

Business Transfer Agreement

Subject: Business Transfer Agreement
From: Piers Larbey <Piers@Fletcherday.co.uk>
Date: 31/08/2016, 13:34
To: "Jason, JE Trading" <jason@je-trading.com>

Hi Jason

I've read through the transfer agreement and, leaving aside legal comments at this stage, can you confirm that the commercial terms as set out below have been agreed by you (I ask this as they are markedly different to your initial proposals and have made a few side comments in square brackets):

In short what is being proposed is that the Seller is acknowledging that the sum of £1.365m is owed by the Company to you (being 91 months of £15,000) for use of the IP. This will be satisfied by the payment of £50,000 in cash and the transfer of the business, which has a deemed valuation of £720,000. In total that being £770,000. [It would appear that the balance is no longer going to be paid to you whereas we previously discussed that this would be paid to you over a period of time (and possibly secured noting the point regarding a statutory demand)].

In addition it is proposed that the parties have up to one year to revisit this valuation and seek an independent valuation, which if different can be used to adjust the purchase price (in cash). [Should this work only in your favour given that you are waiving the balance owing to you?]

Following completion of the transfer of assets you will grant a (i) free licence of your IP to Seller for 90 days; and (ii) a free licence of your client list indefinitely which relates to Tradersworld. There is some ambiguity in the wording of clause 4.3 but it would appear to suggest that you would be offering your/some of your business through this portal, which the seller will operate but that will not compete with your business.

You will then make a loan facility available to the Seller in the sum of £200,000 for a minimum period of 2 years and work for the Seller as, amongst other things, lead web developer [Would you like to secure this loan and also document the terms of your employment?]

Is all of the above accepted by you? If not or if there are any inaccuracies do please let me know. I am very happy to talk through the above over the telephone if that is easier for you?

With regard to the transfer of the business generally, do you know what assets you are going to be buying (the itemised lists in the schedules have not yet been completed) and would you like us to undertake any due diligence (which is something that we would always recommend)?

I look forward to your instructions or discussing this with you before responding to RAN's solicitor.

Kind regards
Piers

Piers Larbey | Partner



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