



Practice Sales • Appraisals • Consulting
www.PracticeConsultants.com

Buyer Representation Waiver

Several states have disclosure requirements similar to the following. Since we are based in California, we discuss here the specifics relevant to California regulation.

In this document “Broker” and “Practice Consultants” are used interchangeably and have the same meaning.

Agency and Dual Agency: California Civil Code section 2079.16 and the California courts have made clear that disclosure of some concepts and definitions concerning the relationship between a principal and an agent in the sale of a business is mandatory. The seller’s broker becomes an "agent" representing the seller. The same broker also often works with prospective buyers, and by the nature of that relationship, becomes a buyer's agent as well; this is called "dual agency." Although a buyer and seller are sometimes represented by different agents of the same brokerage firm, this is also a dual agency, because the broker who employs each of the agents is really the agent for both parties.

Full Disclosure: Under California law, the buyer and the seller of a business are each required to fully and fairly disclose to the other, any and all information which is known to that party, or reasonably should be known, and which may or will be "material" to the other party's decision to enter into the transaction. An agent must fully disclose all relevant information known to the agent to the party or parties that the agent represents. An agent, whether acting only for one party, or as a dual agent, must make the same such disclosures to the other party, or to the other party's agent, and cannot withhold any material information which such agent may know, or in the exercise of reasonable diligence, should discover.

Price and Valuation: There is an exception to the rule that a dual agent must disclose all information in his or her possession. In representing both seller and buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the seller will accept a price less than the asking price or that the buyer will pay a price greater than the price offered, even though there otherwise might be a duty to do so. Likewise, a broker acting as a dual agent will not disclose valuations or appraisals prepared by the broker for the seller (but must disclose any comparable sales figures which may have been a major factor in such evaluation), nor the contents of any previous negotiations, contracts or offers between either the buyer or seller and any other parties. This is the only way negotiations can be conducted when the broker represents both the buyer and the seller.

Self Representation: By declining our representation, you will not be provided any of

Initial _____

the services normally provided to buyers who are represented by us under dual agency circumstances. You will either represent yourself, or you will contract, at your own expense, with a representative not associated with Practice Consultants.

By declining our representation, you understand, acknowledge and agree that:

1. You have carefully read, fully understand, and accept the matters discussed above and have had the opportunity to ask questions and/or to seek the advice of legal counsel prior to signing our Confidentiality Agreement.
2. Even though Practice Consultants has advised you of their fiduciary duty, you have elected not to have them represent you in any business purchase transactions.
3. The Broker representing the Seller will continue to do so even though said Broker will not represent you as a dual agent.
4. This waiver will not in any manner cause Practice Consultants to share or otherwise reduce its full brokerage fee payable by Seller.

Legal Name of Buyer (print) _____

If Buyer is not an Individual,
Name of Representative (print) _____

Signature of Buyer or
Buyer's Representative _____ Date: _____