

As business owners are approached about selling their business, they must carefully consider the purchase offers that are presented to them to determine if the terms are advisable. For instance, a key issue is oftentimes the portion of the purchase price that is to be paid by the purchaser to the seller after the closing for the transaction (normally referred to as the “seller financing” for the deal).

In addition to confirming the creditworthiness of the purchaser, a seller should also consider a number of other factors concerning such arrangement, such as (i) the duration of the proposed seller financing; (ii) the timing and frequency of purchaser’s payment of the installments thereof, (iii) the security to be afforded for the seller financing, and (iv) the extent to which the seller financing will be subordinated to other indebtedness of the purchaser.

Our firm’s Business & Finance Department has developed an extensive, dedicated practice representing clients in connection with the purchase or sale of a business. In such capacity, we regularly advise sellers about potential sale offers and the risks associated therewith. If you are a business owner that has received or is expecting a sale offer, contact the Chair of our Business & Finance Department, [Paul Rushton](#) (prushton@rjglaw.com), or one of the other attorneys in our Business & Finance Department to learn more about these services.