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## [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 from 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.

Lets say that you and your business partners, Brian and Dan opened your company in Illinois 20 years ago, but the business never established a buy-sell agreement. The company is now worth millions, but Brian 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 decides to retire and turn his shares of the company over to his son who never finished high school. What do you do? Sound impossible... Think again... Only a [buy-sell agreement](#) 20 years earlier would have prevented the years of litigation to come.

Any business in Illinois that is owned by more than one party, or, any person who is entering into a multiple person business partnership needs to consult with an [Illinois Business Lawyer](#) for a buy-sell agreement. Without setting up your new business properly, you're gambling with your future interests.

For experienced legal advice on buy-sell agreements from a knowledgeable [business attorney in the DuPage County Illinois](#) area, [contact the Gierach Law Firm](#) at (630) 756-1160.