***'THE'BEST POSSIBLE TRANSACTION'***

There are 7 major elements involved in ***The Best Possible Transaction*** --- it is a transaction that:

- Maximizes the Purchase Price --- certainly an important point.
- Minimizes tax obligations --- far more important than most people realize.
- Maximizes cash paid and minimizes or avoids 'seller financing'
- Has strong legal documents to minimize the risks of future claims or litigation.
- Creates best possible collateral for any 'seller financing'
- Minimizes your training or transition services to be consistent with your life plan.
- Sells to a Buyer that has a high probability of success.

| Steve, I see the above as on one page with a click here button view the information below ---- |
|---|

**Click here for more information and to see some Bad Examples ---**

Subpage --- **Some Bad Examples of NOT achieving the status of *The Best Possible Transaction***

1. Both Company A and Company B sell for $1,000,000 all cash. One seller, after Federal taxes, nets approx. $800,000 and the other seller nets about $500,000 after Federal taxes. The tax structuring of a transaction is a major element to take into consideration.
2. Company C is worth $1 million but buyer agrees to pay $1.2 million with $200,000 down and seller gets note for $1,000,000. Most Probably a Nightmare ---- a high price but not enough cash + a high risk of litigation and if you have to foreclose the business won't be in the same condition as you sold it with the AR will be down, AP will be up and inventories gone, etc.
3. Seller finds and sells to the first interested party. Old Adage in the industry is that ***'One Buyer is No Buyer'*** and without competing buyers and offers the odds are stacked against you!
4. Seller lets everyone know that his business is for sale thinking it will attract buyers --- the reality is it can cause the would-be seller to lose employees, customers, business, banking relationships, etc. The only time anyone should know about a transition of ownership is on the afternoon of the day on which the transaction has actually closed.
5. Seller Financing --- Buyers that have problems are most certainly going to stop making payments on seller financing (leverage) and they are far more likely to sue than a cash buyer.
6. Selling your business and then having the Buyer sue you a year or two later is a major disaster that is both expensive and demoralizing ---- the transaction has to be done so as to dramatically minimize or come close to eliminating the prospect of litigation risk.
7. While few people like to spend lots of money on lawyers it is essential to have good legal documents because if there is a dispute at a later time --- 'he said, she said' and verbal agreements don't mean a thing --- the legal documents will be used to determine the outcome. Understand that there are cost effective ways to get good legal documents.
8. You simply do not want to sell to a buyer that you fundamentally don't believe can run your business --- or someone without a work ethic --- etc. because when the inevitable happens you won't get paid on any seller financing and, with or without justification, you will most likely get sued, your employees will most probably have lost their jobs and your customers will have scattered. **'Moral of the Story'**: Sell to buyers that you believe will be successful and document completely that you have fulfilled all your transition and training obligations.