

A business owner that has been approached about selling his or her business is oftentimes asked to sign a Letter of Intent or another document evidencing the acquirer's preliminary expression of interest in purchasing the business (an "Expression of Interest"). An Expression of Interest typically outlines the principal terms and conditions upon which the acquirer desires to purchase the business, including, without limitation, the purchase price for the business and how the purchase price will be determined and/or paid as part of the transaction. Because an Expression of Interest is presented near the start of discussions about the transaction and is designated as being mostly non-binding, cost-conscious business owners oftentimes make the mistake of foregoing legal representation in connection with the negotiation of an Expression of Interest. In doing so, however, a business owner frequently places themselves at a disadvantage in future negotiations about the structure of the transaction and other features of the deal, as the purchaser argues that it relied upon the terms of the Expression of Interest in electing to proceed with the negotiations and that those terms should not be changed. For such reason, it is generally recommended that business owners seek legal counsel to assist with the review and negotiation of an Expression of Interest.

Our Business & Finance Department attorneys regularly represent business owners in connection with the review and negotiation of Letters of Intent and other Expressions of Interest. Please contact Paul T. Rushton, the Chair of our Business & Finance Department (prushton@rjglaw.com), if you desire to learn more about these services.