



Successful Client Solutions

Lex Mundi Cross-Border M&A Team Helps Client Acquire Brazilian Tech Company

When ScanSource, Inc. (“ScanSource”), a leading international value-added distributor of specialty technology products, wanted to acquire a Brazilian-based electronics company they contacted Demarest Advogados, Lex Mundi member firm for Brazil.

The client wanted to acquire Intersmart Comércio, Importação e Exportação de Equipamentos Eletrônicos S.A. (“Network1”), with subsidiaries in Chile, Colombia, Mexico and Peru. The acquisition was to be implemented through the client’s subsidiary in Brazil, CDC Brasil Distribuidora de Tecnologias Especiais Ltda.

Because of the cross-jurisdictional nature of the acquisition, Demarest reached out to fellow Lex Mundi member firms. Through the Lex Mundi network, they were able to put together a crossborder team that comprehensively covered all aspects of the matter.

The Lex Mundi member firms involved were: Estudio Olaechia (Peru); Basham, Ringe y Correa, S.C. (México); Claro & Cia Abogados (Chile); and Brigard & Urrutia Abogados (Colombia).

Demarest served as the lead firm working on the due-diligence of the Brazilian target entities and coordinating work of the other Lex Mundi firms involved. Demarest drafted the main agreements of the transaction (SPA and ancillary agreements), assisted on the negotiation of the deal, provided tax and labor advice, and filed the antitrust application. Demarest also requested that member firms provide their proposal of fees for the due diligence work in advance so the client could close the fees individually with each firm.

Estudio Olaechia, Basham, Ringe y Correa, Claro & Cia and Brigard & Urrutia worked on the due-diligence of the entities located in their respective jurisdictions. Brigard & Urrutia also notified the local antitrust authority about the transaction.

The client wanted to close on the acquisition as quickly as possible so the team filed the antitrust approval based on the signed LOI and a





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draft of the SPA (as opposed to a signed SPA). This enabled the parties to sign and close at the same time.

Thanks to the Lex Mundi M&A team, the client was able to successfully acquire Network 1 and achieve earn-out payments based on EBITA over the next four years.

Overall, the client was very pleased with the timeliness of the work done, the extra thought that went into each decision and the team's ability to create an efficient work environment across multiple jurisdictions. Additionally, since all fees were invoiced directly by the firms and paid directly by the client, it avoided double taxation situations for the client. The client was pleased to know that the billing was fair and it worked efficiently within their budget.

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