



Chris Griswold, P.C.

## News From the Firm

May 2011

### Message From Chris....

Yesterday I drove to pickup my two kiddos (Troy, almost 4; Mackenzie, almost 2) from pre-school. Driving home, Troy begged for (and finally received) a sucker. This made Mackenzie start to cry and beg for a sucker until I gave her one too (*which made me a sucker*). Obviously, at this point, Mackenzie is already one tough customer with seasoned instincts and can do her own bidding. Speaking of bidding, have you ever wanted to [buy a business](#) (or just wanted to know more about the topic)? Read below....

### The Biz of Buying a Business

Without attempting to cover everything, if you're buying a business which includes both real estate and hard-assets (and assuming you've already come to agreeable terms and price with Seller), you, your lawyer and your other business advisors would proceed as follows:

**First**, you need a Purchase/Sale Contract drafted for both the real estate and the assets to be acquired which should include a listing of all the inventory (*Note: For tax purposes, this listing should entail a physical description and a corresponding dollar value for each asset. Why? Just like buying milk at Wal-Mart, the dollar value of the assets purchased will be taxed by the Oklahoma Tax Commission and paid at closing*). Once the contract is finalized, both parties sign it and deliver it to a Title Company (along with an earnest money check) so an escrow account can be established. If you haven't already formed/incorporated your proper, legal entities which you'll be using to: *i*) conduct business operations, and *ii*) hold and take title to the real estate you're buying, *now is the time....*

**Second**, the Title Company will order an ALTA Survey (usually around \$1,500) so that title insurance on the real property can be obtained (required by most lenders). Also at this point, an environmental study of the real property needs to be ordered (usually requested and ordered by the lender) so that a "**Phase I**" environmental report can be generated.

**Third**, the General Warranty Deed (or Special Warranty Deed) which will convey marketable title to your legal entity should be prepared. Also, your lawyer will be reviewing/examining/making title report objections to the commitment for buyer's title insurance policy (which will have already been issued by the Title Company). Finally, you attend closing.

### What My Clients Are Saying

"Chris Griswold has always been proactive and professional. He takes the time to work with us and tailors his approach to our situational needs. My favorite thing about Chris is that he will let me know if there is an easier, less-expensive approach. We look forward to working with him well into the future."

*Carl S. Milam / President / Western Concepts Restaurant Group / Oklahoma City, Oklahoma*

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