



Thank you for your inquiry and interest in the businesses we have available in Montana. I am a Business Broker and Realtor licensed in Montana. I sell only businesses and related property. I have 35 years business experience and have owned seven businesses of my own so I have a good understanding of operations, sales, distribution, human resources, financing, etc.

I completed my first business sale in 1989 and have been selling and consulting on sales of businesses, commercial property, franchises (both sides) over that time as well as operation of several other businesses from one employee to several hundred, spread out over five western states. I take a consulting approach, in other words I will not **“SELL”** you a business. But I will get you all the information, fully disclose the opportunity to you, help find the right financing and give you resources to make your decision. I work about 25 hours a day, 8 days a week so you can call or email me any time.

If you are not really ready to make a purchase, or don't have the required funds to make a purchase (generally 15 to 20 percent of the purchase price) let me know right up front. I will be happy to give you general information on business deals, methods, financing, etc. but in all honesty for myself and my sellers, I need to focus on buyers who are ready and able to make a purchase. I appreciate your understanding on this.

Let me tell you a little bit about the process.

I have attached our standard NDA, New Client Information sheet, and Relationships in Real Estate forms of which a separate one must be filled out on each business you look at (unless you hand write on the form **"Apply this to any business I request information on"**). These agreements clarify that you will keep the information confidential and that you understand your duties in a purchase. You agree by initialing here \_\_\_\_\_ any information provided to you will be returned within 24 hours (at your expense) if you decide not to purchase a business or the rejection of any offer by you. As for communications, I will respond to you generally in less than 24 hours (usually much sooner) on any question, paperwork, email or phone call. I would expect the courtesy of a response from you in a similar time frame. I know you are busy, so am I. Let's keep the communication flowing so we are not wasting each other's time.

Understand that businesses are being sold on a confidential basis (quietly) so as to keep all employees, contracts and vendor relationships in place. This benefits the Buyer as well as the Seller, as you do not want to lose key employees, contracts or business because it became known that the business was for sale. You will have the benefit of looking at a complete stranger's taxes, P&L's and other confidential information. If you are not willing to share your complete information on the attached New Client form please do not expect the seller to provide their confidential information either.

**After the initial paperwork attached is completed and signed the process works like this.**

1. You receive an email with an introduction to the business and location.
2. You receive in the email **basic** recast financial information for the most recent tax year.
3. From this email you should be able to decide if the named business is something that interests you. In other words, the investment vs. cash flow makes sense to you and you want to learn more.

4. At this point you may request tax returns, P&L's or other financial information. A phone conference with the seller is also a good idea at this time.
5. If things still look interesting to you at this point, it is a good time to schedule a visit with the seller and tour the business and see the area. I generally recommend two days to do this.
6. I can arrange for you to meet with several financial institutions that work on business acquisitions at any time. My recommendation will depend on your needs (such as additional line of credit, etc.) and none of your confidential information is revealed to us. You deal directly with the lender.
7. At this point you should be ready to make a purchase or move on to the next opportunity. I will work with you on transition agreements, non-comp agreements, licenses, permits, contingencies, etc. to formulate an offer to present to the seller. You should be ready to make an earnest money check out at this time in the 5 to 10 percent of purchase price range.
8. If your offer is accepted you should know the time frame to closing is generally slowed down by buyers and sellers who do not provide paperwork or money needed in a timely fashion. You must be committed to get requests from lenders, title companies, insurance companies, government agencies, etc. handled quickly.
9. At closing your transition period with the seller will begin and training with seller, introductions to clients, vendors, and personnel will take place.

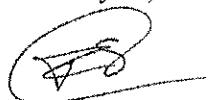
You should be aware that financing for business acquisition is generally not accomplished through your local bank and most sellers are not looking to become a bank for you. If your purchase is in the under \$300,000 dollar range be aware that these are the toughest deals to get financed. Your use of home equity loans, asset purchase loans, and other creative means make many of these deals work. For deals financed by SBA programs, generally lenders are looking for 20% down (but 10% will often work) and loans are quoted from 5 to 25 years depending on if real estate is involved and the cash flow of the business. There is no LTV cap in most SBA programs and therefore rates generally run 1.75% to 2.5% over prime. Conventional loans are generally only available for Asset Purchase portion of a sale so you could be looking at a down payment of 40% or much more if you want to go this direction (I do not recommend it).

I may be contacted on my cell phone 7 days a week till 9:00 p.m. mountain time. As I specialize in only business sales, I travel the region extensively so my cell phone is the best way to reach me. If I do not answer, please leave a voice mail and I will return your call as soon as I am able.

