



Serving the Maryland Dental Community since 1978

Practice Valuation Questionnaire

General Information

Date: _____

1. Practice name and primary address

Name _____
Address _____

2. Please identify practice owner(s) and ownership percentages

<u>Name</u>	<u>Ownership percentage</u>
_____	_____
_____	_____
_____	_____

3. Type of entity (C-Corp., LLC, etc.)

- | | |
|--|--|
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Professional Corporation (C Corp) |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> S Corporation |
| <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Other _____ |

4. Practice organized in the state of _____

5. Purpose of Valuation

- | | |
|--|---|
| <input type="checkbox"/> Estate Planning | <input type="checkbox"/> Possible outright sale |
| <input type="checkbox"/> Sale to current associate | <input type="checkbox"/> Sale to future associate/partner |
| <input type="checkbox"/> Divorce | <input type="checkbox"/> Other _____ |

7. If sale is anticipated, what is the timetable for the sale? _____

8. Does the staff know about the sale? Yes No

9. If there is a sale, will Seller agree to continue with practice after the sale?

Yes No How Long? _____

10. Will Seller's ongoing employment be a condition of sale? Yes No

If Yes, Seller's required number of clinical hours per week after sale? _____

11. Has any event occurred during the past 12 months which has or may have a significant positive or negative impact on the practice receipts or net practice profitability? Yes No
If yes, please describe _____

12. Are there any upcoming events which may have a significant impact on the practice receipts or net practice profitability? Yes No

If yes, please describe _____

Practice History

1. How was the practice acquired? Started by present owner Purchased

2. Date of Company's inception: ___/___/___

3. If practice was purchased, previous owner's name(s)? _____

4. How long did previous owner operate practice? _____

5. How long has practice operate at present location? _____

6. Has practice ever acquired or merge with another practice? Yes No

If yes, then when? _____

By what percentage did practice gross receipts increase after acquisition? _____

Acquisition Price? _____

Average gross receipts of acquired practice immediately before acquisition _____

7. Was there a previous location? _____

Where? _____

How long at previous location? _____

8. Briefly describe the history of the Practice from its inception to the date of valuation

Community Demographics

1. What is the population of the community where the principal practice is located? _____
2. Is the surrounding office location (check all that applies):
 - Urban Growing Affluent
 - Rural Declining Middle Class
 - Suburban Stable Blue Collar
3. How would you rate the desirability of your practice location?
 - Highly desirable Desirable Average Questionable
4. Are there any desirable or adverse conditions occurring within the community and/or area's economy? _____

Practice Management/Business Operations

1. Does the practice accept insurance assignment? Yes No
2. Are non-insurance covered patients required to pay for services at the time of service?
 - Yes No
3. Are insurance patients required to pay estimated co-payments at the time of service?
 - Yes No
4. Does the practice offer credit card payment options?
 - Yes No

Practice Statistics

1. Total number of active patients (different individuals seen during past 24 months) _____
2. Average new patients seen per month for the past 3 years _____
3. Total new patients seen during past 12 months _____
4. Please identify primary source of new patient referral sources: _____
Percent
Existing Patients
Advertising/Yellow pages
Other medical professionals
Insurance related
Other (specify)
5. Does any one referral source account for more than 10% of practice revenue?
6. Describe all marketing activity. _____

7. Does the practice track referral sources? Yes No
8. Who are the major competitors? _____
9. What impact do competitors have on practice receipts? _____
10. Number of active Medical Assistance patients? _____
11. Number of HMO plan patients covered? _____
What percentage of practice revenue derived from these patients? _____
12. Estimated percentage of practice consisting of children under the age of 16 _____
13. Does the practice employ a hygienist? Yes No
If yes, number of days per week?
14. Average number of patients seen per day by dentists?
15. Average number of patients seen per day by hygienists?
16. What percentage of patients is covered by 3rd party payers?
17. How many patient contact days did the owner provide?
18. What is the weekly work schedule?
19. How many days did the owner work over the past 12 months?

Service Combinations

1. Please estimate percentage of revenue generated in each category:

Hygiene (including X-rays)

 Provided by Doctor _____

 Provided by Hygienist _____

Restorative (excluding crowns) _____

Endodontics _____

Periodontics _____

Oral Surgery _____

Orthodontics _____

Removable Prosthetics _____

Product Sales _____

Other _____

2. Procedures routinely referred out: _____

Employee Information

1. Number of full-time employees: _____

2. Number of part-time employees: _____

3. Number of non-owner dentists: _____

Do any non-owner dentists have:

 employment agreements Yes

No

 non-compete agreements Yes

No (if so, describe distance and duration)

4. Please state on a separate page for each employee the following:

a. Name

b. Job title/description

c. Dates and duration of service

d. Duties

e. Salary or pay scale

f. Benefits

5. List all employees that have left the practice within the past 2 years and continued practicing in the area. _____

Please provide the following additional information:

1. Annual financial statements for the last 6 years.
2. Interim financial statements for the most recent period.
3. Federal income tax returns (and state returns) for the last 6 years.
4. Copies of any forecasts or projections.
5. Fixed asset register or depreciation schedule.
6. Copies of any sales, capital, or operating budgets.
7. Copies of any business plans.
8. Schedule of owner's compensation and any compensation paid to related family members.
9. Schedule of any key person life insurance.
10. Any appraisals on specific assets used in the practice.
11. Fee schedule.
12. Copies of any significant leases and loans, including notes receivable and notes payable.
13. Copies of any stockholder or partnership agreements, including any stock option agreements.
14. Copies of any buy-sell agreements and/or written offers to purchase or sell practice stock or other ownership interest.
15. Details of any litigation, including pending or threatened lawsuits.
16. Details of any employee benefit plans, including pension plans, profit-sharing plans, and employee stock option plans.
17. Reports of any examination issued by government agencies such as EPA, OSHA, IRS, or EEOC.
18. Details of any transactions in the transfer of the practice equity during the last 5 years.