



Practice Transitions Made Perfect™

Newsletter Article Reprint

Professional Practices

September 2009

Our company has been transitioning dental practices for almost forty years. We've seen brokers come and go, some who were extremely good at valuations and transitions, others who were not. We've evolved, as you have, with changes in the business of dentistry and have helped develop what are considered to be the "best practices" in transitions, as have many of you in dentistry.

Unfortunately, some current broker practices are far from "best", and are actually deceptive or even illegal. We'd like to outline a few of these and affirm our commitment to you with respect to them.

Dual Representation: the practice of representing both parties in a transaction. This practice is illegal in the state of Florida. ADS Florida does not engage in dual representation.

Kickbacks: the practice of paying money for a referral – commonly by a lending institution building an extra fee into their rate to a purchaser. If there is an extra cost that otherwise would not be charged, and it goes undisclosed, the practice is illegal in Florida. Kickbacks can also be offered for "leads" to sales. ADS Florida does not accept or pay kickbacks.

Transactional Broker: this relationship, as established by the State of Florida, where the broker does not represent either party in a transaction. With no representation, or "agency", the broker's responsibility to you is minimal during and after the sale. All ADS Florida listings establish specific agency, representation and responsibility.

As an Agent, we are responsible to work in the best interest of the party we represent. If we represent a seller, our Agency relationship does not preclude us from assisting the purchaser in the sale and transition process. There are specific lines that cannot be crossed which would violate the relationship, but assisting with the highest level of service is not precluded and is our standard.

"Pending Listing": also seen as "Coming Soon" or "Available Soon". There is no commonly accepted advertising that includes a "listing" of this nature. Either a broker has a listing, or other similar agreement to advertise a business for sale, or they do not. If they do not, that business should not be advertised and could potentially be meant as "bait and switch" or otherwise deceptive advertising. Every ADS Florida listing has the full cooperation of the owner doctor.

Solicitation Letters: commonly stating, in some way, "we have a buyer for your practice." The reality, though, is that each purchaser is different and looking for something specific – whether practice type, makeup, location or other. While there are many purchasers looking, to know a specific purchaser is looking for your practice takes much more information than your address. The broker will request you sign an agreement for services, essentially, if not actually, a listing agreement, prior to discussing the purchaser – sometimes stating that that purchaser is no longer looking or interested, leaving you with an executed agreement and no purchaser.

ADS Florida has avoided mass mailing letters for purchasers. In the future, we are committed to sending letters that specify the characteristics of particular interest to that purchaser. Further, the letter will be targeted, mailed once and your reply will not constitute a listing agreement or approval for us to advertise your practice for sale.

"Free Appraisal": commonly advertised, nationwide, by several organizations. Often we have found that the requesting doctor receives a poorly developed document with, usually, an inaccurate value, and sometimes, without the owner's consent, has their practice advertised for sale. In some cases, pictures of the subject office have been posted online for anybody visiting the website to see, violating any seller confidentiality.

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Licensed Real Estate Broker and Exclusive Florida Broker for ADS - Nationwide

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An appraisal is a serious document that contains evidence of the methods used to determine a final value. There are several national and international organizations that establish standards for business valuation and appraisals and we take pride that these principles are incorporated into our appraisal methodology and documentation. We do not list practices based on an appraisal, only with a fully documented, executed listing agreement. Even with this, no pictures are posted for public viewing and the identity of any of our sellers is held with the strictest of confidence.

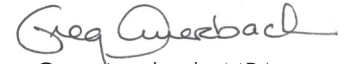
We are very proud of the transition record of ADS Florida, LLC (formerly Professional Transitions, Inc.) and our team. Our local representatives are amongst the most experienced and highly trained experts, nationwide. No other brokerage firm in Florida has those credentials. Most importantly, each member of our team operates with the highest possible ethical standards and practices. By working with ADS Florida, you're working with the best in our industry.

If you have questions about anything above or others that you may have come across, please do not hesitate to contact us. Also, if you'd like to see how we compare to other transition firms in Florida, please visit compare.adsflorida.com.


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