

Decision Time: ***The Fork in the Road for Practice Values and Liquidity***

It is July 12, and it takes about six months to identify the right partner, negotiate a deal, close, and put millions of dollars in your pocket at 2020 tax rates. Tax rates will double in 2021. **The window is closing.** The great doctors like you now have a choice to make. Monetize a part of your practice today? OR Wait for years to return to the 2019 value levels we are achieving for clients today, even in COVID. You are gambling millions on what you decide in July, 2020.

Deals are closing NOW. Tens of millions have been completed by LPS during COVID.

Keep in mind that even if your practice and its profitability grows in the next two to three years, your net, after tax, will be far lower than a completed deal in 2020. And the ADA/Health Policy Institute forecast released last week is for practice collections nationally to decline by 20% in 2021 vs. 2019. You may avoid this, but many of the prospective **buyers will not...**

Even if the ADA is wrong and you grow dramatically, value levels will be lower, and your after-tax net will be significantly less than in 2020. **Why not take millions in cash now if you can? Liquidity is KING in troubled times.** And these are troubled times. We are in the first inning.

We urged doctors in 2019 to take advantage of the bubble, and \$200,000,000+ of them listened to us and are VERY happy at the moment. **But it is NOT TOO LATE for you.**

Since March of 2020, we have been “pounding the table” that NOW is the last window of opportunity. Practices are being valued today on BEFORE COVID performance levels and doctors are still ultimately able to achieve 2019 value levels, assuming their practices return to before COVID collections levels. **Once the Mar/Apr/May numbers are factored into values, values will decline, tax or no tax.**

Supply vs. Demand

We are the U.S. largest advisors to dentists in these types of transactions. We completed \$200,000,000 in 2019. Sounds big right? Not really.

We will complete over \$400,000,000 in 2020 and signed \$300,000,000+ in new clients in Q2 2020 and **another \$34,000,000 in the first TWO DAYS of July (Q3).** We signed **Letters of Intent (LOI) for clients with buyers totaling \$96,000,000 in Q2.** On August 1, we will unfortunately turn away smaller clients until 2021. The supply of great practices is increasing and the number of IDSOs seeking new practices is declining. Buyers have more great practices from which to choose than ever before.

Please call us this week to get started. By August 1, we will no longer be able to promise a year-end 2020 close except in very special cases. Contact Nicole at LPS@LargePracticeSales.com or call 954-300-2644 to set up a time for a call with me. **You are gambling millions that I am wrong.**

P.S. In August of 1993, President Clinton made increased taxes retroactive to January 1.