



SPOUSAL DIRECTIVE

AUTHORITY TO MY SPOUSE/PARTNER TO SELL OUR COMMUNITY PROPERTY ACCOUNTING, TAX AND/OR BOOKKEEPING PRACTICE.

Dear Spouse: This is my directive to you, to act upon immediately, in the event of my terminal illness, incapacitation or death, so as to preserve the value of my/our practice. Any delays in taking action could cause a loss of value of approximately 33% per month. Immediately call Business Brokerage, Inc. (S. CA. 1-800-274-4272 or N. CA. 1-800-727-4272) to list my/our practice for sale (our community property) with their firm. Business Brokerage will evaluate the practice details and circumstances to recommend a price. The full price should be approximately \$_____ (suggest 100% of last years gross receipts plus liquidation of furniture & equipment). The down payment should be approximately \$_____ (suggest 25% to 30% of the sales price with interest at 5% to 10% to be paid over _____ years (maximum 5 years). It is customary for the seller to guarantee the gross revenues for the first year of possession (in other words, the final purchase price will be adjusted for any loss of clients during the first year of possession - this is why it is imperative to act fast).

My/our computer passcode is _____. (Note: My lease most likely will terminate with my death, but in the event that the buyer is interested in taking over my premises give a copy of the lease to the Broker.) My current financials and lease are attached hereto or located _____.

Upon sale, disposition of the funds shall be controlled by my estate planning documents (will, living trust) or as follows:

_____.

Signed:

By: _____ Date _____.

Witness: _____.

Witness: _____.

NOTE: RETAIN WITH ESTATE PLANNING/ PERSONAL RECORDS.
The Spousal Directive and Details for your practice should be sent by the Seller's Spouse to Business Brokerage, Inc. when ready to sell the practice.

PLAN AHEAD: HOW TO MAXIMIZE THE SALES PRICE OF YOUR PRACTICE

The ideal terms and conditions would be:

1. No lease, so the practice can be relocated to buyer's location (almost always a larger practice than the Seller's practice).
2. No requirement for buyer to purchase F&E (Buyer already has F&E, usually newer than the B)
3. Provide continuity of the practice (seller and/or staff).
4. Use industry standard software: Lacerte & Quickbooks.
5. Keep fees up to market. *Increase fees 5-10% annually.*
6. High quality clients – age, wealth & income.
7. Good audit trail (notes on client personality, interests, quirks).
8. Longevity of clients with firm.
9. Print out a Lacerte Practice Management report to show buyer.
10. Show that seller is CONFIDENT that his/her practice will continue to prosper by offering:
 - A. Guarantee of Gross Revenue (maximum of 15% Adjustment); and
 - B. Terms with a Down Payment and carry-back of a promissory note for the balance.
11. Professional Presentation Analysis: Using the BBI Confidential Information Summary report.

Please call Business Brokerage, Inc. (BBI) if you want/need further explanations.

Lee Ribolin, Broker
lee@go2bbi.com
3077 Whistling Way
El Dorado Hills, CA 95762
800-727-4272

Craig Van Laningham, Agent
craig@go2bbi.com
2929 16th Street
Santa Monica, CA 90405
800-274-4272 Ext. 3



BUSINESS BROKERAGE, INC
LEE RIBOLIN **(NO. CALIF)**
3077 Whistling Way
El Dorado Hills, CA 95762
800-727-4272
Office: 415-656-6400
FAX: 415-524-2821
EMAIL: lee@go2bbi.com

BUSINESS BROKERAGE, INC.
CRAIG VAN LANINGHAM **(SO. CALIF)**
2939 16th Street
Santa Monica, CA 90405
800-274-4272 Ext. 3
Office: 424-387-1964
FAX: 310-496-3062
EMAIL: craig@go2bbi.com

Sales Administrator: Linda Long 800-274-4272
EMAIL: linda@go2bbi.com

**LACERTE USERS: SEE NEXT PAGE ON HOW TO RUN
A PRACTICE MANAGEMENT REPORT BY TYPE OF FORM/SERVICE**

Three steps to list your practice for sale:

1. Fill in the FORM below.
2. Cross off or note any information, as applicable to your practice.

2. Scan and send completed form as an email attachment to Lee or Craig.

(See Email addresses above).

Or, Fax completed form to Lee or Craig (See Fax numbers above)

All information submitted to us will be kept confidential.

We will call you to discuss your situation and provide you with the sales price and terms for your practice.

Thank you,
Business Brokerage, Inc.

LACERTE PRACTICE MANAGEMENT REPORT

- - - - -

1. Open LACERTE.
2. Go to CLIENT at the very top of the screen and click on it. Then select the TYPE OF CLIENT for which you would like to do a report. Each group of type (Individuals, Partnerships, Corporations, etc has to be done separately.) Within each group you need to highlight those clients to be included in the report you are about to do. Press F3 on keyboard and it will take you to CLIENT GROUP SELECTION. Mark "ALL CLIENTS" and click on OK.
3. Next you click on PRINT at the top of the screen, and then click on DATABASE REPORT, and then click on SUMMARY REPORT TAB and then click on TAX PRACTICE SUMMARY near the top left of that screen. The program will then compile the report. Click on PRINT on that screen to get a hard copy.
4. You will then need to repeat these steps for each type of return.

Note1: On later versions of Lacerte the SUMMARY REPORT tab may be at the top of the screen.

Note2: These reports can be misleading if you do "dummy" returns for purposes of projections or "what if" returns. Further, the numbers for the billings to clients can be significantly understated if you do not bill all the tax returns through the Lacerte system (many practitioners do not run simple returns through Lacerte). However, the number of returns processed though not billed will be accurate except for the "dummy" and "projections/what-if returns" mentioned above.

The following bulleted points are common and used as the 1st page on our Confidential Information Summaries. Feel free to edit this page as applicable. Cross off or note N/A for statements which don't apply.

SPECIAL FEATURES OF THIS PRACTICE THAT WILL BENEFIT YOU

SELLER'S MOTIVATION

- Seller's motivation is retirement and seller is eager to strike a deal ASAP.
- CONFIDENTIAL! Employees are **NOT AWARE (OR ARE AWARE)** of Seller's plans. **PLEASE CIRCLE ONE: NOT AWARE or CIRCLE ARE AWARE.** Or Note N/A if Not Applicable.

CROSS OFF ONE OF THE FOLLOWING 2

- The proposed sale herein is for 100% of the practice, less family and personal friends (about \$_____ already subtracted from gross revenues) and all data is based on the income and expenses of that portion being sold.
- OR**
- The proposed sale herein is for a spin off of approximately ____% of the practice, which are the (non-investment clients, audit clients, _____), (about \$_____ already subtracted from gross revenues) and all data is based on the prorata income and expenses of that portion being sold.

SELLER IS CONFIDENT IN HIS/HER PRACTICE AND TO ENSURE YOUR SUCCESS:

- Seller is willing to guarantee the gross revenue to a qualified buyer for the first year of possession, but in no event will the adjustment exceed 15% of the selling price.
- Seller willing to carry a note (financing) for a qualified buyer. (See Page 6)
- Seller may want to allocate a significant portion of the purchase price to personal goodwill.
- Seller will be available to aid in the transition for a period of 30 days (longer if required).
- Seller will be available to work part-time for Buyer during the first tax season, if desired.
- Seller offers a covenant not to compete of 25 miles and 5 years as to opening a new office and for the state of California as to clients sold.

SELLER HAS A PROVEN SUCCESS RECORD:

- Mature practice (___ years) with loyal and diversified client base.
- Practice is very profitable with a net of ___%, due to good fees and low expenses.
- Practice provides very reliable, steady cash flow to enable buyer to service debt and still provide reasonable income (See monthly cash flow page 6)

WE WILL NOTE THE NET % AFTER A REVIEW OF 10 REVENUES AND 2) THE EXPENSES A BUYER WOULD INCUR

SELLER OFFERS THESE OTHER BENEFITS/FEATURES:

- Seller may consider a discount for all cash or nearly all cash (make offer).
- Lease expires on _____ and practice may be relocated to buyer's premises within reason after expiration of lease.
- Lease is very reasonable with rent of only \$_____.
- Seller works out of home office so practice to be relocated to buyer's location within a reasonable distance from present location.
- Great location on well traveled street with good signage.
- The practice is extremely efficient due to computers / programs / staff.
- The furniture and equipment are optional.

BUSINESS BROKERAGE, INC.

CONFIDENTIAL INFORMATION SUMMARY

TYPE OF PRACTICE: _____	LOCATION: _____
LICENSE (S) HELD: _____	BUSINESS FORM: _____
SELLER'S MOTIVATION: _____	

RECONSTRUCTED CASH FLOW FOR PERIOD: _____ **NOTE ONE:** 2020 or 2021 Est. Total

REVENUES (Some entries may be estimates or projections):

TAXES:				Range	
SOURCE	#CLIENTS	AVG. FEE	\$ TTL/YR.	Highest	Lowest
1040 Individuals					
1065 Partnerships					
1120-C C-Corps					
1120-S S-Corps					
1041/ 706 Estates&Trusts					
5500 Retirement plans					
990 Charities & Non-profits					
Misc.					
TOTAL				Total \$ _____	

SCHEDULES:	TOTAL #
Schedule C	
Schedule E	

NOTE: AVG. FEE. AMOUNTS ARE AUTO-COMPUTED ON THE FINAL CIS REPORT WHICH WE WILL PREPARE.
PLEASE INPUT # CLIENTS & TTL/YR (TOTAL PER YEAR) ONLY.

WRITE-UP:			
TYPE	#CLIENTS	AVG. FEE/YR	\$ TTL/YR.
MTHLY			
QTRLY			
SEMI-ANL.			
ANNUAL			
TOTAL			Total \$ _____

COMPILATIONS _____
 # REVIEWS _____
 # AUDITS _____
 # SINGLE ENTRY _____

OTHER:			
TYPE	#CLIENTS	AVG.FEE	\$ TTL/YR.
IRS AUDIT			
MAS/CONSULT			
TOTAL			Total \$ _____

LESS CLIENTS RETAINED BY SELLER OR NON-TRANSFERABLE: _____

If applicable

TOTAL GROSS REVENUE: _____ Total \$ _____

	AMOUNT	% CHANGE
GROSS : 2018		
GROSS : 2019		
GROSS : 2020 Est.		

Input GROSS Revenue by year only. % Change will auto-compute on the form we prepare.

*** If any substantial change in profits for these years, please provide information.
Or, call us personally to discuss details.**

BUSINESS BROKERAGE, INC.

DISBURSEMENTS (Some may be estimates or projections):

TOTAL GROSS REVENUE (CARRIED OVER FROM PREV. PAGE): \$0

PROVIDE DETAILS BY W-2 EMPLOYEE (BY FUNCTION, NOT NAME).
NOTE DETAILS FOR OUTSIDE SERVICES/ INDEPENDENT 1099 CONTRACT LABOR IN DISBURSEMENTS SECTION.

STAFF:

FUNCTION	KEY?	#YRS	STAY?	HRS/WK	WAGES/YR	COMMENTS

TOTAL WAGES: _____

OTHER DISBURSEMENTS (Some may be estimates or projections):

EXPENSE	AMOUNT	PERCENT
ADVERTISING/PROMOTION:		
SOFTWARE, TAX:		
SOFTWARE, G.L. & MISC:		
DUES/SUBS/LIBRARY/CPE:		
INSURANCE, BUSINESS:		
INSURANCE, HEALTH:		
INSURANCE, E & O:		
LEASED EQUIP.:		
OFFICE SUPL. & POSTAGE:		
RENT (INCL CAM, ETC):		
REPAIRS/MAINT.:		
RETIREMENT/EMPLOYEE ONLY.:		
SECURITY ALARM:		
SOFTWARE UPDATES, MISC:		
TAXES, PAYROLL (11% OF WAGES):		
STORAGE FACILITY:		
TELEPHONE:		
UTILITIES:		
MISC.(BIZ.LIC,W/C,JANTR,ETC):		

Complete OR e-mail / fax your 1040, Schedule C, or Internal P&L.

