Buying and Selling a Business: Disclosure Schedules and Why They Matter

Disclosure schedules supplement the purchase and sale agreement in the sale of a business by incorporating disclosures about the business being sold, according to **a post** on the website of Thompson Coburn.

The authors explains:

> "Generally, each disclosure schedule falls into one of two categories: a 'list' or an 'exception.' A 'list' schedule makes a representation that the schedule contains a complete record of certain aspects of the business (i.e., a list of leased or owned real property, registered intellectual property, insurance policies, employee benefit plans, etc.). An 'exception' schedule allows the seller to qualify a representation made in the purchase and sale agreement and, therefore, limit the seller's potential liability."

Read the article.