

Joint Venture Success

Mergers and Acquisitions, Broadcast Sector

Corton's strategic and operational expertise delivers Joint Venture (JV) to a leading Broadcast consortium.

The Customer

Corton's customer is a specialist software company serving the global market with standards based digital interactive TV (iTV) products and services. More specifically the company focuses on Digital Terrestrial markets (DTT) using the ISO and DVB or OpenCable MHP standards.

Our customer has grown from its formation in the middle of the last decade to have multi million dollar revenues per annum and a customer base, which includes the major OEMs within the industry.

Our customer also owns a stake in a joint venture (JV) with a major US Multi Service Operator (MSO), which is a publicly traded on the NASDAQ) and has over 10,000 employees. The JV supplies key Set Top Box software to premier Consumer Electronics companies based in Japan and Europe.

Project Overview

During 2001 the JV partners decided to formalise their JV company, as the DTT market was starting to show significant growth, particularly in the UK.

Up until this point the parties had worked together successfully but on an informal basis. In order to put the relationship on a more formal footing, it was decided to redefine the JV by creating a new Shareholders Agreement together with appropriate cross licences for the technology.

Corton was engaged to manage and co-ordinate:

1. the creation of new Memorandum & Articles of Association;
2. the Shareholders Agreement and its associated 12 Schedules which cover the transfer and licensing of the various technologies that make up the JV's offering.

Completion of these documents involved working closely with the boards of both JV partners together with their respective UK and US legal advisors.

Solution

Corton approached the project by initially agreeing with the partners the overall shape of the JV and the principals by which the company was to operate and be managed. This was turned into a briefing document in order that the legal teams could produce draft documents for review.

The documents created included:

- a Shareholders Agreement
- a Licence for Third Parties licensing the JV's software
- an Agency Agreement
- various subsidiary documents

Corton then managed the process of review and redrafting ensuring that the resulting documents were under change control and that our client's best interests were served at all times.

Key Skills Utilised

English commercial, contract and company law; negotiation and facilitation; change management.

Results

The engagement lasted 13 months in total and a new Shareholders Agreement was signed earlier this year.

Following the success of this project Corton are now engaged in defining and implementing new business processes for our customer to ensure their business continues to grow successfully.

Corton Consulting: Consulting for Growth, Technology & Operations

Contact Details: info@corton-digital.com; www.corton-digital.com; phone: 07775 818965; fax: 01353 749710

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