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## **Bill could grease the skids for M&A deals**

Chris Sloan, Guest Blogger

A bill that has passed the U.S. House of Representatives and is now pending before the Senate could lead to a significant increase in mergers and acquisitions involving small to mid-size businesses (those with less than \$25 million in earnings before interest, taxes and depreciation and amortization).

The Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act of 2014 (S. 1923) would exempt business brokers and investment bankers from broker-dealer registration requirements in connection with transactions involving the sale of small businesses.

Under the current regulations, annual compliance costs can easily be tens of thousands of dollars per year, which makes it difficult for business brokers and investment bankers to cost-effectively handle smaller transactions. By reducing those compliance costs, S.1923 could spur a significant increase in sales of small businesses, which could create or maintain jobs, and make it easier for retiring baby boomers to transition their businesses to new owners in lieu of closing their doors.

Coupled with the fact that many larger businesses are currently sitting on record amounts of cash, this bill, if it becomes law, could also make it easier and more efficient for those businesses to identify target companies, furthering their own growth through acquisitions of those targets.

Chris Sloan is co-chairman of Baker, Donelson, Bearman, Caldwell & Berkowitz PC's Emerging Companies Group and focuses his practice on startups and emerging businesses. He also handles complex software and other IT transactions for large companies.