

# CALIFORNIA BUSINESS AND FRANCHISE BROKERS

DUE TO THE CONFIDENTIAL NATURE OF BUSINESS RESALE TRANSACTIONS, SELLERS REQUIRE THAT PROSPECTIVE BUYERS PROVIDE LIMITED INFORMATION ABOUT THEMSELVES AND SIGN APPROPRIATE DISCLOSURE FORMS PRIOR TO CONFIDENTIAL INFORMATION BEING RELEASED

---

PLEASE FILL OUT THE ATTACHED FORMS AND FAX BACK TO GREG ROQUET AT  
530-297-2601 OR SCAN AND RETURN AS PDF ATTACHMENTS

1. BUYER'S CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT
2. AGENCY DISCLOSURE STATEMENT
3. BUYER'S INFORMATION FORM
4. BUYER'S FINANCIAL INFORMATION FORM

**FAX TO 530-297-2601**

CALIFORNIA BUSINESS AND FRANCHISE BROKERS / DRE # 010862873

216 F STREET #131, DAVIS, CA 95616

PHONE: 530-304-1236 / FAX: 530-297-2601

EMAIL: BIZBKRGREG@ATT.NET





**California Association of Business Brokers**  
 Professional Service since 1987  
**Agency Disclosure and Agreement**



**BUSINESS**

**BROKER**

**Agency and Dual Agency:** On the reverse of this form is printed a portion of California Civil Code section 2079.16, which requires disclosure of some concepts and definitions concerning the relationship between a principal and an agent in the sale of certain residential real estate. While the listing and sale of a business is not a transaction requiring the use of the form prescribed by that Code section, the information provided is completely applicable to the business sale context as well, and you are requested to read it carefully and acknowledge that you have been advised of its contents.

When a broker lists a business for sale, the broker becomes an “agent” representing the seller. The same broker also often works with prospective buyers, and by the nature of that relationship, becomes a buyer’s agent as well; this is called “dual agency.” Although a buyer and seller are sometimes represented by different agents of the same brokerage firm, this is also a dual agency, because the broker who employs each of the agents is really the agent for both parties.

**Full Disclosure:** Under California law, the buyer and the seller of a business are each required to fully and fairly disclose to the other, any and all information which is known to that party, or reasonably should be known, and which may or will be “material” to the other party’s decision to enter into the transaction. An agent must fully disclose all relevant information known to the agent to the party or parties that the agent represents. An agent, whether acting only for one party, or as a dual agent, must make the same such disclosures to the other party, or to the other party’s agent and cannot withhold any material information which such agent may know, or in the exercise of reasonable diligence, should discover.

**Price and Valuation:** There is an exception to the rule that a dual agent must disclose all information in his or her possession. In representing both seller and buyer, the agent shall not, without the express permission of the respective party, disclose to the other party that the seller will accept a price less than the asking price or that the buyer will pay a price greater than the price offered, even though there otherwise might be a duty to do so. Likewise, a broker acting as a dual agent will not disclose valuations or appraisals prepared by the broker for the seller (but must disclose any comparable sales figures which may have been a major factor in such evaluation), nor the contents of any previous negotiations, contracts or offers between either the buyer or seller and any other parties. This is the only way negotiations can be conducted when the broker represents both the buyer and the seller.

**Acknowledgment of Disclosure and Agreement to Dual Agency:** Each party by signing below, acknowledges and agrees that:

1. The party has carefully read and fully understands the matters discussed above, as well as the language of the statute quoted on the reverse of this form, and has had the opportunity to ask questions and/or to seek the advice of legal counsel prior to signing below.
2. The seller consents and agrees that the Broker representing said party may, in his discretion, act as an agent for any buyer or prospective buyer as well as for the Seller, as explained above and on the reverse hereof, and agrees to the conditions stated above.
3. The Buyer consents and agrees that the Broker representing the Seller will continue to do so even though said Broker will also represent the Buyer as a dual agent, understands all of the information stated above and on the reverse hereof and consents to such dual agency.

*THIS FORM MAY BE SIGNED IN COUNTERPARTS. NOT ALL SIGNATURES ARE REQUIRED TO APPEAR ON THE SAME COPY. FACSIMILE SIGNATURES ARE ACCEPTABLE AND BINDING.*

**SELLER(S):**

**BUYER(S):**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name (print)

\_\_\_\_\_  
Name (print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name (print)

\_\_\_\_\_  
Name (print)

\_\_\_\_\_  
Agent for Seller

\_\_\_\_\_  
Date

\_\_\_\_\_  
Agent for Buyer

\_\_\_\_\_  
Date



**Excerpt from CALIFORNIA CIVIL CODE § 2079.16**

**SELLER’S AGENT:** When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

A Seller’s agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller’s agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent’s duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

**BUYER’S AGENT:** An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

A selling agent can, with a Buyer’s consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller’s agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations.

To the Buyer: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent’s duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

**AGENT REPRESENTING BOTH SELLER AND BUYER:** A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer. In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advice about real estate. If legal or tax advise is desired, consult a competent professional.