If you can, scan your documents in and email back to me, that is the preferred method (24/7). If you fax them back, use my office fax number 406-728-9479. I will be notified within 24 hours (except weekends) that your information is in and will be able to respond at that point to your request for more information.

If all of this seems like too much for you please, at least, email me back and let me know so that I will not try to continue to contact you.

Thank you,



John Suprock  
Business Broker, Realtor  
Manager/ Member

# Confidentiality and Non-Disclosure Agreement

This Agreement is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (“Effective Date”), by and between:

A potential seller (“Seller”):	A potential buyer (“Buyer”)
Company Name: _____	Company Name: _____
Contact: _____	Contact: _____
Address: _____ _____	Address: _____ _____
Phone: _____	Phone: _____

## RECITALS

WHEREAS, Seller has an on-going business that, as part of its value, contains confidential financial information, customer/client lists, vendor lists, and other information that may constitute trade secret information under North Dakota’s Uniform Trade Secrets Act;

WHEREAS, Buyer has an interest in exploring the purchase of Seller’s business and, as a part of its due diligence, needs to review such confidential information; and

WHEREAS, the parties wish to protect the confidentiality of Seller’s information and accommodate Buyer’s rights of due diligence;

NOW, THEREFORE, for good and valuable consideration, including the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agrees as follows:

1. Confidentiality. Buyer agrees that information not generally known to the public to which Buyer has been or will be exposed as a result of Buyer's discussions and/or due diligence with Seller is confidential information that belongs to Seller. Seller’s confidential information includes, without limitation, information relating to Seller’s trade secrets, customer/client lists, vendor lists, financial information, designs, ideas, processes, know-how, procedures, plans, and concepts. Buyer will hold Seller’s confidential information in strict confidence and will not disclose or use it except as authorized by Seller for Seller’s benefit. Buyer also acknowledges and agrees not to disclose, and has not been asked to disclose, confidential information learned from prior contact, negotiations or discussions with Seller.

2. Possession of Materials. Buyer agrees that upon conclusion of any due diligence and/or negotiations with Seller, Buyer shall turn over to Seller all documents, information, files, equipment, supplies and any other materials or work product in Buyer's possession or control that were created pursuant to or derived from Buyer's due diligence of Seller’s business.

3. Non-Competition. Buyer agrees that Seller has many substantial, legitimate business interests that can be protected only by Buyer agreeing not to compete with Seller under certain circumstances. These interests include, without limitation, Buyer's contact and relationships with Seller's clients, Seller's reputation and good will in the industry, and Seller's rights in its confidential information. Buyer therefore agrees that one (1) year after Buyer's investigation / due diligence / negotiations with Seller ends regardless of the reason it ends (or two (2) years from the Effective Date above, whichever is later), Buyer shall not, directly or indirectly: (a) solicit, acquire, accept or conduct any business competitive with Seller, from or with any of Seller's clients, or (b) be a consultant, officer, director, partner, trustee or shareholder of more than 5% of the outstanding common stock of any entity that solicits, acquires, accepts, or conducts any such business competitive with or related to Seller's business in the united States, or the largest geographic area, allowed by law.

4. Remedies: Buyer acknowledges and agrees that, in the event of any breach of this Agreement, Seller would be irreparably and immediately harmed and could not be made whole by monetary damages. Accordingly, Buyer agrees that, in addition to any other remedy to which Seller may be entitled to in law or equity, Seller shall be entitled to an injunction or injunctions (without the posting of any bond and without proof of actual damages) to prevent breaches or threatened breaches of this Agreement and/or to compel specific performance of this Agreement, and that neither the Buyer or its representatives will oppose the granting of such relief.

5. Applicable Law: This Agreement shall be governed in all respects whether relative to validity, construction, capacity and performance or otherwise by the laws of the State of North Dakota.

6. Attorneys Fees and Costs; Venue and Jurisdiction. In any lawsuit arising out of or relating to this Agreement or Buyer's business relationship with Seller, including without limitation arising from any alleged tort or statutory violation, the prevailing party shall recover reasonable attorney fees and costs, including on appeal, from the non-prevailing party. Venue and jurisdiction of any lawsuit involving this Agreement or Buyer's business relationship shall exist exclusively in state and federal courts in the county and state where the principal operations of the business are located.

IN WITNESS WHEREOF, the parties have executed this Agreement.

