Orange County
Community Foundation

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Savvy Strategies for Business Exit Planning: Legal Considerations

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Are you planning to sell your business? Contemplating a merger or acquisition? OCCF recently gathered leading expert advisors and entrepreneurs to share lessons learned and best practices when planning for the sale of a privately held business and the role charitable giving can play in the process.

In ***Part 1*** of our three-part series, we bring you some key insights on legal considerations as you plan for and execute the business transaction.

- Contemplate company and deal structure early on to ensure ***tax efficiency***.
- Seek legal, financial, investment banking and/or accounting ***advisors*** who have relevant experience in the industry, M&A transaction type, and deal size you are embarking on. They bring invaluable experience, resources, and value to the transaction.
- ***Letters of intent***, although non-binding, are setting the expectations for the negotiations that are going to take place. Allow your advisors to do most of the negotiations for you. They work on your behalf.
- Ensure your ***purchase agreement*** commits the buyer to the deal. Beware of out-clauses and closing conditions to pull out of the deal.
- Consider ***representation and warranty insurance*** or appropriate limitations on indemnity in the event a breach of representation and warranties arise.

Special thanks to ***John Williams***, Partner at Gibson, Dunn & Crutcher LLP, for these helpful tips!

Please reach out to ***Margita Blattner***, Senior Director of Philanthropic Strategy at the Orange County Community Foundation with any questions.