



SELLER'S DISCLOSURE STATEMENT

This series of questions and answers is to inform buyers about this business. It is supplied by the seller to provide relevant information and to answer frequently asked questions, but it does not take the place of the buyer's inspection of the business and its financial and other records. Those must be carefully examined and approved by the buyer. The broker has not verified the accuracy or the completeness of any of the information supplied here by the seller.

Business Name	Business Owner
Address	Phone
City/State/Zip	Email
Name of Broker	Name of Agent

**This Section to be Completed by the SELLER
Please Explain All "Yes" Answers on the Attached Page**

A. Business Condition

- | | | |
|--|-----|----|
| 1. Are you aware of any circumstances in the industry or market area that may adversely affect future profitability of the business? | Yes | No |
| 2. Are there any revenues or expenses of the business that are not clearly reflected in its financial statements? | Yes | No |
| 3. Is the business in default on any of its financial or contractual obligations? | Yes | No |
| 4. Has the business or any of its owners been the subject of any bankruptcy filing, assignment for benefit of creditors or insolvency proceedings of any kind? | Yes | No |
| 5. Are there individual customers who account for more than 10% of annual gross sales? If yes, list each by name and indicate the approximate percentage of annual gross sales and any relationship to the business or its owners. | Yes | No |
| 6. Are there any commitments to employees or independent contractors regarding future compensation increases? | Yes | No |
| 7. Are there suppliers who have a personal or special relationship with the business or its owners? If yes, list each such supplier, nature of the relationship and approximate amount of annual purchases. | Yes | No |

B. Regulations

- | | | |
|--|-----|----|
| 1. Is the business or its operator required to have any licenses or permits other than a local business license? | Yes | No |
| 2. Must the new owner personally qualify for any licenses or permits? | Yes | No |
| 3. Are you aware of any pending zoning changes, redevelopment or nearby construction that might affect your business? | Yes | No |
| 4. Are there any alleged violations filed under investigations by authorities issuing licenses or permits by the following Agencies? | | |
| a. Police Department | Yes | No |
| b. Health Department | Yes | No |
| c. Fire Department | Yes | No |

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d. Building Inspector Control	Yes	No
e. Zoning Commission	Yes	No
f. Water Pollution Agency	Yes	No
g. EPA	Yes	No
h. OSHA	Yes	No
i. EEOC	Yes	No
j. EDD	Yes	No
k. Alcohol Beverage	Yes	No
l. Board of Equalization	Yes	No
m. IRS	Yes	No
n. Franchise Tax Board	Yes	No
o. Immigration and Naturalization Service	Yes	No

C. Legal Considerations

Does the business have any of the following?

1. Union or other employment agreements	Yes	No
2. Any employee hired after November 6, 1986 without a completed INS Form 19 on file	Yes	No
3. Employee Stock Ownership Plan (ESOP)	Yes	No
4. Un-funded pension liabilities	Yes	No
5. Profit sharing plans	Yes	No
6. Back wages or claims for same	Yes	No
7. Unpaid medical or insurance claims	Yes	No
8. Lease agreements (other than premises)	Yes	No
9. Equipment maintenance agreements	Yes	No
10. Other outstanding contracts and agreements	Yes	No
11. Advertising contracts (including Yellow Pages)	Yes	No
12. Pending litigation	Yes	No
13. Unresolved insurance claims	Yes	No
14. Product liability exposure	Yes	No
15. Customer warranty obligations	Yes	No
16. Pending tax or Worker Compensation refunds	Yes	No
17. Anticipated supplier rebates	Yes	No



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**IF YOU HAVE ANSWERED "YES" TO ANY OF THE ABOVE QUESTIONS,
PLEASE GIVE A COMPLETE EXPLANATION ON THE ATTACHED PAGE**

D. Other

Are there any other facts or conditions not disclosed above that adversely affect the operation of the business, a buyer's decision to purchase it, or the price he might pay for it?

If "Yes", Explain

Attached page contains information and is part of this Agreement

SELLER(S)

Name: _____

Date: _____

Name: _____

Date: _____

By: _____

Signature

Title

**SELLER(S) CERTIFIES THAT THE ABOVE INFORMATION IS TRUE AND CORRECT AND
ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT.**

**BUYER(S) ACKNOWLEDGES HAVING REVIEWED THE INFORMATION RELATING TO THE SELLER
CONTAINED IN THIS DISCLOSURE STATEMENT AND HAVING RECEIVED A COPY.**

Buyer

Date

Buyer

Date



**SELLER'S DISCLOSURE STATEMENT
ADDITIONAL COMMENTS
for the Seller's Disclosure Statement**

Dated _____

Please complete this page to explain any yes answers on the Seller's Disclosure Statement

Buyer's Initials Date

Seller's Initials Date