



- FP Transitions -

# Seller's CTS Agreement

*(Comprehensive Transaction Support)*

Version 15.2

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Business Transitions, LLC

## Seller's Engagement Agreement

- 1) The purpose of this engagement is to execute an appropriate Purchase/Sale Agreement, as well as related and supporting agreements as necessary, to facilitate the sale of a financial services practice (or portion thereof) to a specific buyer you've chosen. Business Transitions, LLC, dba FP Transitions ("FP Transitions") will provide you with an Asset, Stock or LLC based Purchase Agreement based on your specific situation after consultation with a Transitions Advisor.
- 2) FP Transitions will counsel you on an as-needed basis, on the issues of value and valuation, deal structuring, payment terms, tax issues, and transfer of ownership issues. FP Transitions requests that you complete the detailed questionnaire below for use in evaluating your needs and options.
- 3) FP Transitions will act at all times in the capacity of "serving the deal." We do not act as an advocate or agent for either side, but prefer to help both parties complete a fair and amicable transaction.
- 4) Fees: You agree to pay us a fee based on the Consulting Services Fee Table below. If you are affiliated with a broker-dealer or custodian that is a member of an FP Transitions Corporate Program, you may be eligible for a discount on your CTS fees; by accepting this discount, you give FP Transitions permission to discuss your deal with your broker-dealer / custodian. Services must be used within one year of the date of engagement.
- 5) UCC searches, tax lien searches and an escrow account are available to Seller at cost as part of this CTS program, and will be billed separately if needed. You can also choose to have these services provided by your own attorney or a local escrow company. We recommend a UCC search and tax lien search in every transaction. UCC filings must be completed by Seller or Seller's attorney. FP Transitions will not file a UCC-1.
- 6) FP Transitions cannot guarantee that your anticipated transaction will close or be completed or that every possible disaster or business contingency has been allotted for. Fees are not refundable, assignable or transferable to any other person. FP Transitions does not have decision making authority or a fiduciary capacity in the work we perform for you.
- 7) You agree that FP Transitions' written materials, checklists, agreements and spreadsheets, if provided to you and your employee/partner/shareholder or LLC member, shall remain confidential and shall not be distributed, republished or shared in any form or manner except with FP Transitions' prior, written permission.
- 8) You understand and agree that FP Transitions is not a law firm or an accounting firm and that its principals cannot provide tax or legal advice. FP Transitions recommends that you have all documents, spreadsheets, recommendations and information obtained from this engagement, including this Agreement, carefully reviewed by competent legal counsel before signing and before completing any transaction contemplated hereunder. You agree to provide FP Transitions a copy of all final agreements related to your transaction within 48 hours of execution.
- 9) Any controversy or claim arising out of or relating to this agreement with FP Transitions, or the breach thereof, shall be settled and resolved by arbitration before one arbitrator, in Portland, Oregon, in accordance with the Federal Arbitration Act, 9 US Code §§ 1-16. The substantive law of Oregon will determine the interpretation of this agreement. Each party shall be responsible for its own attorney fees.

**10) LIMITATIONS OF LIABILITY. ANY LIABILITY OF FP TRANSITIONS ARISING OUT OF ANY SERVICES PROVIDED HEREUNDER SHALL NOT EXCEED THE TOTAL OF THE FEE PAID BY YOU UNDER THIS AGREEMENT. IN NO EVENT SHALL FP TRANSITIONS BE LIABLE FOR ANY INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF REVENUE.**

Signature: \_\_\_\_\_

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

Print Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Company / Firm Name: \_\_\_\_\_

Broker-Dealer / Custodian: \_\_\_\_\_

Physical Address (no P.O. boxes, please) \_\_\_\_\_

\_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Buyer's Name: \_\_\_\_\_

## CONSULTING SERVICES FEE TABLE

**We provide:**

- A library of over 200 form contracts (including an Asset, Stock or LLC Purchase Agreements)
- Experienced guidance on deal structuring
- Valuation assistance
- Financing information and instructions
- Tax allocation strategies
- A detailed post-closing transition plan
- A non-advocacy system that serves the interest of the deal rather than any one party
- High efficiency - Transactions completed in 3 to 6 weeks
- A due diligence checklist

**Our Fee Structure:**

A flat-fee, non-advocacy structure provides for payment of the total fees under Seller's column below upon engagement of our services. Contracts, as needed, are provided at no additional cost. Escrow services, UCC searches, and tax lien searches can be provided at our cost (and billed separately). Gross Revenue / GDC of the practice to be sold is based on the 12 months immediately preceding the execution of this Agreement and is before any broker-dealer override..

<u>Gross Revenue / GDC of Practice to be Sold</u>	<u>Total Fees for Buyer (Non-refundable)</u>	<u>Total Fees for Seller (Non-refundable)</u>
Up to \$150,000	\$2,500	\$2,500
150,001 to \$300,000	\$3,000	\$3,000
\$300,001 to \$500,000	\$4,000	\$4,000
\$500,001 to \$750,000	\$4,500	\$4,500
\$750,001 to \$999,999	\$5,000	\$5,000
\$1 million to \$2 million	\$6,000	\$6,000
\$2 million to \$3 million	\$7,000	\$7,000
\$3 million to \$4 million	\$8,000	\$8,000
\$4 million to \$5 million	\$9,000	\$9,000
\$5 million to \$6 million	\$10,000	\$10,000
\$6 million and up	Negotiable	Negotiable

If you are using the CTS program to execute a plan that was established using our ISP program, you may not apply any discounts beyond your 25% ISP discount to your fees.

# FP TRANSITIONS COMPREHENSIVE TRANSACTION SUPPORT (CTS) QUESTIONNAIRE

*This questionnaire is used for both buyers and sellers – please answer only the items/questions that are applicable to you and your situation.*

Your name: \_\_\_\_\_

Company name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Your age (range): \_\_\_\_\_

Relationship, if any, to the other party: \_\_\_\_\_  
(employee, friend, peer, son, daughter, partner, etc.)

Entity type: \_\_\_\_\_  
(sole prop., partnership, S-corporation, C-corporation, LLC)

Practice type: \_\_\_\_\_  
(registered rep, investment advisor, insurance agent, CPA)

Staff: Unlicensed full-time employees \_\_\_\_\_  
Licensed full-time employees \_\_\_\_\_

Unlicensed part-time employees \_\_\_\_\_  
Licensed part-time employees \_\_\_\_\_

Number of shareholders \_\_\_\_\_ (for corporations)  
Number of partners \_\_\_\_\_ (for partnerships)  
Number of members \_\_\_\_\_ (for LLC's)

If you have partners/shareholders/members, do you have a buy-sell  
or shareholders' agreement? \_\_\_\_\_ Yes \_\_\_\_\_ No

Broker-dealer / Custodian: \_\_\_\_\_

Number of Clients: \_\_\_\_\_

Approximate gross revenues or GDC (before B-D override) last 12 months? \$ \_\_\_\_\_ .00

Have you and the buyer/seller (*circle one*) agreed on a price and general terms? \_\_\_\_\_ Yes \_\_\_\_\_ No

If Yes, please describe briefly: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Estimated / Preferred Closing Date: \_\_\_\_\_

Is there real estate involved in this deal (office space, lease, etc.) \_\_\_\_\_ Yes \_\_\_\_\_ No

Are you considering or intending to transition all or some of your practice to an existing partner/shareholder or LLC member? \_\_\_\_\_Yes \_\_\_\_\_No

Describe any unique practice niche: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Do you have a formal, written succession plan in place at this time? \_\_\_\_\_Yes \_\_\_\_\_No (If yes, please briefly describe) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What are your goals for the Comprehensive Transaction Support (CTS) process? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Are there any issues or obstacles that you have encountered with this deal so far? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

As the current owner, how involved do you plan to be post-closing with the practice and client transition? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_