expressly bound at signing
- Buyer acquired the insurance in 95% of deals surveyed
- Payment of RWI:
 - Buyer only = 41%
 - Target only = 11%
 - Both = 33%
 - Unclear = 15%

Indemnification: Reps and Warranties Insurance

- RWI as Buyer's sole source of recovery:
 - Yes, But Only For Non-Fundamental Reps = 23%
 - Yes, For All Reps = 14%
 - Express No = 54%
 - Other = 6%
 - Indeterminable = 3%
- 58% required Buyer to first pursue claims under the RWI



Dispute Resolution

Dispute Resolution

- 77% of deals surveyed required express permission for Target Shareholders pre-closing counsel to represent Target Shareholders post-closing, a 63% increase since 2010
 - Of the those, 69% required a conflict waiver, a 16% decrease since 2016
- Attorney Client privilege Carve-Out
 - Silent = 25%,
 - Yes; not limited = 4%
 - Yes; Limited to Deal Related Communications = 70%
- 85% of deals surveyed included a Waiver of Jury trial

Dispute Resolution: ADR

- 18.5% included ADR, a 12.5% decrease from 2006
 - Binding arbitration = 67%, decrease of 10% from 2006
 - Mediation = 14%, increase of 9% from 2006
 - Mediation then arbitration = 19%, increase of 1% since 2006
- 65.5% included a legal rep conflict waiver, representing an 18% increase since 2016
- Fees:
 - Loser pays = 41%
 - Silent = 24%
 - Arbitrator determines = 16%
 - Evenly split = 16%
 - Expenses apportioned = 2%



After the Deal is Done: Governance of the Target and Non-Compete Agreements

After the Deal

- At Closing, Buyer and Seller will enter into some combination of the following documents to govern the Target of after the Closing:
 - Management Services Agreement. If the Independent Sponsor is acting as manager of the Target post-Closing, an agreement governing that relationship will be put in place, even if the Target is a wholly owned subsidiary of the Independent Sponsor post-Closing
 - Employment Agreements. The Independent Sponsor may identify certain key employees at the Target with whom it wants to enter into new employment agreements
 - Transition Services Agreements. If Seller provides certain services to the Target prior to the Closing, it may be necessary for Seller to continue to provide those services for a fixed period of time after the Closing while the Independent Sponsor either finds a new service provided, or transitions to providing those services itself
 - Amended and Restated Operating Agreement/LLC Agreement/Certificate of Incorporation. If management of the Target is required to rollover any portion of their ownership, then a new governing document will likely be negotiated prior to Closing to take effect at Closing

After the Deal

- Non-Compete Agreements

- Buyer will likely identify certain individuals at the Seller from whom they want a non-compete agreement
- Enforceability varies from state to state
- Typically, a Seller will need to receive a material amount of gains in order to deliver a non-compete
 - For example, if there are 4 Sellers and the Target is owned 33%, 33%, 33% and 1%, it is unlikely that the 1% Seller will deliver a non-compete agreement unless the overall purchase price, on a cash-free, debt-free basis is large enough that even 1% would be a material gain.



The Future

The Future

- Independent Sponsors will continue to raise traditional PE funds and become fund managers
- The sponsor model will continue to be driven by certain factors such as:
 - Sponsors not wanting to operate in a PE fund model;
 - certain older managers not wanting to work full time as they had in previous roles with PE funds; and
 - Younger managers who wish to use the sponsor route to receive larger equity pay-outs sooner.



Thank you