



BUSINESS DISCLOSURE STATEMENT

(C.A.R. Form BDS, Revised 10/01)

1. INTENT AND PURPOSE: This Business Disclosure Statement ("BDS") is provided by \_\_\_\_\_ ("Owner"), Owner of the

business known as \_\_\_\_\_ ("Business"), as

(i) a tool to assist in establishing the listing price; (ii) a disclosure of material facts regarding the operation of the Business; and (iii) a proposal of items to be included in or excluded from the offering of the Business for sale. The BDS is for information purposes only and is not part of any agreement. Owner authorizes Broker to provide this BDS to prospective buyers. OWNER DECLARES THAT THE INFORMATION PROVIDED HEREIN IS BASED ON FIGURES SUPPLIED BY OWNER AND THAT OWNER INTENDS THAT BROKERS AND PROSPECTIVE BUYERS RELY ON SUCH INFORMATION. OWNER HAS DOCUMENTATION SUPPORTING SUCH FIGURES AND AGREES TO PROVIDE SUPPORTING DOCUMENTATION UPON REQUEST. BROKER HAS NOT INDEPENDENTLY VERIFIED THE INFORMATION PROVIDED HEREIN.

2. RELATION TO PURCHASE AGREEMENT: Owner acknowledges that: (i) the agreement between Owner and buyer supersedes any intention expressed in the BDS and will ultimately determine which items are either included in or excluded from the agreement; and (ii) Broker is not responsible for and does not guarantee that the items included or excluded in the BDS will be in the agreement.

3. OWNER WARRANTY: Owner warrants the accuracy of the information furnished herein, or as modified hereafter, with respect to the Business. OWNER FURTHER WARRANTS THAT, EXCEPT AS SPECIFIED IN WRITING, OWNER HAS GOOD AND MARKETABLE TITLE TO THE BUSINESS AND PERSONAL PROPERTY THAT ARE OFFERED FOR SALE.

4. ITEMS OFFERED FOR SALE: The following items, as listed on the attached lists, are included in the offer to sell, subject to any lessor rights, and transferability and disclosed restrictions (if checked):

- Inventory, including work in progress
Machinery
Furniture, fixtures, and other equipment
Other personal property
Leasehold improvements
Government licenses and permits
Customer lists
Fictitious business name statements
Trade names and trademarks
Logos
Copyrights and patents
Schedule of accounts receivable
Other assets:
Schedule of accounts payable
Other liabilities:
Signs and advertising materials
Telephone and fax numbers
Websites, URL addresses and E-mail addresses
Vendor lists and catalogs
Goodwill
Agreements not to compete
Franchise agreements
Distribution rights
Employee lists and information
Computer and customer software
Customer deposits
Service, maintenance and advertising agreements

5. ITEMS EXCLUDED FROM OFFER TO SELL: The following items are not included in the offer to sell: \_\_\_\_\_

6. APPROXIMATE VALUE OF CURRENT INVENTORY, including work in progress: \$ \_\_\_\_\_

7. ADDITIONAL AVAILABLE INFORMATION:

- Business appraisal
Lease
Sales tax returns for the years \_\_\_\_\_ to \_\_\_\_\_
Federal and state income tax returns for the years \_\_\_\_\_ to \_\_\_\_\_
Financial statements for the years \_\_\_\_\_ to \_\_\_\_\_
Employment withholding returns for the years \_\_\_\_\_ to \_\_\_\_\_

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Owner acknowledges receipt of a copy of this page.

Owner's Initials (\_\_\_\_\_) (\_\_\_\_\_)

Reviewed by
Broker or Designee \_\_\_\_\_ Date \_\_\_\_\_



**8. PREMISES INFORMATION:**

**A. EXISTING LEASE:**

- (1) Current monthly base rent \$ \_\_\_\_\_ . Average CAM\* or NNN monthly expenses \$ \_\_\_\_\_
- (2) Lease term:  Month-to-month  Fixed term ending on \_\_\_\_\_  Option(s) (explain) \_\_\_\_\_
- (3) Lease deposit amount \$ \_\_\_\_\_
- (4) Lease assumable or assignable  Yes  No
- (5) Rent increases  Yes  No (explain) \_\_\_\_\_
- (6) Percentage rent  Yes  No (explain) \_\_\_\_\_
- (7)  Other lease terms (see attached lease agreement)

**B. FACILITY:**

- (1) Building size (approximate) \_\_\_\_\_ sq.ft. Lot Size (approximate) \_\_\_\_\_ sq. ft.
- (2) Building type:  Freestanding,  Strip center,  In line,  In mall (name) \_\_\_\_\_
- (3)  In major shopping center (name) \_\_\_\_\_ , anchor tenant (name) \_\_\_\_\_
- (4)  Other \_\_\_\_\_
- (5) Square footage of Business location \_\_\_\_\_
- (6) Maximum occupancy (seating) of Business location \_\_\_\_\_
- (7) Parking: Total number of on-site parking spaces \_\_\_\_\_  Number specifically reserved for Business \_\_\_\_\_  
Off-site parking (explain) \_\_\_\_\_
- (8) Additional building information \_\_\_\_\_
- (9) Landlord \_\_\_\_\_ Telephone \_\_\_\_\_

- C.  **REAL PROPERTY:** (If checked) Owner owns the real property on which the Business operates.  
Proposed lease terms (explain, or  see attached) \_\_\_\_\_