Business Name \_\_\_\_\_ initials initials initials initials

**BUYER PROFILE FOR:** \_\_\_\_\_ Email: \_\_\_\_\_  
Please Print Name

Home Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Work Phone: \_\_\_\_\_

Fax: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

How did you hear about us? \_\_\_\_\_ If Internet, which website? \_\_\_\_\_

*We provide each seller the following confidential facts about you prior to releasing any information about their business.*

**BACKGROUND INFORMATION:**

Are you currently employed? \_\_\_\_\_ If so, in what industry and what position \_\_\_\_\_

Please give a brief description of your responsibilities: (Plan to prepare and submit a formal Resume for consideration.)

Please list the industries in which you've worked and the positions you've held:

Does your spouse work? \_\_\_\_\_ Full time? \_\_\_\_\_ Industry and position? \_\_\_\_\_

Do you own or have you ever owned your own business? \_\_\_\_\_ If Yes, what type \_\_\_\_\_

Education:  High School  College / Degree \_\_\_\_\_  Post-College / Degree \_\_\_\_\_

Other Special Education or Training \_\_\_\_\_

Why are you looking for a business opportunity?

What is your timeframe to purchase?  Immediate  No hurry How long have you been looking? \_\_\_\_\_

Would you work in the business  Full-time  Part-Time

Place a check mark beside each business category that interests you:

- |  |  |
|--|--|
| <input type="checkbox"/> Manufacturing                             | <input type="checkbox"/> Any Business that can be relocated        |
| <input type="checkbox"/> Distribution                              | <input type="checkbox"/> Retail                                    |
| <input type="checkbox"/> Computer/Hi Technology/Sciences           | <input type="checkbox"/> Services: postal, copy centers, tax prep. |
| <input type="checkbox"/> Absentee Ownership                        | <input type="checkbox"/> Restaurant /Fast Food                     |
| <input type="checkbox"/> Turnaround Situations                     | <input type="checkbox"/> Gas Stations/Mini Marts/Car Washes        |
| <input type="checkbox"/> New or Existing Successful Franchises     | <input type="checkbox"/> Dry Cleaning                              |
| <input type="checkbox"/> Any Business which receives cash payments | <input type="checkbox"/> Home Based Business                       |

List 3 things that are important to you about any business you might consider buying:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Geographic Location Desire: \_\_\_\_\_

How far from your home are you willing to drive one way to the business you will buy? \_\_\_\_\_

If you reside outside California and have inquired about a California based business, what are your relocation plans and timeframe? \_\_\_\_\_

Additional information that you think may help us locate a desirable business opportunity for you:

**FINANCIAL INFORMATION FOR: Please print name: \_\_\_\_\_**

(Please attach prepared financial statement, if available)

What is your current annual income? \$ \_\_\_\_\_

What are your income expectations the first year of owning your own business? \_\_\_\_\_

Have you ever filed bankruptcy? \_\_\_\_\_ Had a foreclosure? \_\_\_\_\_ Had a judgment filed against you? \_\_\_\_\_

Is there any reason you might be declined a loan for a business acquisition? \_\_\_\_\_

Will anyone advise you in the review of business records and the decision to purchase any business? \_\_\_\_\_

What is the down payment amount and the source of funds that you **are prepared to substantiate** at the time of making an offer? \$ \_\_\_\_\_ Source: \_\_\_\_\_

Do you have a financial partner or any other personal source of investment capital?  Yes  No

If Yes, please explain:

\_\_\_\_\_

Do you have additional income sources?  Yes  No

If yes, please explain:

\_\_\_\_\_

**NET WORTH:**

**ASSETS**

Cash in checking accounts \$ \_\_\_\_\_  
Cash in savings accounts \$ \_\_\_\_\_  
Stocks and bonds \$ \_\_\_\_\_  
IRA's, retirement plans, 401K's \$ \_\_\_\_\_  
Cash surrender of life insurance \$ \_\_\_\_\_  
Real Estate, home \$ \_\_\_\_\_  
Real Estate, other \$ \_\_\_\_\_  
Automobile(s) \$ \_\_\_\_\_  
Your own business \$ \_\_\_\_\_  
Appraised collectibles \$ \_\_\_\_\_  
Money due you \$ \_\_\_\_\_  
Other assets (describe): \$ \_\_\_\_\_

Total: \$ \_\_\_\_\_

**LIABILITIES**

Notes payable to banks \$ \_\_\_\_\_  
Notes payable to finance co's \$ \_\_\_\_\_  
Real estate indebtedness \$ \_\_\_\_\_  
Automobile(s) indebtedness \$ \_\_\_\_\_  
Owing on life insurance \$ \_\_\_\_\_  
Charge accounts \$ \_\_\_\_\_  
Credit Cards \$ \_\_\_\_\_  
Taxes payable \$ \_\_\_\_\_  
Other liabilities (describe): \$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_

Total: \$ \_\_\_\_\_

**NET WORTH** (total assets minus total liabilities): \$ \_\_\_\_\_

**TOTAL MONEY AVAILABLE TO INVESTMENT** \$ \_\_\_\_\_

*I certify that the above information is true and correct and acknowledge receipt of a copy of this profile.*

\_\_\_\_\_

**Signature**

\_\_\_\_\_

**Date**