



**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

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How was the Purchase Price determined?

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

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## Purchase Price Allocation

Assets	Allocation

## Deal Team

Accountant

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Attorney

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Banker

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Investment Banker/Business Broker

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Investors/Co-Owners

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Industry Experts

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Wealth Manager

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Insurance Agent

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Key Personnel

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Other

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## Deal Terms

### Payment Terms

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

### Purchased 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

Foreman Law brings a highly organized and relational approach to each deal. We love working with first-time buyers and first-time sellers and those looking for an organized deal process. We take the time to understand your priorities and objectives, so we can make the chaotic and complex simple and actionable, freeing you up to focus on what matters most, your family, your team, and making key business decisions to maximize the value of your deal.



**Sam R. Foreman**  
*Attorney*

sam@goforemanlaw.com

**DIRECT** 316.202.5521



**Nicole Phaneuf**  
*Attorney*

nicole@goforemanlaw.com

**DIRECT** 316.247.0183



**Michael J. MacPhee**  
*Attorney*

mike@goforemanlaw.com

**DIRECT** 316.247.0236



**Alina Blevins**  
*Office Administrator*

alina@goforemanlaw.com

**DIRECT** 316.247.0107