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Planning to sell your business? Call your CPA

For immediate release

Santa Monica, Calif.—February 17, 2004—“If you are planning to sell your business, you can negotiate the best deal with the help of your certified public accountant,” says Partner Robert L. Babek of Stonefield Josephson, a California-based certified public accounting and business advisory firm. Babek says that with the guidance of a CPA, it is possible to attract the most desirable buyer and negotiate a more lucrative deal. “Work with your CPA prior to negotiating with buyers,” says Babek, “or risk leaving money on the table and facing tax consequences.”

“Often the business owner finds a potential buyer and signs the buyer’s letter of intent,” says Babek. “Then the business owner sends a copy to his or her CPA. That’s a missed opportunity.” He elaborates that working with a CPA from the start offers the business owner several advantages. “Your CPA can help you create a financial prospectus that will build credibility among buyers. Business basics such as clear financial statements are more rare than you think. A detailed prospectus helps buyers ascertain the potential of your business.” He adds that your CPA can recommend an attorney who will work as a member of your team. “The attorney should add value beyond drawing up the documents of the sale. The attorney should offer creative ideas for the deal structure while minimizing your risk.”

Your CPA can also provide guidance on practical aspects of the sale, says Babek. “You want to secure every possible tax advantage when you sell the business. Generally, this means

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selling your company's stock, not assets, so you can take advantage of the new 15 percent long-term capital gains rate." Babek says that selling a business is often an emotional experience for business owners and that a CPA can help establish a realistic asking price. "Your CPA can also perform background checks on potential buyers to ensure that they have the financial wherewithal to follow through on the purchase."

"Representation by professionals not only protects your interests but also projects a favorable image," says Babek. "Having a CPA at your side throughout the selling process can make a big difference on the type of offer you ultimately receive and accept. Top that with smart tax planning and you're good to go." For information on working with your CPA to sell your business, contact Robert Babek at 310-566-4330 or rbabek@sjaccounting.com

Stonefield Josephson Inc. is a California-based certified public accounting and business advisory firm founded in 1975. The 100-person firm serves public and privately held clients throughout the United States and internationally from four California locations: Santa Monica, Irvine, San Francisco and Walnut Creek. Services include assurance/accounting; business consulting (profit enhancement; finance sourcing; mergers and acquisitions; family-owned business; succession planning; executive incentive compensation; business plans and budgeting); business valuation; financial recovery; forensic services; litigation support; public companies services; and tax services.

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