

## Buy-Sell Checklist

1. Family members
  - a. You
    - i. Age/DOB : \_\_\_\_\_
    - ii. Gender:  M  F
    - iii. Overall health:  Excellent  Fair  Poor
  - b. Spouse
    - i. Age/DOB: \_\_\_\_\_
    - ii. Gender:  M  F
    - iii. Overall health:  Excellent  Fair  Poor
  - c. Children
    - i. List all (with Age, Gender and Overall health)
  - d. Other dependents
    - i. List all (with Relationship to you, Age, Gender and Overall health)
2. Do you have a buy-sell agreement?  Yes  No
3. If you do, when was buy-sell agreement last updated?
  - 3-5 Years  6-10 Years  Over 10 Years
  - Does the agreement reflect the current value of the business?  Yes  No
  - How is the company valued in the agreement?
    - Pre-determined value
    - Formula Based
    - Engage a third party appraiser
    - Don't know
  - Does this value specified in the agreement match the number you would accept from a willing buyer today?  Yes  No
4. Have your business goals changed since that agreement was last updated or new partners added?  Yes  No

5. Does the agreement define and address if you or a partner:
- Leaves voluntarily?  Yes  No
  - Retires?  Yes  No
  - Becomes disabled?  Yes  No
  - Dies?  Yes  No
6. If you have partners or minority owners does the agreement specify how and who they can dispose/sell their interest or include restrictions in the event of:
- Marital divorce?  Yes  No  Don't know
  - File for personal bankruptcy?  Yes  No  Don't know
  - Include a provision for spousal consent for avoiding valuation disputes in the event divorce or death?  Yes  No  Don't know
7. Is there a provision that requires a lump sum payment for buyout triggered event even when it is not economically feasible for the business at that time? Is there flexibility written in the agreement to structure a down payment between 25%-35% up front with installments for 3-5 years.  Yes  No  Don't Know
8. If the value of your business including other assets you own exceeds \$10 Million, does the agreement address options for family ownership interests to lower estate taxes?  
 Yes  No  Don't know if family businesses ownership options exist.
9. Does the Buy-Sell agreement contain directives that help avoid conflicts among family members if family members involved.  
 Yes  Not sure  No family members involved
10. If you have no agreement, whom do you intend to sell the business?  
 Family Member(s)  Key Employee  Third Party  Co-owner
11. Have you thought about an exit strategy for retiring from your business?  
 Yes  No
12. What is your goal on the timing of exiting your business?  
 Next 12 months  1-4 Years  5-9 Years  10 Years  Never

13. Amount of estate assets including the business

- a.  < \$1M     \$1M - \$5M     \$5M - \$10M  
 >\$10M (at this level tax liability needs to be factored in)

14. Business

- a. Gross revenue (list each of the last 5 years)

\_\_\_\_\_

b. Structure

- Sole proprietorship
- Partnership
- Sub-S corporation
- LLC
- LLP
- C corporation

c. List all owners and % of ownership

Owner(s) Name	DOB (Age)	Ownership%
#1		
#2		
#3		
#4		

d. Children Owners

Number in Business: \_\_\_\_\_

Outside of Business: \_\_\_\_\_

e. Nature of Business/Industry: \_\_\_\_\_

f. Total Number of Employees:     1-9     10-50     51-200     201-500     500+

g. Year business has been operating? \_\_\_\_\_