Seller Verification Checklist

Spot a bad business deal before it costs you. For brokers listing a business and buyers about to buy one.

FREE CHECKLIST

8 red flags: stop and verify

- ✕ Can't or won't show ownership documents
- ✕ Lease, licenses or tax returns in another name
- ✕ A middleman controls access to the owner
- ✕ Pressure to skip due diligence or paperwork
- ✕ Bank deposits don't match the tax returns
- ✕ Cash-only demands or side deals
- ✕ Unusual insistence on secrecy
- ✕ Any threat or intimidation (walk away now)

> *"They literally were fronting for actual owners." Lou Brill*

The two-question test

Will it close?	Will I get paid?	Ethics and safety OK?
Yes / No	Yes / No	If no, walk away

Close + pay: keep going and keep verifying. Close, no pay: fix the terms or walk. No close, pay: set a deadline. Neither: cut your losses now.

> *"Sometimes the best listing that you take is the listing that you don't take." Josh Factor*

Ownership verification: 10 checks

	Check	What to confirm	Date / notes
☐	**Secretary of State entity record**	Company exists, in good standing, lists the seller	
☐	**Formation documents**	Operating agreement, articles, share records	
☐	**Engagement agreement**	Signed by the owner of record	
☐	**Lease**	Tenant is the seller's company; landlord confirms terms	
☐	**Licenses and permits**	Business, health, liquor, professional: in the seller's name	
☐	**Tax returns (3 years)**	Filed under the same entity	
☐	**Bank statements**	Deposits line up with reported revenue	
☐	**UCC lien search**	No undisclosed liens on the assets	
☐	**Tax clearance certificates**	Local, state and federal, before closing	
☐	**Meeting at the business**	Met the owner on site, during business hours	

Lost deal log: build your own "got away" map

Deal	Stage it died	Reason	Lesson for next time

Practical guidance, not legal advice. Involve an attorney and accountant in due diligence. Full article: "Run, Don't Walk: Bad Deals, How to Spot Them, and When to Get Out" at businessbrokerscrm.com.