



PARTNER ISSUES AND CONSIDERATIONS

Rush Nigut

Brick Gentry, P.C.

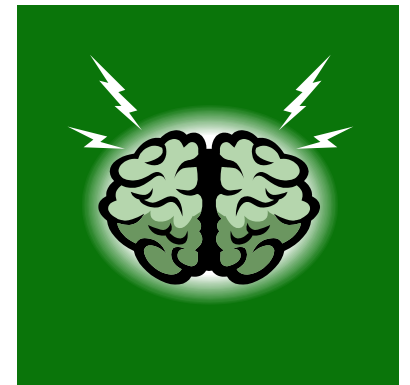
www.rushonbusiness.com





PARTNERS: CHOOSE WISELY

- PEOPLE ARE GOOD STARTERS BUT LOUSY FINISHERS
- BE ESPECIALLY CAREFUL ABOUT FRIENDS AND FAMILY



INVESTOR POINT OF VIEW



- HARD TO BUILD BUSINESS ON YOUR OWN
- MANAGEMENT TEAM
- COMPLEMENTARY STRENGTHS





BUY-SELL AGREEMENT

- NOT A MATTER OF *IF*, BUT *WHEN* PARTNERSHIP WILL END
- TRAP: SAVE MONEY MENTALITY - IT WILL COST YOU IN LONG RUN



BUY-SELL AGREEMENT



- EFFECTIVE BUY-SELL?
 - HOW OWNER CAN SELL OWNERSHIP INTEREST
 - HOW OWNERSHIP INTEREST IS VALUED





BUY-SELL AGREEMENT

- OTHER ISSUES:
 - DEATH
 - DISABILITY
 - RETIREMENT
 - TERMINATION
 - DIVORCE
 - BANKRUPTCY



BUY-SELL AGREEMENT



- CREDITORS
 - EVEN THE MOST SOUND BUSINESS PARTNER MAY RUN INTO UNEXPECTED PROBLEMS
 - BE PREPARED





RIGHT OF FIRST REFUSAL

- INSIDE OWNER HAS OPPORTUNITY TO BUY BEFORE OUTSIDE OWNER





WHEN TO ENTER INTO BUY-SELL?

- IN THE BEGINNING
 - EXCITED
 - HAPPY
 - IN LOVE



LITIGATION COSTS HIGH

- DISPUTE CAN EASILY RUN IN EXCESS OF \$100,000 PER SIDE IN MANY CASES

