

Selling Your Business

Maximizing Your Total Return



Ensure the Realization of Your Years of Hard Work

You have worked hard to ensure the success and growth of your business. Now it is time to move into retirement and live the good life. However, most of your retirement savings remains trapped in your business. You know you want to sell the business, but you have no idea what the process involves.

Selling a business is like selling a home—only there are many, many additional traps for the unwary. While you likely know your business very well, knowing how to properly structure the sale of your business is a different matter.

How Epiphany Law Can Help

Never attempt to negotiate the sale of your business without the assistance of a knowledgeable business attorney at your side. Epiphany Law has the expertise to assist in all aspects of your business sale including:

- Letters of Intent
- Confidential Disclosure Agreements
- Tax Planning Strategies
- Purchase Agreements
- Non-Competition Agreements
- Bills of Sale
- UCC and Lien Searches
- Estoppel Certificates
- Assignments
- Consulting Agreements





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Q What is the typical process of selling a business?

A Usually a buyer and a seller will have preliminary discussions concerning the potential terms of the sale. Often, following this meeting, a Letter of Intent is drafted by an attorney setting forth the rudimentary terms of the deal. Following the Letter of Intent, the buyer conducts its "due diligence" or detailed review of the business. During the due diligence stage, a formal Purchase Agreement is drafted and negotiated. As the closing approaches, various legal documents are prepared including deeds, assignments, bills of sale, allocations, consulting agreements and non-competition agreements.

Q The Buyer wants me to finance part of the purchase price. Should I?

A Often times, in order to make the deal work, you will need to finance some part of the purchase price. Obviously, you should minimize the amount you have at risk. However, if you do have to provide some seller financing, it is critical that you protect your interests. That often requires that you obtain a personal guaranty from the purchasers. In addition, you will also want some security. Often the form of collateral for the note is the company's stock, real estate or equipment.

Q The potential purchaser wants to buy the assets, not the stock, of my company. Is that normal?

A It is not unusual for a potential purchaser to want to purchase the assets of your company rather than purchasing the stock of the company. Generally, this is done to shield the new purchaser from any of your company's unknown liabilities. While in the end the same practical result is reached, there are extremely different tax consequences on an asset sale as opposed to a stock sale. Having a knowledgeable accountant and business attorney assist you is critical to maximizing your true return.

Rely on Epiphany Law as your source of business law expertise for your growing organization.



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