

# Finder's Fee Agreement

- 🔊 This is for a very simple finder relationship – unless they are especially qualified (attorney, licensed securities broker, etc.) they should be limited in scope to making an introduction only.
- 🔊 Don't let them pitch your product or financing deal in any way. You must do that yourself.
- 🔊 Please also refer to JIAN's Resources section for more information on business financing.
- 🔊 The first part of the Memorandum should be completed and distributed to the other party along with a copy of the Finder's Fee (Lehman Formula) Agreement.

Date: **[Date]**

To: **[Name of other party]**

From: **[Owner/Founder]**  
**[Company]**

Subject: **Finder's Fee Agreement**

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Attached is a Finder's Fee Agreement (using the Lehman Formula), the purpose of which is to set the terms of our finder's arrangement.

Please understand that all we require from this relationship is for you to introduce [Company] to a potential investor/marketing partner.

I will provide the relevant product / business details and any documents required – we do not want to put you in any position to otherwise represent [Company] in any capacity except that you believe that we might be a good match of interest to some of your contacts and that we should talk. If/when any deal transpires, we will pay you a finder's fee.

I believe that it embodies everything we discussed.

Please read the agreement carefully.

We recommend that you also have it reviewed by your own qualified legal counsel.

Time is of the essence.

Please sign and return it to me asap.

Thank you very much!

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# From JIAN

## NOTICE:

We wish we could provide an agreement that was tailored *exactly* to your business. While this is not always possible, we feel that we've come very close and that this document provides you with the head-start that you need to get your deal moving. Nevertheless, we must make this disclaimer:

- 🔴 **Do Not Use This Agreement 'As-Is.'**
- 🔴 **This Agreement Is Not Legal Advice.**
- 🔴 **Read it Thoroughly and Make All Appropriate Changes to Fit Your Requirements.**
- 🔴 **You Should Have this Agreement Reviewed and Approved by a Qualified Attorney at Law Before Using It.**
- 🔴 **JIAN Accepts No Liability for the Effectiveness of This Document For Your Purposes.**

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We're building a network of business experts who are eager to help you when you need it. They can review your work, make suggestions, handle unique situations and introduce you to influential people. On our website you can search by expertise and location, then e-mail or jump straight to their website. Although they are professionals and charge for their services, most offer an initial consultation free of charge. They're in your area and you can contact them directly.


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Things change, laws change, the world changes... new ideas come along all the time. When you register, you can access our website to get updates and changes... like new and improved spreadsheets and documents. They can be downloaded directly to your computer.

- Please visit our website under [Updates](#).
- Remember to bookmark our website: [www.JIAN.com](http://www.JIAN.com)

## Editing Your Sample Contract

Since this entire agreement is formatted in Word, you can edit it like any other Word document. You can jump from variable to variable by clicking the above  green arrows (JIAN Menu) which will take you forward / backward and highlight the entire sample text identified within the “[ ]” brackets – simply edit / type-over with your information.

To make sure you have filled in all the variables, use Word's 'FIND' function to locate any “[ ]” which may contain an unedited variable.

- Click the  icon in the JIAN menu above to turn the expert comments on/off.
- Upon completion, delete any unnecessary blank lines that remain.
- You may format this document any way you like.
- Delete this page.

# Finder's Fee Agreement

Effective Date: [Date]  
Agreement is by and between [Company Legal Name] ([Company]),  
a [State], [Corporation/Partnership/Sole Proprietorship]  
located at [Address],  
[City], [State] [Zip Code]

AND [Finder's full legal name], ([Finder's abbreviated name]),  
a [State], [Corporation / Partnership / Sole Proprietorship],  
located at [Finder's Address].

## Summary

☞ The following is also a standard paragraph. Describe what services the Finder will be providing your Company. For example, to secure financing or purchase an insurance company, be as specific as possible. The parties agree as follows:

[Company] and [Finder] agree that [Finder] will act as an authorized Finder for [Company] developed Products according to the following terms and conditions:

[Finder] agrees to use its best efforts to find and introduce to [Company] a person, persons, firm or business from whom [Company] may [secure financing / strategic alliance / purchase product].

## Finder's Fee

☞ This section sets the fee that the Finder will receive if the desired transaction is closed. The percentages and amounts shown below are the industry standard. However, think about it -- they are subject to negotiation and may be changed. Insert the appropriate percentages and dollar amounts.

☞ Raising any money at all is the hard part, ergo the first million pays the most...

Upon completion of the transaction described above and in consideration for its efforts, the Finder will receive the following amounts ("Finder's Fee"):

- [5%] of all money up to [\$1,000,000.00], plus
- [4%] of all money after that up to [\$2,000,000.00], plus
- [3%] of all money after that up to [\$3,000,000.00], plus
- [2%] of all money after that up to [\$4,000,000.00], plus
- [1%] of all money after that.

☞ This final paragraph states that [Company] will pay the Finder his fee upon execution of an Agreement with a third party. It says that [Company] is under no obligation to contract with any of the parties that the Finder brings to [Company]. You should describe the transaction, as fully as possible.

The above Finder's Fee shall be due and payable in full by [Company] at such time as an Agreement between [Company] and any person, persons or firm is executed. I understand that [Company] shall be under no obligation to [accept an investment] from any person or from any of the persons, firms, or

businesses that may be introduced to [Company] by the Finder.

🔊 Finders can get into a heap of trouble (mostly with the SEC) if they get in the middle of a deal or act beyond the scope of a finder without the appropriate licenses and qualifications. Just introduce the parties and let them take it from there!

Finder understands and agrees that s/he will only provide contact information between the parties. Finder will not discuss the merits of any transaction nor discuss the details of any transaction nor deliver any legal papers between the parties.

### **Understood, Agreed & Accepted**

In witness of this, the Finder and [Company] have executed this Agreement as of the Effective Date first written above.

Finder

[Company]

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[Finder Name]

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[Owner/Founder]

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Title

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Title