Phone: (715) 497-2968
Email: info@midwestequitymanagement.com
Web: https://midwestequitymanagement.com

🔒 Non-Disclosure Agreement (NDA)

A legal contract that says the buyer (or anyone you talk to about the sale) can't share your private business info—like your financials, customers, or trade secrets.

Why it matters: It keeps your sale plans confidential so competitors, employees, or customers don't find out prematurely.

✉️ Letter of Intent (LOI)

A non-binding document from the buyer that outlines their proposed offer: what they want to buy, for how much, and under what conditions.

Why it matters: It helps you see if you're aligned before diving into the full legal process.

📝 Asset Purchase Agreement (APA)

This is the official contract that spells out what's being sold (equipment, inventory, customer lists, etc.) and how the sale will work.

Why it matters: This is the main legal agreement for the transaction—it protects both sides.

📄 Stock Purchase Agreement (SPA)

If your business is a corporation, the buyer might buy the *stock* instead of just the assets. This document covers that deal.

Why it matters: It means the buyer takes over everything—including liabilities—so it's riskier for them and may affect the price.

💼 Business Valuation

An independent review of what your business is worth. It factors in revenue, profits, assets, and even your industry trends.

Why it matters: It helps you set a fair asking price and justifies that price to buyers, lenders, and even the IRS.

📉 Capital Gains Tax

When you sell your business, the IRS and Wisconsin may tax the *profit* from that sale. That's called a capital gain.

Why it matters: You may owe 15–20%+ on that gain depending on how the deal is structured—proper planning can save thousands.

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💰 Asset vs. Stock Sale

- **Asset Sale**: You sell equipment, inventory, brand, customer lists—but keep the legal business entity.
- **Stock Sale**: You sell the entire business as-is, including all contracts, liabilities, and debts.

Why it matters: Buyers usually prefer asset sales (less risk); sellers may prefer stock sales (better tax treatment).

🕵️ Due Diligence

A deep review of your business by the buyer—checking your books, legal history, contracts, employees, etc.

Why it matters: Buyers want to confirm your business is what you say it is. Clean, organized records speed this up and reduce deal risk.

🛑 Non-Compete Agreement

A contract saying you won't open a competing business (or steal clients/employees) after the sale—for a certain time and area.

Why it matters: Buyers want to protect what they're paying for—your reputation and customer base.

📄 Disclosure Schedule

A detailed list of everything you're legally required to tell the buyer—like pending lawsuits, unpaid taxes, or expiring contracts.

Why it matters: Hiding issues here can kill a deal or get you sued later. Be upfront.

✅ Ready to Take the Next Step?

Selling your business doesn't have to be overwhelming—and you don't have to do it alone.

👉 Visit MidwestEquityManagement.com for free tools, checklists, and expert guidance to help you retire with confidence and preserve your legacy.

Because your life's work deserves more than just a "**For Sale**" sign.