

When I Buy a Business, Should I Have a Non-Compete Agreement?

Buying or selling a business is a detail-intensive ordeal, and one of the most crucial parts of the final sales agreement is the non-compete agreement, according to an article posted by **Brad Denton** of **Denton Peterson, PC**.

“A non-compete agreement is a contract where the seller agrees not to compete directly with the buyer within mutually agreed-upon parameters. Clearly, any potential buyer is obligated by common sense to have this agreement set in stone before completing a big transaction. If no non-compete agreement is in place, nothing prevents the seller from setting up shop next door with the same product right after the sale is finalized,” the article says.

He covers such topics as geographic limitations, time period restriction, blue pencil rule, step-down provisions, and selling businesses vs. employment contracts.

Read the article.