

# Your Customer is Selling Their Business...

## What's in Store for You & Your UCC Filing?

Businesses are bought & sold every day & creditors may suffer!

### FOR SALE?



#### No Money

One of the primary reasons businesses are sold is due to fiscal distress.



#### Escape

The sale of a business is viewed as a way to escape debts owed.

### ESCAPE HOW?



An unfortunate, and common, consequence of selling a business, is that the buyer may require language within the sale that relieves them of any responsibility for the previous business owner's debts.

Essentially, erasing the debt linked to the business becomes a condition of the sale.

### WHY FILE A UCC?

#### If they can escape the debt, how can a UCC possibly help?

Your UCC filing acts as a lien on the business, therefore, before title passes from one party to another, the lien should be acknowledged & either settled or renegotiated.



### SUCCESS!

"The Credit Team pursued UCC's on all locations to help mitigate risk last year. We were notified that the customer was selling a location which at the time had an AR in the mid six figures, all of which was past due.

After their attorney did their due diligence they noticed a lien on the business which prompted a call from the seller inquiring about the UCC. Around the same time the attorney reached out and asked what was needed to lift the lien.

The answer was simple, a lump sum check for the entire balance of \$154,000. The sale took place and our Credit Manager was contacted by the attorney who had the check in hand for the full amount.

Had we not had the UCC filing in place we would not have received this payment and very likely, only cents on the dollar."

### YOU SHOULD...



File UCCS  
Monitor Incorporation Activity  
Review Credit Reports

NCS Credit can assist you with UCC filings, corporate monitoring & credit reports!



From Protection to Collection

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