



BETTE E. ROBIN, DDS, JD
ATTORNEY-AT-LAW

**CONFIDENTIAL PRACTICE TRANSITION
WORKSHEET**

1. CLIENT INFORMATION

Are you the Buyer or the Seller in this transition? _____

2. ADDRESS OF THE PRACTICE INVOLVED IN THIS SALE:

List all telephone numbers into the dental practice: _____

and fax number: _____

3. SELLER(S)' INFORMATION

Name: _____
(Please provide Seller's full legal name, as it should be in the contract.)

Corporate name, if any: _____

Fictitious business name, if any: _____

Address (if different than practice location): _____

Phone: (_____) _____ Fax: (_____) _____
(Please provide desired contact telephone and fax numbers, home or work.)

E-mail address: _____

Desired place/form of contact: _____



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4. BUYER(S)' INFORMATION

Name: _____
(Please provide Buyer's full legal name, as it should be in the contract.)

Corporate name, if any: _____

Fictitious business name, if any: _____

Address (if different than practice location): _____

Phone: (_____) _____ Fax: (_____) _____
(Please provide desired contact telephone and fax numbers, home or work.)

E-mail address: _____

Desired place/form of contact: _____

5. REPRESENTATION

ATTORNEY: Does the other party have an attorney or plan to use an attorney? If so, please provide the attorney's name, address, e-mail address, and telephone and fax numbers.

CPA: Are you using an accountant or CPA? If so, please provide the name, address, e-mail address, and telephone and fax numbers.



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Is the other party using an accountant or CPA? If so, please provide the name, address, e-mail address, and telephone and fax numbers.

6. **PREFERRED CLOSE DATE:** _____

7. **PURCHASE PRICE**

1. Amount of Purchase Price: _____

2. Down payment made?: _____ If yes, when? _____

To whom paid? _____

3. Has either party opened an escrow? _____

4. Financing to be provided by: _____

(Hint: Seller, Bank, Finance Co., Other? Give name and address if known. We can help you with financing if you desire.)

5. Are there are loans, liens, or encumbrances on the dental practice?

(Hint: A lien search should always be performed. Loan companies will do this as part of the loan process. Cash buyers must use an outside search company.)

8. **TYPE OF BUSINESS ENTITY**

1. If the Seller is incorporated, is this going to be an **asset sale** or a **stock sale**? (Circle one)
(Hint: Almost all practice sales are asset sales.)

2. Does the Buyer intend to practice as a **sole proprietorship** or a **corporation**? (Circle one)



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9. ASSETS INCLUDED IN THE SALE

Indicate a value for all assets that apply. Be sure the values assigned add up to the total sales price. (Hint: The value of assets is important for tax purposes. Normally, it is best for the Seller to assign a higher value to intangible assets such as good will and patient records and best for the Buyer to assign a higher value to tangible assets such as dental equipment. This may be a significant negotiation point and it is strongly advised to seek advice from your tax professional in this area.)

Assigned Value:

Dental equipment _____

Office equipment _____

Leasehold improvements and fixtures _____

Dental supplies and other consumables _____

Office supplies and other consumables _____

Accounts receivable _____

(If accounts receivable are to be included in the sale, indicate their total value here. Details of accounts receivable and their collection will be requested in a later section of this form.)

Goodwill _____

Covenant Not to Compete _____

(Indicate value here, details will be requested in a later section)

Patient Records _____

Indicate approximate number of patient records: _____

Personal Property _____

(Be specific about what is to be included)

10. ASSETS SPECIFICALLY NOT INCLUDED IN THE SALE

Please be very specific to avoid future misunderstandings.



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11. ACCOUNTS RECEIVABLE

1. Are the accounts receivable included in the sale? **Yes** or **No** (Circle one)
(Hint: It is usually easier for both Buyer and Seller if a value is agreed upon for the accounts receivable and they are included in the sale.)

2. If the accounts receivable ARE included:

a. What is the value of the accounts receivable? _____

b. What price are the accounts receivable being sold for? _____

c. Is the Seller making any guarantees about how much the Buyer will collect of the accounts receivable? (Hint: Usually guarantees are not made.) **Yes** or **No** (Circle one)

3. If they ARE NOT included:

a. Are the accounts receivable to be collected by the Buyer? **Yes** or **No** (Circle one)

1) If yes, how is the collection to be handled?

aa) How long must the Buyer collect the Seller's accounts receivable?
(Hint: 3 months to a year is customary.)

bb) How often must the Buyer send statements to patients owing money? (Hint: Usually one a month.)

cc) Should collection letters be mailed? What criteria?

dd) Should collection telephone calls be made? What criteria?

ee) Must the Buyer re-bill any insurance company that rejects a claim?
(Hint: Usually the answer is yes)



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ff) *Must the Buyer call or follow through with any insurance company that does not pay a claim? What criteria?*

gg) *How will the Buyer give the accounts receivable money to the Seller? (Hint: Often the Seller will establish a separate bank account for the Buyer to deposit the money into.)*

hh) *What kind of verification does the Seller want about the accounts receivable money coming in? (Hint: Usually the Seller wants verification of all money coming into the dental practice. That is, the Seller will want Buyer's and Seller's deposit slips, day sheets, monthly reports, bank statements, etc.)*

12. COVENANTS

1. Covenant not to compete:

a. *Do you want a covenant not to compete?* **Yes** or **No** (Circle one)

b. *How many years would you like this covenant to be in effect?* _____

c. *How many miles' radius would you like to cover in this covenant?* _____

d. *What are Seller's plans after the sale?* _____

e. *Other details or concerns about a covenant not to compete:*



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2. Covenant not to solicit employees:

a. Do you want a covenant not to solicit employees? **Yes** or **No** (Circle one)

b. Do you want a covenant not to solicit or hire employees of the dental practice?
(Hint: Employees are integral to the practice. A seller generally should not solicit or be able to hire employees for at least 5 years after the close date.) **Yes** or **No** (Circle one)

3. Covenant not to solicit patients:

a. Do you want a covenant not to solicit patients? **Yes** or **No** (Circle one)

b. Do you want a covenant not to solicit or derive income from patients?
(Hint: Sellers generally should not be able to solicit patients or derive any income from patients on the dental practice, even if the seller is practicing outside the covenant area. Buyers should 'get' all the patients in the dental practice included in the sale and that should not be threatened by a Seller.) **Yes** or **No** (Circle one)

13. PRACTICE LOCATION

1. Is the building the practice occupies leased or owned? _____

2. If leased, who are the owners/property managers and their telephone/fax numbers?

3. Has the owner/property manager been contacted? **Yes** or **No** (Circle one)

4. Is there an assignment clause in the lease? **Yes** or **No** (Circle one)

5. Does a new lease need to be negotiated?
(Hint: We can help you with the lease if necessary.) **Yes** or **No** (Circle one)

6. Is the building is owned by the Selling Doctor? **Yes** or **No** (Circle one)

a. If yes, is the building included in the sale? **Yes** or **No** (Circle one)
(Hint: If yes, this will require a separate real estate sales contract.)



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14. SELLING DOCTOR(S)

1. *Is the selling doctor(s) to remain in the practice?*

The selling doctor(s) may remain only to introduce patients to the Buyer, or may continue to practice for years to come. Please indicate your preference and details of the arrangement you would like.

15. EMPLOYEES

1. *Please list current employees, their position in the office and their pay:*

<i>Employee name</i>	<i>Position</i>	<i>Pay</i>	<i>Date of Hire</i>

2. *List current employee benefits:* _____

3. *Are current employees to remain with the practice?*



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4. Do the employees know about this transition? _____
5. Do any of the employees have written employment contracts? _____
If yes, please provide a copy of these contract(s).

16. ANNOUNCEMENT OF THE TRANSITION

1. How would you like to announce this transition to patients?
- _____

Who will pay for any mailings? _____

17. RE-DO'S OF DENTAL TREATMENT

1. How do you want to handle re-dos of dental work? Who decides the necessity of the re-do? How long may the Buyer find work that needs to be redone and charge the Seller?
(Hint: This is a frequent area of problems in transitions. Please consider and discuss the re-do issue thoroughly. Options are many and may include:)

1. Buyer alone decides whether the re-do is necessary and retreats the patient, and bills the seller 50% of the usual and customary fee for that procedure (or withholds the amount from moneys owed to the Seller).

2. Buyer and Seller mutually must agree a re-do is necessary and Seller retreats the patient and may or may not reimburse the Buyer for use of office space and staff.

18. HOW DO YOU WANT TO HANDLE A POSSIBLE DISPUTE BETWEEN BUYER AND SELLER?

For example, do you want to leave the contract open to all possibilities and not mention this issue? Do you want to demand mediation or arbitration? Begin thinking about this and we will discuss the options and their advantages with you.



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19. OTHER

1. *Is the Seller(s) involved in or aware of any sort of legal action against themselves or the practice?*

2. *Does the Seller own any other dental practices? _____
If yes, where are they located?*

20. DEAL MAKERS AND BREAKERS

1. *List the item(s) or matter(s) which are very important to you in this deal.
(Hint: Think about what you want as well as what you must have. For example, you may be willing to negotiate on the sales price, but are insisting on remaining an associate in the practice.)*

2. *List any matters over which you and the other party disagree or expect to disagree.*

3. *Is there anything you would like to add that was not covered above?*

This is the first step in negotiating and creating a contract for your practice transition. Next, I will thoroughly discuss your issues and concerns and begin working on a contract draft for your inspection. Bette Robin, D.D.S., J.D.