SPECIALTY ESCROW

Bulk sale escrow for business transfers

When a business sells its inventory and assets, California's bulk sale rules protect the buyer and the seller's creditors. A bulk sale escrow publishes the required notice, holds the funds through the claim period, and pays valid claims before the seller is paid.

Why the law requires notice

Creditors of the selling business get a public heads-up that the assets are changing hands. That notice window lets them file claims against the sale proceeds instead of chasing the new owner later. Handled correctly, the buyer takes the business clean.

What escrow does in a bulk sale

We publish and record the notice, collect claims during the statutory period, verify them, pay valid claims from the proceeds at closing, and release the balance to the seller. Licenses, leases, and equipment lists ride along in the file.

Our officers run bulk sales as regular work, not exceptions. Timelines are set by statute, so opening early matters.

Frequently asked

Does every business sale need a bulk sale escrow?

Not every one; it depends on the assets and the deal. Your attorney or broker can confirm. When the rules apply, skipping them exposes the buyer.

How long does it take?

Longer than a home escrow, because the notice and claim periods are set by law. We map the dates at opening so both sides can plan.

Who pays the claims?

Valid creditor claims are paid from the seller's proceeds through escrow before the seller receives the balance.

General information for California consumers, not legal or tax advice. Fees quoted are from the published Alliance Mutual Escrow schedule.