

Consumer tips

Before You Sell

- Resolve all obstacles within the business.
- Consider delaying a sale if your business can show an improved financial performance in the near future.
- Have a definite objective, yet remain flexible to make the fastest and best possible sale.
- Only consider marketing your business after you have the required financial data, legal positioning, sales criteria, and have prepared an offering circular.
- If you choose to retain a business broker, do not sign a contract or pay any money until you have researched the business broker thoroughly through the Illinois Securities Department and obtained and read a copy of the written disclosure document, if required.

Before You Buy

- Take the time to investigate the offering fully. Don't be rushed into purchasing a business you have not fully investigated.
- Make sure this is the kind of business that fits your lifestyle.
- Be sure the business can generate enough income to meet your current and future financial needs.
- Get the seller's promises in writing. Oral statements and promises are meaningless.
- Once you choose a business broker, do not sign a contract or pay any money until you have totally checked out the broker through the Illinois Securities Department and obtained and read a copy of the written disclosure document, if required.

For more information

Secretary of State Illinois Securities Department

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Business Brokers

JESSE WHITE
Secretary of State

Illinois Securities
Department



One of my responsibilities as Secretary of State is to oversee the business broker industry in Illinois.

My office's Securities Department ensures that the business broker industry complies with all laws and regulations set forth by the state of Illinois through enforcement of the Illinois Business Brokers Act of 1995. This fair and effective law protects the rights of Illinois consumers as well as those in the business broker industry in this state.

If you have any questions, please call the Illinois Securities Department toll free at 800-628-7937.

Jesse White

Jesse White
Secretary of State

Business Brokers Act

Business broker responsibilities

Every person engaged in business brokering is required to be registered with the Secretary of State Securities Department, unless exempt by law. When the provisions of the Illinois Business Brokers Act have been complied with, a certificate of registration is issued allowing the applicant to engage in business brokering.

A business broker registration must be **renewed annually** with the Securities Department at least 30 days before it expires.

Before a person signs a contract for business broker services or before the business broker receives any consideration upon the contract, the business broker must provide to the contracting person a written disclosure document, unless otherwise exempted. The disclosure document must be amended when necessary to prevent it from containing any false or misleading statement of a material fact.

Securities Department staff can tell you if a business broker is registered and whether he/she is subject to any publicly disclosed disciplinary action taken by the department.

How to choose a business broker

A person may hire a business broker to aid in the selling or buying of a business. Business brokers usually perform the selling and buying functions for their clients using established contacts or special knowledge of their field.

Follow these tips when selecting a business broker:

- To be safe, a brokerage firm should be established for at least three years.
- Choose a broker with much exposure. A broker should have affiliated offices, employ broker-salespeople and actively advertise other businesses.
- Choose a broker most familiar with your industry to determine a fair price, evaluate your business and quickly locate prospective buyers.
- A professional broker should outline an advertising and marketing plan before accepting your business.
- A professional broker should outline how to properly position your business for sale and revise the selling price accordingly to produce a faster sale or greater purchase price.