TOTAL OTHER DISBURSEMENTS: _____

TOTAL DISBURSEMENTS (WAGES & OTHER): \$ _____

NET CASH FLOW: \$ _____

BUSINESS BROKERAGE, INC.

GENERAL INFORMATION:

OFFICE SPACE:			
SQ. FT.	RENT \$	CAM	COLA
\$/SQ.FT.	LSE. EXPR.	OPTION	
# ROOMS	offices, reception area, storage room, bathroom (in hallway or office)		
PREMISES DESCRIPTION:			
Ample parking. 1st floor			
PASSED PEER REVIEW?		DATE:	
COMPUTER SOFTWARE/ PROGRAMS USED:		TAXES:	
YR. PRACTICE ESTAB:		WRITE-UP:	
#YRS @ THIS LOCATION:		#YRS PRESENT OWNER:	
OFC HRS: OFF SEASON	9-5		
OFC HRS: TAX SEASON	9-5; SAT 9-3; SUN CLOSED.		
LAST PRICE INCREASE:	LAST YEAR		
SOURCE NEW BIZ:	REFERRALS, ADVERTISING		
RESEARCH LIBRARY:	RIA, CCH, SPIDELL, LIBRARY ON CD ROM		
GEO. AREA SERVICED:	80% WITHIN 15 MILES OF OFFICE		
# BIZ CLIENT VISITS/YR:			
% TAX RTN's MAILED-IN, EMAILED, FAX & DROP-OFFS (OR #):			% OF CLIENTS WHO SEND INFO. PRIOR TO APPT?
% CLIENTS WITH NO APPT (MAIL, EMAIL, DROP OFF INFO):			% OF CLIENTS WITH NO IN OFC.APPT? (OR VIRTUAL APPT)
% E-FILED RETURNS:			
BILLING RATE: OWNER:	/ HR	STAFF:	/ HR
CLIENT RECALL SYSTEM: TAX ORGANIZER SENT IN JANUARY: CLIENT CALLS TO SET APPT.			
% OF CLIENTS WHO FILL OUT & RETURN ORGANIZER ? :			
TAX CLIENTS:	AVG INCOME:\$	AVG AGE:	
AVG. TAX APPT:	# MINUTES	# ON EXTENSION 4/15:	
BILLING/COLLECTION:	BILLING BASIS:		
At Interview: _____ %	HOURLY: _____ %		
Upon Delivery: _____ %	SCHEDULE: _____ %		
30 Days: _____ %	VALUE: _____ %		
TYPICAL CLIENTS:	BUSINESS OWNERS, PROFESSIONAL INDIVIDUALS		
WRITE-UP/BOOKKPG:	COLLECTIONS:	BILLING BASIS:	
EOM _____ %	HOURLY: _____ %	FIXED FEE: _____ %	
Upon Delivery: _____ %	FIXED FEE: _____ %	VALUE: _____ %	
In 30 days: _____ %	VALUE: _____ %		
ACCTS. RECEIVABLE:	HIGH \$:	LOW: \$	AVG:\$
SELLER'S BACKGRND:			
TRANSITIONAL ASSIST:	30-DAY INTRODUCTION TO CLIENTS, CLIENT FILES AND WORKPAPERS. SEND LETTERS OF INTRODUCTION.		
COMMENTS/POTENTIAL FOR IMPROVEMENT:			
IDEAL BUYER FOR THIS PRACTICE: A PEOPLE PERSON WITH AN OUTGOING PERSONALITY KNOWLEDGEABLE, EXPERIENCED, GOOD WITH STAFF, RESPONSIVE TO CLIENTS			

BUSINESS BROKERAGE, INC.

