

Buy Sell Agreements

A buy-sell agreement is a crucial tool for businesses to ensure the continuity or smooth transition of ownership in the event of a death, disability, divorce or bankruptcy of an owner, an attempted sale of ownership interests to an outside party, or a dispute among the owners. Wooden McLaughlin's business lawyers counsel closely-held businesses on ownership continuity and succession planning issues that may arise among their owners. With our assistance, matters such as restrictions on transfer of ownership interests, rights of first refusal and other options to purchase, valuation, and purchase terms can be addressed well before a triggering event occurs.

We can help business and their owners:

- Negotiate and draft restrictions on transfer, rights of first refusal (ROFRs), and other buy-sell provisions in stand-alone agreements with individual owners, or as a part of the company's governance documents applicable to all owners
- Consider the events triggering a purchase option, or a mandatory purchase, by the company, other owners, or both
- Negotiate and draft drag-along and tag-along provisions
- Review valuation techniques and formulae (including applicable discounts)
- Structure the timing of the payment of purchase price, and other related terms to ensure adequate liquidity or ability to obtain financing
- Review and coordinate key-person life and disability insurance, and other insurance coverages
- Negotiate and draft deadlock-resolution provisions (Texas shoot-out and Russian roulette provisions)

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