

Chapter 11 Homework: Buy-Sell Checklist

Buy-Sell Agreement Trigger Events	Buy-out (Y/N)	Comments
Disappears/Quits		
Disappears/Retires		
Disabled Short Term		
Disabled Long Term		
Dies		
Divorced		
Default (bankruptcy)		
Disqualification		
Disagreement		
Dispute resolution		

Other situations that may warrant consideration	Allowed (Y/N)	Comments
Rights of first refusal to other owners		
Secondary right of refusal to Company		
Optional purchase/sale		
Mandatory purchase		
Life insurance		
Maintenance of S Corporation status		
Control maintenance		
Vote restrictions or agreements		

Personal guarantees		
---------------------	--	--

Pricing Methods			Comments
Fixed Price	Price per agreement	\$	
	Date of price	/ /	
	Alternative(s) if price is out-of-date? (i.e., is there a valuation process in the event that the fixed price is dated?) Then, it is also a process agreement and must be evaluated as such.	Yes / No	
Third Party Mandate Price	Is there a third-party reference price (broker/dealer, re-insurer etc.)	Yes / No	
Formula	Does agreement specify who to calculate?	Yes / No	
	If so, who?	Notes	
	Date of last calculation?	/ /	
	Price per last calculation	\$	
Valuation Process With Appraiser(s)	Type of process*		
	Appraiser(s) named in agreement?	Yes / No	
	If so, who?	Notes	
	Has the process ever been triggered?	Yes / No	
	If yes, when?	/ /	

Life Insurance	
Amount(s)	Corporate / Individual Owners
\$	
\$	

\$	
\$	