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There is no such thing as a standard Letter of Intent (LOI). I've seen all types, ranging from some that look like a mini-merger agreement (long and sophisticated) to those consisting of little more than typewritten notes on the buyer's letterhead (short and sweet). Besides obvious things like date of merger, purchase price and payout terms, be sure to address these items:

1. How will the seller's capital be accounted for and handled? Specifically, will client payments after the merger be first applied to the seller's WIP & A/R or the buyer's?
2. Buyers who don't want the seller to work indefinitely should be as specific as possible about the length of time the seller may continue working. When this is

not clarified up front, buyers can have a delicate problem dismissing an unwanted

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When embarking on merger discussions, buyers and sellers alike will benefit from reference material similar to the above list regarding Merger Letters of Intent. For more recommendations on critical topics such as steps in the merger process, assessing cultural fit, data to review and the performance of due diligence, consult our monograph [CPA Firm Mergers: Your Complete Guide](#).

Firm Management • Mergers and Acquisitions

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