**9. FINANCIAL INFORMATION FOR THE MOST RECENT YEAR-TO-DATE AND THE PRECEDING THREE YEARS:**  
or (if checked)  see attached Schedule C:

	YEAR TO DATE	YEAR	YEAR	YEAR
<b>A. Total Sales</b>	\$ _____	\$ _____	\$ _____	\$ _____
<b>B. Cost of Goods Sold</b>	\$ _____	\$ _____	\$ _____	\$ _____
<b>C. Gross Profit</b>	\$ _____	\$ _____	\$ _____	\$ _____
<b>D. Expenses</b>				
Rent	\$ _____	\$ _____	\$ _____	\$ _____
CAM* charges	\$ _____	\$ _____	\$ _____	\$ _____
Utilities	\$ _____	\$ _____	\$ _____	\$ _____
Telephone	\$ _____	\$ _____	\$ _____	\$ _____
Insurance	\$ _____	\$ _____	\$ _____	\$ _____
Repairs	\$ _____	\$ _____	\$ _____	\$ _____
Licenses and Permits	\$ _____	\$ _____	\$ _____	\$ _____
Sales tax	\$ _____	\$ _____	\$ _____	\$ _____
Supplies	\$ _____	\$ _____	\$ _____	\$ _____
Equipment rental	\$ _____	\$ _____	\$ _____	\$ _____
Accounting	\$ _____	\$ _____	\$ _____	\$ _____
Advertising	\$ _____	\$ _____	\$ _____	\$ _____
Payroll	\$ _____	\$ _____	\$ _____	\$ _____
Payroll tax	\$ _____	\$ _____	\$ _____	\$ _____
Workers compensation	\$ _____	\$ _____	\$ _____	\$ _____
Employee benefits	\$ _____	\$ _____	\$ _____	\$ _____
Other _____	\$ _____	\$ _____	\$ _____	\$ _____
Other _____	\$ _____	\$ _____	\$ _____	\$ _____
Other _____	\$ _____	\$ _____	\$ _____	\$ _____
<b>E. Total Expenses</b>	\$ _____	\$ _____	\$ _____	\$ _____
<b>F. Net Profit</b>	\$ _____	\$ _____	\$ _____	\$ _____

**\*Common Area Maintenance**

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Owner acknowledges receipt of a copy of this page.  
Owner's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_  
Broker or Designee \_\_\_\_\_



Business: \_\_\_\_\_ Date: \_\_\_\_\_

**10. BUSINESS INFORMATION:**

**A. FORM OF OWNERSHIP:**  Sole Proprietor;  Partnership;  Corporation (type:  S  C);

Limited Liability Company;  Other \_\_\_\_\_

**B. SPECIAL LICENSES:** Operation of the Business requires the following licenses or permits:

(1)  City license \_\_\_\_\_

(2)  State license \_\_\_\_\_

(3)  ABC license (type:  41  47  48  Other \_\_\_\_\_ )

(4)  Other \_\_\_\_\_

**NOTICE: The transfer of some or all of the licenses required to operate the Business may be subject to regulatory approval. If any licenses are included in the purchase price, their transfer is subject to such approval, if required.**

**C. FRANCHISE:** The Business  is  is not a franchise. Transfer of the Business must be approved by

Franchisor:  Yes  No Franchisor's name: \_\_\_\_\_

Telephone number \_\_\_\_\_ Transfer fee \$ \_\_\_\_\_

**D. FURNITURE, FIXTURES, MACHINERY AND EQUIPMENT:**

(1) Approximate value of machinery ..... \$ \_\_\_\_\_

(2) Approximate value of furniture, fixtures and other equipment ..... \$ \_\_\_\_\_

**E. OPERATIONS:**

(1) Approximate number of employees \_\_\_\_\_ Full time \_\_\_\_\_ Part time \_\_\_\_\_

(2) Number of days open per week \_\_\_\_\_

(3) Closed on \_\_\_\_\_

(4) Days and times open \_\_\_\_\_

(5) Business established \_\_\_\_\_ Present owner since \_\_\_\_\_

(6) Reason for sale \_\_\_\_\_

(7)  Owner operator (number of hours worked per week \_\_\_\_\_), or  Absentee owner.

**11.  CONSULTATION:** (If checked) Owner will consider providing a consultation period to buyer.

**12. ADDITIONAL PURCHASE TERMS:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**OWNER REPRESENTS THAT THE BOOKS AND RECORDS PROVIDED BY OWNER ARE THOSE MAINTAINED IN THE ORDINARY AND NORMAL COURSE OF BUSINESS**

**Owner warrants that Owner has the authority to execute this Statement.**

Owner \_\_\_\_\_ Date \_\_\_\_\_

By \_\_\_\_\_ Title \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Owner \_\_\_\_\_ Date \_\_\_\_\_

By \_\_\_\_\_ Title \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

**BUYER ACKNOWLEDGEMENT:** Buyer acknowledges receipt of a copy of the BDS for informational purposes only and not as a part of any agreement between Owner and buyer. Buyer further acknowledges that: **(i)** the agreement between Owner and buyer supersedes any intention expressed in the BDS and will ultimately determine which items are either included in or excluded from the sale; and **(ii)** Broker is not responsible for and does not guarantee that the items included or excluded in the BDS will be in the agreement.

Buyer \_\_\_\_\_ Date \_\_\_\_\_

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