

## Failure to Establish Buy-Sell Agreements Fatal Error for Business Partners

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All business partnerships start with the best intentions, but many do not end that way. This is why buy-sell agreements are so important, and every company with multiple partners or shareholders should have one the moment the business is formed.

A buy-sell agreement is a contract between partners in a business that dictates who can buy a departing partner's share of the business and establishes a fair price for the partner's stake. If

a co-owner wants out of the business, wants to retire, wants to sell his shares to someone else, goes through a divorce, or dies; buy-sell agreements act as a "premarital" arrangement to protect everyone's interests, setting the price and terms for buyout options.

You, ~~Brian, and Dan and two partners~~ opened your company in Farmington Hills 20 years ago, but the business never established a buy-sell agreement. The company is now worth millions, but ~~Brian one of your partners~~ has died of a sudden heart attack, and his young wife of two years now wants an active management role in business decisions. At the same time, ~~Dan the remaining partner~~ decides to retire and turn his shares of the company over to his son who never finished high school. ~~Only a buy-sell agreement 20 years earlier would have prevented what may now be years of costly, bitter litigation. But all is not lost. It may be possible to have a mutually trusted accountant, like the firm's accountant, arbitrate a solution. What do you do? Sound impossible... Think again... Only a buy-sell agreement 20 years earlier would have prevented years of litigation.~~

Any Michigan business ~~in the Farmington Hills area~~ with partners ~~(or shareholders in a closely-held corporation)~~ and no buy-sell agreement, or those ~~in the Farmington Hills area~~ entering into ~~such an arrangement for the first time. a multiple partnership who do not needs to~~ consult a ~~lawyer experienced in business matters so that problems can be avoided before they become insurmountable~~ the services of a ~~Farmington Hills area Business Lawyer~~ for a buy-sell agreement ~~are gambling with their future interests.~~

In the Farmington Hills area or within Michigan call [Seikaly & Stewart, P.C.](http://Seikaly & Stewart, P.C.) at (248) 785-0102, or email them at [info@seikalystewart.com](mailto:info@seikalystewart.com).