



**FOREMAN**  
— LAW —

WORKSHEET

# Buying or Selling a Business

Name \_\_\_\_\_



# Overview

Equity <input type="checkbox"/>	Asset <input type="checkbox"/>
Merger <input type="checkbox"/>	Multi-Entity <input type="checkbox"/>

Buyer

Closing Date

Seller

Purchase Price

## Budget Estimate

### Uses

Purchase Price

Brokerage/Investment Banker Fees

Legal Fees

Accounting Fees

Loan Fees

Appraisal Fees

Taxes

Other

TOTAL

### Sources

Savings

Bank Financing

Seller Financing

Outside Investment

Other

TOTAL

# Initial Points + Concerns

What are the Seller's goals/concerns?

e.g., liquidity (sales price and terms), transfer to next generation, etc.

What are the Buyer's goals/concerns?

e.g., risk minimization, cost minimization, budget, etc.

Key Value

e.g., key people, key assets, key relationships, or key opportunities.

Key Risks

e.g., ongoing liabilities, contract breaches, customer/supplier risks, unanticipated costs or tax consequences.

## Bank Financing

	1	2	3
Amount			
Use			
Collateral			
LTV Ratio			
Maximum Loan			
Maturity			
Interest Rate			
Closing Costs			
Est. Processing Time			
Guaranty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Initial Negotiations



Initial Diligence



Initial Terms  
(LOI/Term Sheet)



Financing

Many transactions can take 60 to 180 days from when the buyer and seller reach an agreement on key deal terms. Many phases will overlap with multiple other phases.

# Taxation and Valuation

Buyer Tax Status

Seller Tax Status

Tax Elections

---

How was the Purchase Price determined?

e.g., a multiple of EBITDA/net asset value, etc.

---

## Purchase Price Allocation

Assets	Allocation

## Deal Team

Accountant

---

Attorney

---

Banker

---

Investment Banker/Business Broker

---

Investors/Co-Owners

---

Industry Experts

---

Wealth Manager

---

Insurance Agent

---

Key Personnel

---

Other

---

## Deal Terms

### Payment Terms

e.g., seller financing, earn out, etc.

### Purchases Assets

e.g., all assets, inventory, real estate, etc.

### Excluded Assets

e.g., cash, accounts receivable, etc.

### Assumed Liabilities

e.g., trade payables, bank loans, etc.

### Excluded Liabilities

e.g., all liabilities, specific loans, etc.

### Retention of Key Employees & Other Business Relationships

e.g., CEO, sales people, key customers and suppliers

### Non-Compete and Non-Solicitation

e.g., 5 years market territory, and protecting employee and customer relationships

### Transition Services

e.g. seller/primary owner stays on/available for 12 months

### Limitation of Liability

e.g. reps and warranties expiration, indemnity caps, deductibles, and/or baskets

### Third Party Approvals

e.g., government, lenders, key customers, suppliers, licensors or franchisors

### Other

Additional Negotiations  
and Diligence



Documentation



Closing



Post-Closing



## + Who we are

We are committed to designing and building a different kind of firm; a firm with service and innovation in its DNA. We create outstanding client experiences by providing world class services through personal relationships.



**FOREMAN**  
— LAW —