

Nashville, Tennessee **General Dentistry**
MERGER FINANCIAL SUMMARY FOR PRACTICE 8709 2/3/2010 16:32

The following summary illustrates a projected year's income and expenses for the subject practice which incorporates a 4% increase in fees and overhead expense but no increase in production. Although all variable expenses are included, fixed expenses that will not be duplicated are not included. This summary is not a representation or warranty of future practice performance. Purchasers should obtain legal and accounting counsel prior to any purchase decision. **NOTE: Practice price does not include accounts receivable.**

PRACTICE INCOME				
EXPECTED GROSS COLLECTION INCREASE			\$818,982	100.0%
	HYGIENE COMPONENT		\$114,657	14.0%
	DENTIST COMPONENT		\$704,324	86.0%
	RETAINED SELLER		\$0	0.0%
	ASSOCIATE		\$0	0.0%
	PURCHASER		\$704,324	86.0%
VARIABLE EXPENSE INCREASE				
	WAGES, PAYROLL TAX, ETC.		\$145,112	17.7%
	LABORATORY		\$42,043	5.1%
	CLINICAL SUPPLIES		\$51,396	6.3%
	OTHER VARIABLE EXPENSE		\$20,667	2.5%
TOTAL VARIABLE EXPENSE INCREASE			\$259,218	31.7%
FIXED EXPENSE INCREASE				
	RENT		\$0	0.0%
	PHONE, UTILITIES		\$3,000	0.4%
	LEGAL & ACCOUNTING		\$3,500	0.4%
	INSURANCE		\$1,500	0.2%
	OTHER FIXED EXPENSE		\$11,434	1.4%
TOTAL FIXED EXPENSE INCREASE			\$19,434	2.4%
DEBT SERVICE INCREASE				
	INTEREST		\$43,345	5.3%
	PRINCIPAL		\$59,754	7.3%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$103,099	12.6%
SUMMARY				
EXPECTED INCREASED COLLECTIONS			\$818,982	100.0%
EXPECTED INCREASED EXPENSES			\$278,651	34.0%
EXPECTED INCREASED DEBT SERVICE			\$103,099	12.6%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$437,232	62.1%
PURCHASER PRODUCED PRODUCTION			\$704,324	86.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$59,754	8.5%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$25,657	3.6%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.			\$522,642	74.2%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:				
	SALES PRICE & PERCENT OF GROSS		\$495,000	63%
	WORKING CAPITAL		\$39,000	4.8%
	TOTAL LOAN		\$534,000	65.2%
	LOAN INTEREST RATE		9.00%	
	LOAN TERM IN MONTHS		84	
	MONTHLY PAYMENT		\$8,592	12.6%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$5,733	8.4%

Nashville, Tennessee

MERGER DATA SUMMARY FOR PRACTICE NUMBER 8709

The following data is provided by the owner of the practice. It is believed to the best of the owner's knowledge to be a true and accurate representation of the facts of the practice. It is the responsibility of any purchaser to verify all information contained herein and to seek qualified counsel in the interpretation and verification thereof.

OFFICE DATA

SQUARE FOOTAGE OF OFFICE	2,507
EXPANDABLE FOOTAGE	
CURRENT MONTHLY RENTAL i.e. "1200"	\$2,089
PRICE PER SQUARE FOOT	\$10.00
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	
PROXIMITY OF PARKING PLACES	
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	3
NUMBER OF OPERATORIES EQUIPPED FOR HYGIENIST	2
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	
NUMBER OF UNPLUMBED EMPTY OPERATORIES	
DATE OF LEASE i.e. "1/1/99"	April-05
DATE LEASE ENDS - i.e. "1/1/04"	March-10
TERM OF LEASE IN YEARS i.e. "5"	5
YEARS REMAINING ON LEASE i.e. "2.5"	
RENEWAL OPTIONS	2 5-year options
DO YOU OWN YOUR BUILDING? "YES" OR "NO"	No
DO YOU WISH TO SELL THE BUILDING? "YES" OR "NO"	No
PRICE OF BUILDING	
IF NOT FOR SALE, MO. RENTAL AMOUNT	
ANNUAL REAL ESTATE TAXES	
ANNUAL REAL ESTATE INSURANCE COST	
PURCHASER MORTGAGE INTEREST RATE	7.00%
PURCHASER MORTGAGE TERM - YEARS	15
PURCHASER MONTHLY PAYMENT	
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	

WORK SCHEDULE

PLANS AFTER SALE OF PRACTICE	
DAYS/WEEK CURRENTLY WORKED	4
ENTER DESIRED DAYS WORKED FOR NEW BUYER SALE	
DESIRED WORK DAYS/WEEK 1ST YR	0
DESIRED WORK DAYS/WEEK 2ND YR	0
DESIRED WORK DAYS/WEEK 3RD YR	0
DESIRED WORK DAYS/WEEK 4TH YR	0
DESIRED WORK DAYS/WEEK 5TH YR	0
DESIRED WORK DAYS/WEEK 6TH YR	0

PRACTICE DATA	
WHAT CONSULTANT USED IN PAST 5 YRS	
RESULTS	
DESCRIBE INTERNAL MARKETING	Sign for walk-ins welcome
DESCRIBE EXTERNAL MARKETING	Yellow pages ads
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	1,116
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	33
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	9
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	6
HOW FAR AHEAD IS DENTIST SCHEDULED?	
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	
% PRACTICE INCOME FROM CASH	32%
% OF PATIENTS PAYING CASH	32%
% PRACTICE INCOME FROM INSURANCE	17%
% OF PATIENTS WITH INSURANCE	17%
% PRACTICE INCOME FROM HMO	
% OF PATIENTS WITH HMO	
% PRACTICE INCOME FROM PPO	49%
% OF PATIENTS WITH PPO	49%
% PRACTICE INCOME FROM CAPITATION	2%
% OF PATIENTS WITH CAPITATION	2%
% PRACTICE INCOME FROM MEDICAID	
% OF PATIENTS WITH MEDICAID	
% PRACTICE INCOME WITH REDUCED FEE PLANS	51%
% OF PATIENTS WITH REDUCED FEE PLANS	51%
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
OFFICE HOURS	MONDAY 9:00 am - 7:00 pm
	TUESDAY 8:00 am - 5:00 pm
	WEDNESDAY 8:00 am - 5:00 pm
	THURSDAY 8:00 am - 5:00 pm
	FRIDAY 8:00 am - 1:00 pm (first Friday of the month)
	SATURDAY
DENTIST HOURS WORKED PER WEEK	
HYGIENIST HOURS WORKED PER WEEK	36
ASSOCIATE HOURS WORKED PER WEEK	36
DENTIST PATIENT VISITS PER YEAR	1,184
HYGIENE PATIENT VISITS PER YEAR	1,185
NUMBER OF DAYS WORKED PER YEAR	198
NUMBER OF WEEKS WORKED PER YEAR	52
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$70,898
SIX WEEKS ACCOUNTS RECEIVABLE	\$94,498
WHAT IS YOUR COLLECTION PERCENTAGE	101%
WHAT TYPE RECALL SYSTEM	Dentrix
WHAT TYPE COMPUTER SYSTEM	Dentrix

WHAT % OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	14%
OPERATIVE	51%
PEDODONTICS	0%
ORTHODONTICS	1%
IMPLANTS	0%
REMOVABLE PROSTHETICS	3%
FIXED PROSTHETICS	10%
ENDODONTICS	12%
PERIODONTICS	4%
ORAL SURGERY	5%
COSMETIC	0%
TMJ TREATMENT	0%
SOFT TISSUE MANAGEMENT	0%
OTHER	0%
TOTAL	100%
MARKET FACTOR DATA	
EQUIPMENT FACTOR SCALE 0% - 100%	50%
LOCATION DEMAND SCALE 0% - 100%	50%
PLAN / MEDICAID PRACTICE %	51%
ANNUAL FEE INCREASE %	4%
ANNUAL OVERHEAD INCREASE %	4%
FEE SCHEDULE	
ADULT PROPHY 01110	\$79
GOLD INLAY 02540	
TWO SURFACE POSTERIOR COMPOSITE 02386	
TWO SURFACE AMALGAM 02150	\$168
CORE BUILD-UP INCLUDING PINS 02950	\$240
GOLD / PORCELAIN CROWN 02750	\$1,015
ANTERIOR CANAL ROOT CANAL 03310	\$631
BICUSPID ROOT CANAL 03320	\$733
LABIAL PORCELAIN VENEER 02962	\$1,270
AVERAGE OF FEES	\$591
PERCENT OF FEE PARITY	101%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	Major metro
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	Major metro
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN	22
MAJOR EMPLOYERS IN AREA	two
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING AREA	

STAFF DATA			
DESCRIBE STAFF BY POSITION AS TO	ANNUAL SALARY	WILL POSSIBLY STAY?	YEAR HIRED
RECEPTIONIST	\$33,280	_____	2008
OFFICE MANAGER	\$ _____	_____	_____
BUSINESS ASSISTANT	\$22,880	_____	2009
ASSISTANT	\$27,560	_____	2007
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$58,240	_____	2008
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____			
OTHER			
DESCRIBE FRINGE BENEFITS AND VALUE			
DO YOU HIRE ANY UNPAID FAMILY MEMBERS			
DESCRIBE DUTIES			
ESTIMATED ANNUAL VALUE OF ABOVE			
PRODUCTION CENTERS			
	YEAR TO DATE	LAST YEAR	TWO YEARS AGO
ENTER YEAR	1/1/10 TO 1/23/10	2009	2008
GROSS COLLECTIONS	\$23,362.77	\$728,918.76	\$491,991.34
HYGIENISTS	\$ 6,093.79	\$123,630.47	\$ 35,944.11
OWNER	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$17,268.98	\$605,288.29	\$456,047.23
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ENTER ASSOCIATE SALARY IN DOLLARS IF FIXED			
ENTER ASSOCIATE COMMISSION PERCENTAGE			
ENTER HYGIENIST SALARY IN DOLLARS IF FIXED			
ENTER HYGIENIST COMMISSION PERCENTAGE			
CONFORMITY DATA			
DOES YOUR PRACTICE MEET OSHA STANDARDS?	Yes		
WHY NOT			
DOES YOUR PRACTICE MEET CDC STANDARDS?	Yes		
WHY NOT			
DOES PRACTICE MEET ALL GOVERNMENTAL REGULATIONS?	Yes		
EXPLAIN ANY DISCREPANCIES			
HAVE YOU HAD ANY DISCIPLINARY ACTION IN LAST 7 YRS	No		
EXPLAIN			
HAVE YOU HAD ANY PRACTICE RELATED SUITS FILED	No		
AGAINST YOU IN THE PAST TEN YEARS? EXPLAIN			
DESCRIBE ANY HEALTH PROBLEMS WHICH WOULD AFFECT	None		
YOUR PRACTICE OF DENTISTRY			