<b>SELLER:</b>	<b>BUYER:</b>
Company Name: _____	Company Name: _____
Signed By: _____	Signed By: _____
Title: _____	Title: _____
Date: _____	Date: _____

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Revised October 1, 2008

\_\_\_\_\_  
Sellers Initials

\_\_\_\_\_  
Buyers Initials

## RELATIONSHIPS/CONSENTS IN SALE TRANSACTIONS

A "Dual Agent" is obligated to a Seller in the same manner as a seller agent and is obligated to a buyer in the same manner as a buyer agent, except that a dual agent:

- has a duty to disclose to a buyer or seller any adverse material facts that are known to the dual agent regardless of any confidentiality considerations; and
- may not disclose the following information without the written consent of the person whom the information is confidential;
  - i. the fact that the buyer is willing to pay more than the offered purchase price;
  - ii. the fact that the seller is willing to accept less than the purchase price that the seller is asking for the property;
  - iii. factors motivating either party to buy or sell; and
  - iv. any information that a party indicates in writing to the dual agent is to be kept confidential.

**DUAL AGENCY:** If a seller agent is also representing a buyer, or a buyer agent is also representing a seller with regard to a business, then a dual agency relationship may be established. In a dual agency relationship, the dual agent is equally obligated to both the seller and the buyer. These obligations may prohibit the dual agent from advocating exclusively on behalf of the seller or buyer and may limit the depth and degree of representation that you receive. A broker or a salesperson may not act as a dual agent without the signed, written consent of both the seller and the buyer.

An "**Adverse material fact**" means a fact that should be recognized by a broker or salesperson as being of enough significance as to affect a person's decision to enter into a contract to buy or sell a business and may be a fact that:

- i. materially affects the value, affects structural integrity, or presents a documented health risk to occupants of the property; and
- ii. materially affects the buyer's ability or intent to perform the buyer's obligation under a proposed or existing contract.

### Disclosures/Consents

The undersigned Broker or Salesperson hereby discloses the relationship(s) as checked below, and the undersigned Seller or Buyer acknowledges receipt of such disclosures(s) and consents to the relationship(s) disclosed.

Check all the Applicable Relationships(s):

Seller Agent

By checking this box, the undersigned consents to the licensee representing multiple sellers.

Buyer Agent

By checking this box, the undersigned consents to the licensee representing multiple buyers.

Statutory Broker

Dual Agent (by checking this box, the undersigned consents to the licensee acting as a dual representative.)

PCS Business Brokers LLC  
\_\_\_\_\_  
Broker and/or Salesperson

\_\_\_\_\_  
John L. Suprock / \_\_\_\_\_  
Date

Seller  Buyer Printed Name

\_\_\_\_\_  
Signature / \_\_\_\_\_  
Date

**New Client Information Sheet**

Date \_\_\_\_\_

Name \_\_\_\_\_

Business(es) you are interested in: \_\_\_\_\_

Address \_\_\_\_\_

P.O. Box \_\_\_\_\_

Phone Home \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Phone Office \_\_\_\_\_

Email \_\_\_\_\_

Phone Cell \_\_\_\_\_

Partners Name \_\_\_\_\_

Fax \_\_\_\_\_

**Locations interested in:**

Montana     North Dakota     Colorado     Wyoming    Other \_\_\_\_\_

**Types of businesses interested in:**

Please list \_\_\_\_\_

Purchase Price Range \$ \_\_\_\_\_ to \$ \_\_\_\_\_

Cash on hand for purchase \$ \_\_\_\_\_

Cash flow you expect from business you purchase \$ \_\_\_\_\_

Is your Credit Score above 675?  Yes     No    If no, score # \_\_\_\_\_

Company's Dun & Bradstreet rating \_\_\_\_\_

Your work experience \_\_\_\_\_

Time frame to visit business and make decision on purchase agreement \_\_\_\_\_

Where did you hear about PCS / the Business for Sale?

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> Newspaper             | <input type="checkbox"/> Commercial Journal | <input type="checkbox"/> Business Journal |
| <input type="checkbox"/> Personal Referral     | <input type="checkbox"/> BusinessBroker.net | <input type="checkbox"/> BusinessMart.com |
| <input type="checkbox"/> BusinessesForSale.com | <input type="checkbox"/> BizBuySell.com     | <input type="checkbox"/> Acquireo.com     |
| <input type="checkbox"/> BizQuest.com          | <input type="checkbox"/> Google.com         | <input type="checkbox"/> _____            |