**Title:** Thinking of Buying a New York or New Jersey Business? Make Sure to Do Your Homework

**Subtitle:** Did you know that 300,000 U.S. businesses change hands every year?

**Meta Description:** Buying a New York or New Jersey business can be less risky than starting from scratch. However, only applies if you do your research.

**Date:** 0-1-2012

**Author:** Dan Brecher

**Formatted Content:**

In many cases, buying an existing New Jersey or New York business can be less risky than starting from scratch. However, that notion only applies if you do your research.

After you have identified a potential business opportunity, it is important to gather as much information as possible. Below are several key areas to consider:

Business Financials: You want to gather as much information as possible about the financial condition before buying a New York or New Jersey Business. Specifically, the current owner should provide a current balance sheet, profit and loss statements, tax returns, audited financial statements (if feasible), and accounts payable and receivable. In addition, it is advisable to review information that can be obtained through public sources such as tax liens and UCC-1 forms, which can reveal any outstanding business debts and you certainly want to know of any litigation related to the business, the owner or any key employees..

Business Assets: You should also inspect any physical assets, such as equipment and inventory, to verify their condition. To obtain an accurate assessment, this often requires hiring an expert or appraiser. Remember, business assets also include intangible things like intellectual property (copyrights, trademarks, patents, licenses, etc.) and good will. Those should be evaluated as well.

Business Employees: If you plan to retain the business’s employees, you should also review their records. For example, you would want to know about any existing employment agreements, confidentiality and non-compete agreements, background checks, pending disciplinary actions, litigation history, union status, and government audits.

Business Leases: If the business currently leases commercial space, you will want to thoroughly review the terms of the lease, particularly any terms that may apply to the sale of the business. You may also want to meet with the landlord to determine if there are any outstanding rent payments or other liabilities.  If the business property is owned, further due diligence is required as to title and zoning. Also, in any case, environmental law enforcement issues should be considered, particularly if there is any usage of pollutants or other discharge into the ground or air in the business or in the property’s history.

Business Permits and Licenses: You should determine what permits and licenses are needed to operate the business. In addition, it is important to confirm that they are up-to-date and determine what steps you may need to take after the sale.

Unfortunately, even when you conduct due diligence, there can still be surprises. Therefore, before signing a purchase agreement, you should consult with an experienced business attorney to ensure that your rights are protected. In many cases, it is advisable to hold back a percentage of the purchase price for a certain amount of time, i.e. six months, to cover any unforeseen costs or liabilities.

**Raw Content:** <!-- wp:heading -->
<h2>Did you know that 300,000 U.S. businesses change hands every year? </h2>
<!-- /wp:heading -->
<!-- wp:paragraph -->
<p>In many cases,<a href="https://scarincihollenbeck.com/law-firm-insights/business-law/mergers-acquisition/are-you-buying-a-new-york-or-new-jersey-business-dont-overlook-valuable-intellectual-property/"> buying an existing New Jersey or New York business </a>can be less risky than starting from scratch. However, that notion only applies if you do your research.</p>
<!-- /wp:paragraph -->
<!-- wp:image {"id":27718,"sizeSlug":"large"} -->
<figure class="wp-block-image size-large"><img src="https://shhcsgmvsndmxmpq.nyc3.digitaloceanspaces.com/2019/05/Leasing-vs-Sharing-Office-Space.jpg" alt="Leasing vs Sharing Office Space" class="wp-image-27718"/><figcaption><a href="https://www.storyblocks.com/stock-image/group-of-three-successful-business-partners-in-casual-discussing-data-in-laptop-at-meeting-in-office-sxswsuv7u-j6gt318g">StoryBlocks.com</a></figcaption></figure>
<!-- /wp:image -->
<!-- wp:paragraph -->
<p>After you have<a href="/practices/corporate-partnerships-llc-disputes/"> identified a potential business opportunity</a>, it is important to gather as much information as possible. Below are several key areas to consider:</p>
<!-- /wp:paragraph -->
<!-- wp:paragraph -->
<p><strong><em>Business Financials</em>:</strong> You want to gather as much information as possible about the financial condition before buying a New York or New Jersey Business. Specifically, the current owner should provide a current balance sheet, profit and <a href="/practices/tax-trusts-estates/">loss statements, tax returns</a>, audited financial statements (if feasible), and accounts payable and receivable. In addition, it is advisable to review information that can be obtained through public sources such as tax liens and UCC-1 forms, which can reveal any outstanding business debts and you certainly want to know of any litigation related to the business, the owner or any key employees..</p>
<!-- /wp:paragraph -->
<!-- wp:paragraph -->
<p><strong><em>Business Assets:</em></strong> You should also inspect any physical assets, such as equipment and inventory, to verify their condition. To obtain an accurate assessment, this often requires hiring an expert or appraiser. Remember, business assets also include intangible things like intellectual property (copyrights, trademarks, patents, licenses, etc.) and good will. Those should be evaluated as well.</p>
<!-- /wp:paragraph -->
<!-- wp:paragraph -->
<p><strong><em>Business Employees</em>:</strong> If you plan to retain the business’s employees, you should also review their records. For example, you would want to know about any existing employment agreements, confidentiality and non-compete agreements, background checks, pending disciplinary actions, litigation history, union status, and government audits.</p>
<!-- /wp:paragraph -->
<!-- wp:paragraph -->
<p><strong><em>Business Leases:</em></strong> If the business currently leases commercial space, you will want to thoroughly review the terms of the lease, particularly any terms that may apply to the sale of the business. You may also want to meet with the landlord to determine if there are any outstanding rent payments or other liabilities.&nbsp; If the business property is owned, further due diligence is required as to title and zoning. Also, in any case, environmental law enforcement issues should be considered, particularly if there is any usage of pollutants or other discharge into the ground or air in the business or in the property’s history.</p>
<!-- /wp:paragraph -->
<!-- wp:paragraph -->
<p><strong><em>Business Permits and Licenses</em>:</strong> You should determine what permits and licenses are needed to operate the business. In addition, it is important to confirm that they are up-to-date and determine what steps you may need to take after the sale.</p>
<!-- /wp:paragraph -->
<!-- wp:paragraph -->
<p>Unfortunately, even when you conduct due diligence, there can still be surprises. Therefore, before signing a purchase agreement, you should consult with an <a href="/attorneys/">experienced business attorney</a> to ensure that your rights are protected. In many cases, it is advisable to hold back a percentage of the purchase price for a certain amount of time, i.e. six months, to cover any unforeseen costs or liabilities.</p>
<!-- /wp:paragraph -->