Fast Ion Battery (HBS Case 9-815-025)



*Assigned questions*

1. What are the costs/benefits from the point of view of *Fast Ion Battery* and the *investors* of introducing the abandonment option imbedded in bridge financing (Exhibit 4)? List arguments in favor and against extending the bridge round of funding.
2. What are the contractual implications of non-participation in the bridge round (Exhibit 4)?

1. Build the revised Cap Table (based on Exhibits 2 and 5) for Fast Ion by including the $5 million bridge round at $1.50/share. Assume that WSC and Franconia Ventures split the investments Bluelock would have made. Do this under two assumptions:
   1. Bluelock does not participate and the “pay-to-play” clause is not implemented.
   2. Bluelock does not participate and the “pay-to-play” clause is implemented?
2. Do you think Bluelock should participate? How does you answer depend on whether the “pay-to-play” clause is implemented?