



THE 20-STEP BUYING PROCESS

1. **COMMITMENT.** You commit to purchase a business at a price and terms that are consistent with the marketplace.
2. **DISCLOSURE.** You sign an agreement promising to maintain confidentiality for all the information provided to you.
3. **BACKGROUND INFORMATION.** You provide us with information about yourself, such as a resume and financial statement. The more we know about you, the more likely we can find a business you will like. The more information we promise to the seller, the better the terms he will consider.
4. **REVIEW.** Together we discuss and review various types of businesses and select some that appeal to you.
5. **SHOWING.** We show you the businesses you are interested in and discuss the important factors of each.
6. **MEETING.** A meeting between you, the seller and us may take place. This gives you the chance to ask questions you may have about how the business operates and to describe your qualifications to the seller.
7. **OFFER TO PURCHASE.** You write, with our assistance, an offer or letter of intent for the business you like.
 - [A.] Earnest money is required to demonstrate your seriousness to the seller.
 - [B.] Most offers are contingent upon your inspection of the books and records of the business. The offer is not binding until you remove all contingencies.
8. **PRESENT OFFER.** We present your offer to the seller.
9. **BACKGROUND.** We give the seller your background, financial information, experience and point of view in arriving at the offering price, terms and conditions. Favorable background information about you will result in a favorable view of your offer.
10. **EXPLANATION.** We carefully explain the terms and conditions of the offer to the seller and decision makers.
11. **ACCEPTANCE.** The seller accepts the offer as it is written or writes a counter offer.
12. **MUTUAL ACCEPTANCE.** When buyer and seller agree to all terms and conditions of the sale, the offer becomes a Purchase and Sale Agreement.
13. **INSPECTION.** You meet with the seller to examine the financial records. Any questions are resolved at this time.
14. **CONTINGENCY REMOVAL.** You remove all contingencies in the Agreement. It is now a binding agreement.
15. **LEASE ASSIGNMENT.** We work with the landlord to get an assignment of the current lease or a new lease for you.
16. **OPEN ESCROW/CLOSING LAWYER.** We give documents to the closing agent so they can prepare the closing papers.
17. **DUE DILIGENCE.** In most states the lawyer performs a lien search on the business to identify any secured creditors.
18. **NOTE & LEASE ASSUMPTIONS.** We make arrangements to assign any notes or equipment leases.
19. **INVENTORY.** Arrangements are made for you and the seller to count and price the inventory (if required).
20. **CLOSING.** All parties meet to sign documents.