CONFIDENTIAL INFORMATION SUMMARY NO: 0

ASKING PRICE:

FULL PRICE:	<input type="text"/>	*INCLUDES F&E BELOW	DOWNPAYMENT:	<input type="text"/>		Pymt/M
BALANCE:	<input type="text"/>	FOR	<input type="text"/>	YEARS @	<input type="text"/>	\$21.25
MONTHLY PAYMENTS:	<input type="text"/>	or	ANNUAL PAYMENTS:	<input type="text"/>	PLUS INTEREST	
TERMS:	Buyer to provide life insurance on Buyer's life.			Seller willing to carry note (financing).		
Sale subject to Seller's approval of Buyer's Credit report.						
Financing available with: U.S. Bank: Wally Hayes @ 949-281-9364. wallace.hayes@usbank.com SBA & conventional.						
Aaron Taar, First Citizen's Bank @ 714-317-4758. Aaron.tarr@firstcitizens.com						
Taylor King, Live Oak Bank @ 910-797-1650 or Mobile: 410-920-8025 taylor.king@liveoak.bank						
PLUS: APPROX DEPOSITS/PRORATIONS:	RENT	<input type="text"/>	\$0	OTHER	<input type="text"/>	
ACCOUNTS RECEIVABLE ON A NOTE?	TERMS			<input type="text"/>		
GUARANTEE?, Yes for:	for the 1st year's Gross Revenues with a maximum adjustment of 15%.					
WHEN READY TO CLOSE SALE:	ASAP					
COVENANT NOT TO COMPETE OFFERED:	<input type="text"/>		25 MILES	<input type="text"/>		5 YEARS
*PRICE INCL. FURN & EQUIP. OF:	\$	(SEE EXHIBIT)		OPTIONAL? <input type="text"/>		
PRICE DOES NOT INCLUDE ACCOUNTS RECEIVABLE OF:	\$ <input type="text"/>					
LEASE/CONTRACT ASSUMPTIONS:	? UNTIL (DATE) OR: NONE					
LEASED EQUIP:	NONE					
ANY EXPECTED SUDDEN INCREASES/DECREASES IN GROSS?:	NO					
PENDING LITIGATION?:	NO	LEGAL CLAIMS THAT WOULD AFFECT TRANSFER?				NONE
IRS \$	NONE		UCC-1 FILINGS	NONE		

MONTHLY CASH RECEIPTS

MONTH	YR 2019	YR 2020	YTD 2021	BUYER'S ESTIMATED START UP COSTS.		
Jan				DOWN PAYMENT:	\$0	
Feb				WORKING CAPITAL:	6 MOS.	2 MO.
Mar				LEASE DEPOSIT:	\$0	1 MO.
Apr				LIFE INSURANCE:	\$2,000	Est.
May				BUSINESS LICENSE:	\$250	Est.
Jun				NEW STATIONARY:	\$1,000	Est.
Jul				UTILITY DEPOSITS:	\$500	Est.
Aug				SOFTWARE XFER:	\$250	Est.
Sep				SBA ESCROW:	\$1,500	Est.
Oct				OTHER:		
Nov				OTHER:		
Dec				OTHER:		
TOTAL				TOTAL:	\$5,500	

SELLERS: NO NEED TO FILL OUT ABOVE SECTION

CONFIDENTIAL INFORMATION SUMMARY NO: 0

COMPLETE THIS PAGE (BY TYPE OF BUSINESS) FOR WRITE-UP (ACCTG/BOOKKPG/ PAYROLL CLIENTS)

CURRENT BUSINESS CLIENT LIST EXHIBIT "A"

	TYPE OF BUSINESS	SALES/YR \$ PER K	# YRS	FORM OF BUS.	SERVICE	FREQ	ACCTNG FEES /YR
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							

TOTAL THIS PAGE ONLY:

FORM: SP = Sole Prop, C = Corp, SC = S-Corp, LLC, LLP, P = Partner, NP = Non Profit
 FREQUENCY: W= Weekly, M = Monthly, Q = Quarterly, S = Semi-annual, A = Annual
 SERVICES PROVIDED: C = Compilation, R = Review, A = Audit, PR = Payroll,
 GL = General Ledger, M = MAS & Consulting, ST = Sales Tax

