

Instruction: This is a model letter. Adapt to fit your facts and circumstances.

<date>

VIA FACSIMILE & U.S. MAIL

<Name>
<Address>
<Address>
<Address>

Re: _____

Dear _____ :

On Tuesday afternoon, I spoke with _____ regarding the possibility of a sale of substantially all of the assets of _____ to _____ clients. At that time, your client, _____, was in _____ office.

I informed _____ that _____ and _____ are willing to vote their shares in the corporation provided they receive a minimum of \$ _____ from the sale of the corporation's assets (based on a sales price of \$ _____), plus the net balance of the corporation's accounts receivable after all legitimate debts of the corporation have been paid. Although I did not talk directly with _____, _____ conveyed my clients' position to him and he purportedly agreed in principle to this division of the sale proceeds.

Obviously, the entire sale is contingent on reaching agreement with _____ client on a satisfactory Asset Purchase Agreement. Further, it is our understanding that the accounts receivable are approximately \$ _____ and the accounts payable are approximately \$ _____. If our understanding of the amount of the accounts payable and accounts receivable is incorrect or if the actual sales price is higher, my clients reserve the right change their position. Moreover, it is imperative that all the financial and other business records of the corporation be delivered to me as soon as possible. We can not verify either the representations _____ has made to my clients or the outstanding assets and liabilities of the corporation until this information has been produced. As I told you the other day, my clients will not vote their stock in favor of this transaction unless it terminates all further exposure to them. In particular, my clients will not vote to sale the corporation's assets unless _____ and his daughters execute a release of any and all claims which they might have against the corporation and _____ and _____, including, without limitation, those which might arise from the sales price not being divided on a pro rata basis. In addition, your client must agree that neither he, nor anyone on his behalf, will interfere with the collection of the accounts receivable or do anything to diminish the value

of the assets of the corporation.

Please contact your client and confirm these basic terms. Once you have confirmed with me that _____ is agreeable as he indicated to _____, we will begin working with _____ on negotiating an acceptable Asset Purchase Agreement and/or preparing the other necessary documentation.

Should you have any questions or need to discuss this matter further, please do not hesitate to call me.

Sincerely,

by:

/

cc: