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PREPARED FOR

THE DOWNTOWN STUDY GROUP

"THE DYNAMIC OF BUYING & SELLING A DENTAL PRACTICE"

OUTLINE OF PRESENTATION AND CHECKLIST

1. Buying and Selling a Practice:

Essential Points to Consider:

- (a) The Practice as the paramount asset
- (b) Nature of the Transaction
(The dental practice is not a hardware store)
- (c) Types of sale (outright sale, partnership, etc.)
- (d) Defining "Maximization"
- (e) "Valuation Formulas" (the sacred words)
- (f) Criteria of Valuation
- (g) Goodwill
- (h) Impact of Managed Care on valuation
- (I) Compensation formulas for partnership buy-in
- (j) Financing the Purchase Price
- (k) Fuzzy Collateral
- (l) Important Provisions in the Documents:
 - *Restrictive Covenant
 - *Non-Solicitation
 - *Liquidated Damages

*Transference Period

*Disability of Seller/Buyer during transference period

(m) Rules:

* "There are no Rules"

* "To Thine Own Self Be True"

* "Luck is the residue of Design"

* "You can't put a Circle in a Square"

(n) Non Cliche Rules:

* Keep the Cookie Cutter in the Kitchen (and not in the analysis of your deal)

* Don't work backwards (first come to terms in principal, then draft the relevant documents)

* If you utilize the services of a consultant (and if you do so identify your reasons and expectations for doing so) remember the analysis "document" generated is not the Rosetta Stone

* A Fair Deal is the Best Deal (don't be afraid, a fair deal does not mean you cannot maximize your return, the deal must be "Win, Win")

2. Employment Agreements:

Important Elements:

(a) Why enter into an employment agreement?

(b) Different methods of compensation

(c) Important elements in the Agreement (i.e. non-competition clause, trade secrets, etc.)

3. Q & A

Please ask your question(s) at any point during the presentation