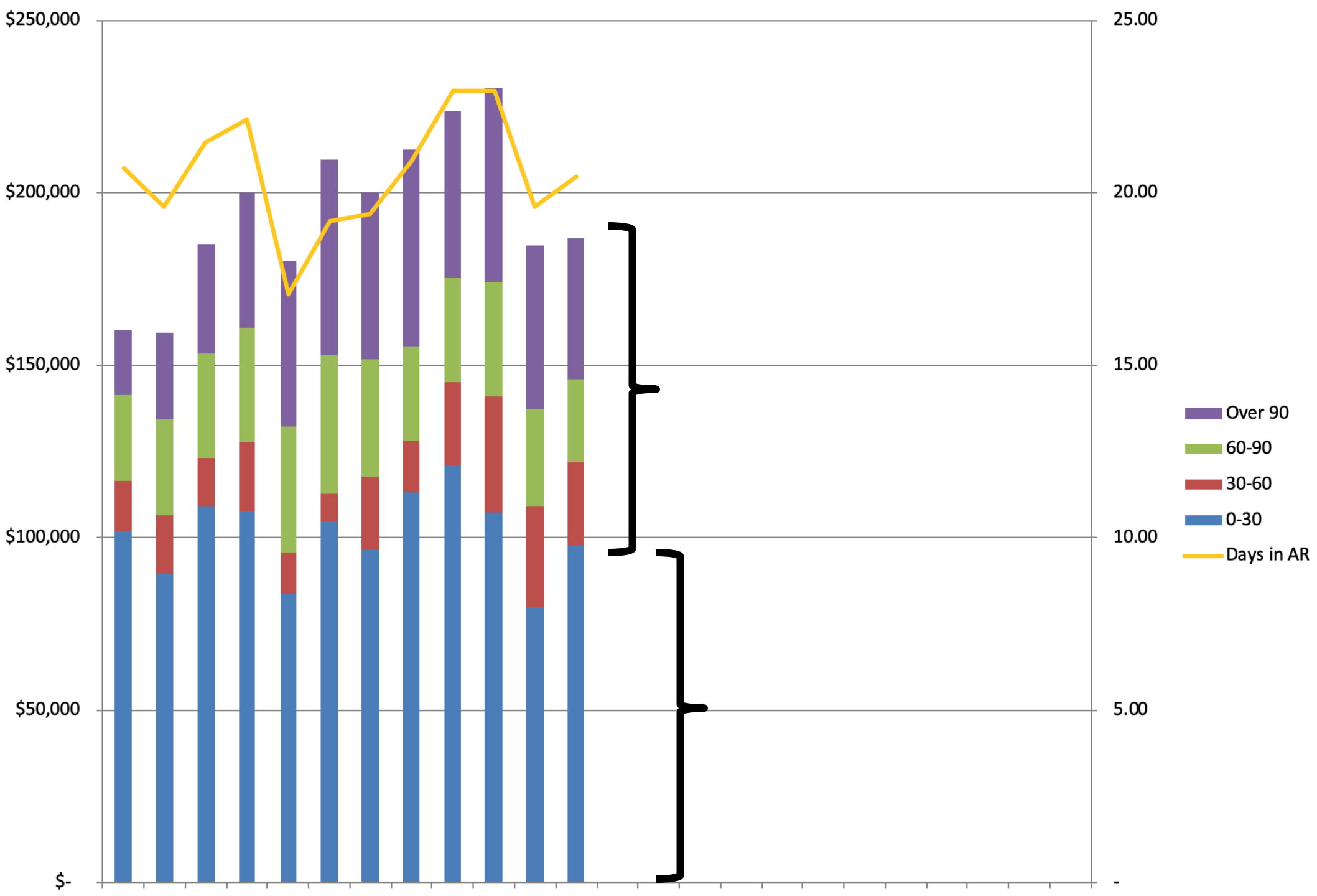


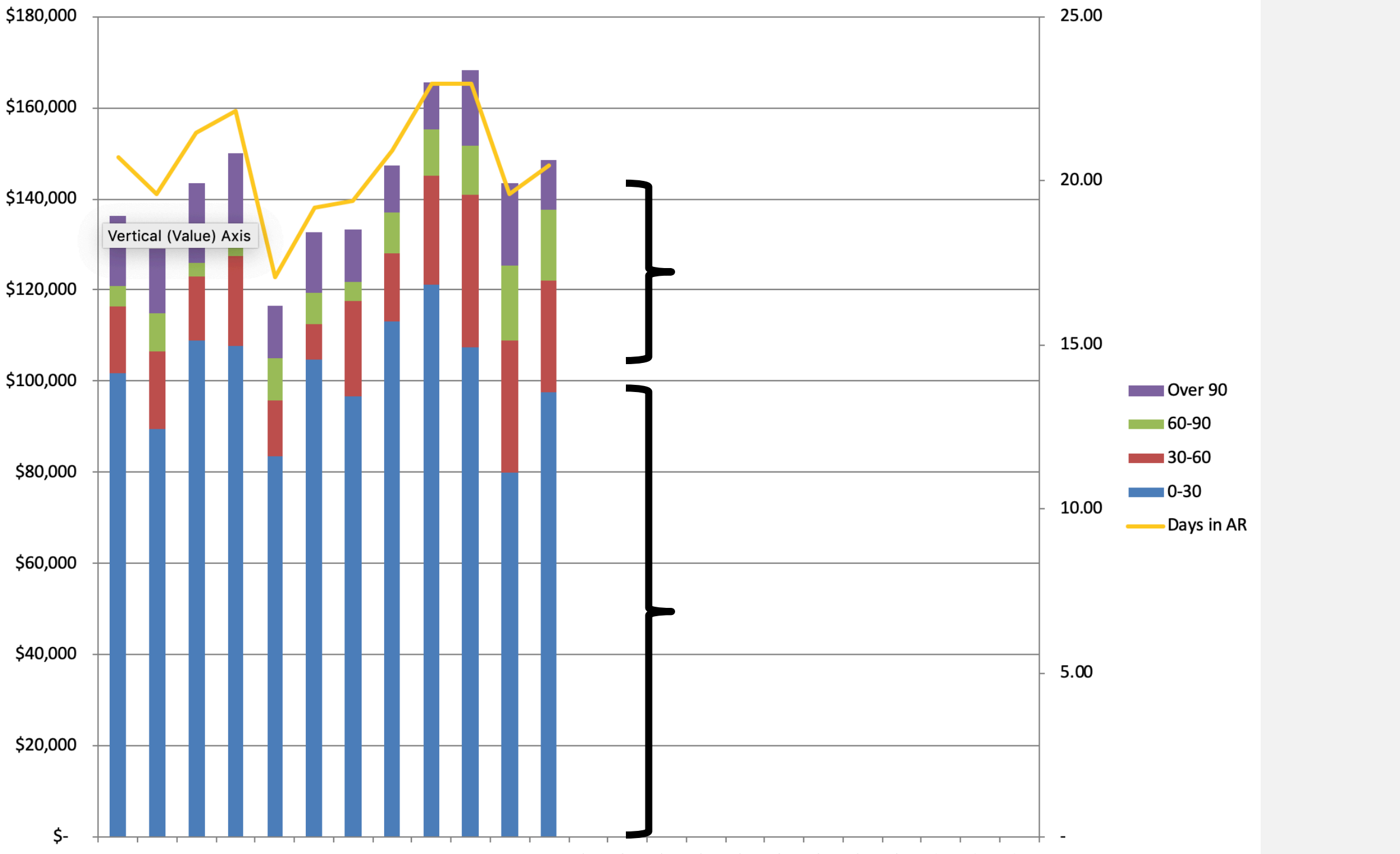
ACCOUNTS RECEIVABLE

Buy, Service, or Not Buy?

EVALUATE PREVIOUS OWNER

- 1. Check historical collections %
 - Did the previous owner do a good job collecting?
 - Collections % of 80%? 85%? 90%? 95%? Higher?
- 2. This historical percentage gives light to what you'll collect if you buy





OPTIONS

- Buy
 - You purchase all the AR- you service it and patients pay you
- Service
 - You service the AR for the seller- and take a fee
- Not Buy
 - Seller still services their AR

BUY

- Buy
- Look at historical percentage, pay less than historical average
 - One example below:
 - 0-30 Days: Pay 85%
 - 31-60 Days: Pay 80%
 - 61-90 Days: Pay 50%
 - Over 90 Days: Pay 30% (Chance are you'll NEVER see this money)

SERVICE

- You take a Fee to service for seller
- 10% ? 20%?
- Problems-
 - How hard do you go after AR?
 - Who gets final say on giving to collections agency?
 - How long does this agreement last?

DON'T BUY

- Seller takes historical accounts, services themselves
- Their accountant may do this for them

ISSUES

- First-in money? Does a bill get paid to the retiring dentist first or
- Who gets paid first?
- Seller or new-dental services from buyer?
- Headaches with separating money paid by parties?