

Business Owners Forum

Legal Considerations

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Exit Strategies

- Reasons to Consider
- Types of Exits



Key Planning Activities



Due Diligence: Know Your Skeletons

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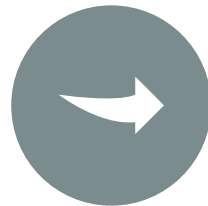
Reasons to Consider an Exit Strategy



RETIRE



CONTINUE WORKING
BUT NOT AS OWNER



TRANSFER TO NEXT
GENERATION



MARKET CHANGES



DESIRE TO DO
SOMETHING
DIFFERENT



SUCCESS =
OPPORTUNITY TO
CASH OUT

Types of Exits



Shut down

Drain cash

Sell – asset or stock/membership interests

Friendly buy out

Friends

Family/Next generation

ESOP

Public Offering/Equity Investment

Key Planning Activities

Take the
long view

Spend time
preparing

Make yourself
redundant

Set up processes
& financial
controls

Understand cash
flow & business
cycles

Key Employees

Identify ways to
increase value

Estate Plan

Understand
tax impact

Consider your
role post-sale

Know Your Skeletons : *Ownership*

Organizational paperwork

Deeds, title policies

Zoning approvals & permits

Operational licenses & permits

List of physical assets

Know Your Skeletons: *Financial*

Financial statements (audited?)

A/P & A/R

Tax returns – federal, state & local

Insurance policies

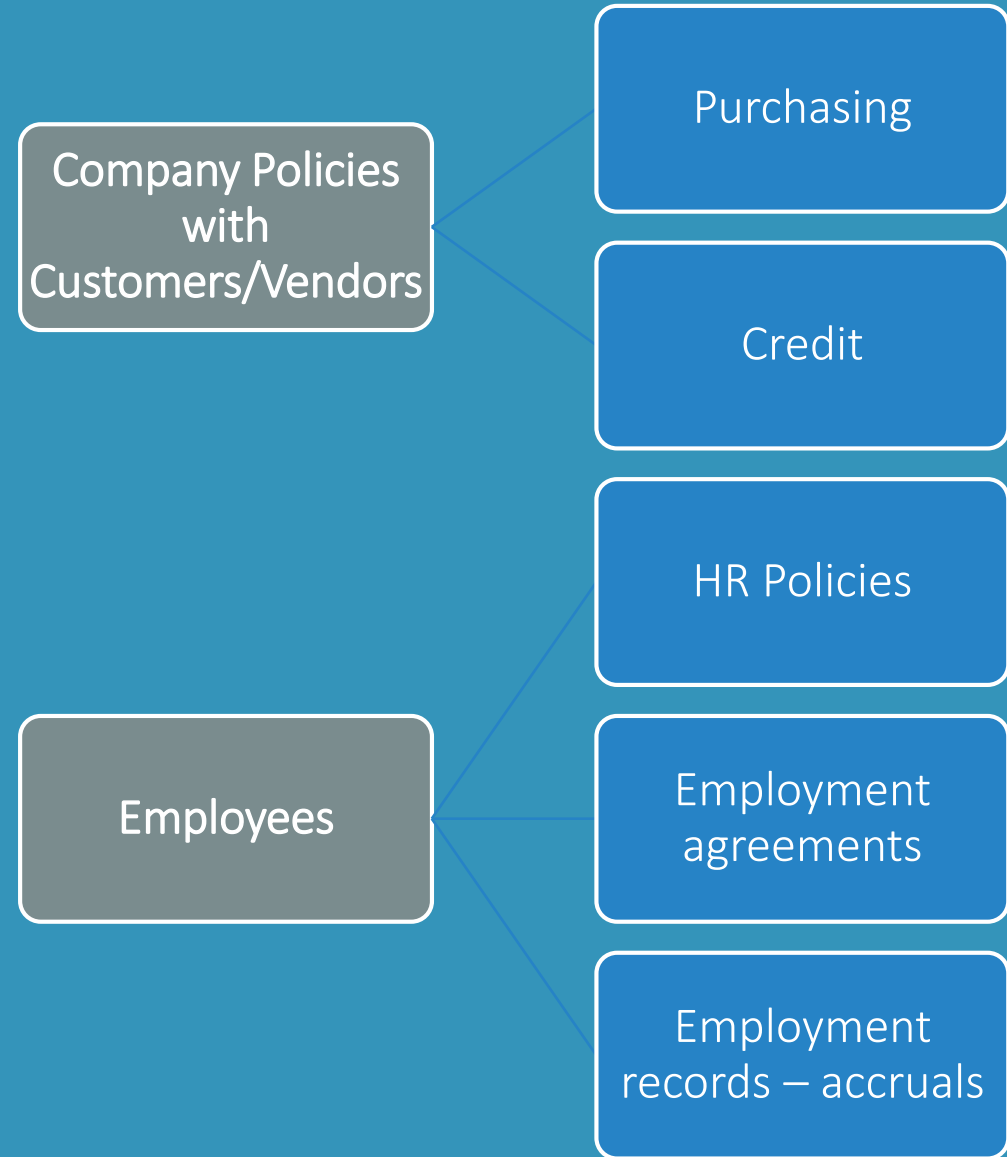
Know Your Skeletons: *Debt & Liens*

Loans

Mortgages

UCC lien
filings

Know Your Skeletons: *Operational*



Consultants

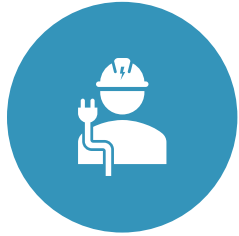
Material Contracts

Customer Lists

Litigation – past & current

Warranties & Liabilities

Know Your
Skeletons:
Operational



*PATENTS – WHO
OWNS*



TRADEMARKS



COPYRIGHT



*WEBSITE & SOCIAL
MEDIA*



*LICENSES –
TO/FROM YOUR
BUSINESS*

Know Your Skeletons: *Intellectual Property*

Super Lawyers



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Link to Presentation:

