

Pacific Reliance Medical Brokers
CONFIDENTIAL BUSINESS PROFILE

20304JD High Demand Medical Spa serving the Loma Linda/San Bernardino Area

Description of Business:

This well known, high demand medical practice has served the Loma Linda/San Bernardino Valley since 2010. Located in a high-income affluent area of San Bernardino, it is known for providing a wide spectrum of services including all facial cosmetic services with a focus on injectables, face and neck lifts, face and neck liposuction, eyelid lifts, eyebrow lifts, laser skin resurfacing. Also topical and injectable Platelet Rich plasma, and Microneedling.

The practice also provides a wide spectrum of Ear, Nose, and Throat Medical and Surgical Services as well as Facial Plastic Surgery Cosmetic Procedures. It specializes in the treatment of sinus and allergy disorders, nasal obstruction and congestion, adult and pediatric patients, voice and swallowing disorders and almost all other common problems of the Ear, Nose, and Throat.

Additionally, the practice offers full service allergy testing with allergy shots and make sublingual allergy treatment immunotherapy vials as well as in office CT scanner for CT scans of the sinuses and temporal bone (ear).

This medical spa has taken advantage of the market in the Loma Linda/San Bernardino area obtaining an affluent and loyal clientele. Opening near a popular community hospital at the height of the Great Recession. Since opening in 2010 the company couldn't imagine the growth that they have experienced. This has grown to be known for their natural results and great reputation.

Employee/personnel

The practice is fully staffed with highly trained employees with 3 full-time, 1 part-time and 5 independent contractors including:

Physician

Lead medical assistant.

2 other medical assistants.

1 part time surgical tech.

Physician's assistants (in process of hiring 1-2)

Nurse Practitioner

Lab technician

Pacific Reliance Medical Brokers
CONFIDENTIAL BUSINESS PROFILE

Ownership Info

The business ownership is an S-corporation with a management agreement. The majority of stock must be owned by a California licensed physician. Medical Director on Staff. Owner is moving.

Equipment

This spa features a range of different and well-kept equipment including but not limited to:

- CT Scanners,
- Video towers including stroboscopes
- Light sources
- CCD or grade cameras with endoscopes
- Pentax chip tip laryngoscope with EPK 1000 video processor
- Surgical equipment for facial plastic surgery
- Suctions
- Wall mounted otoscopes/ophthalmoscopes
- Midmark sterilizer
- Microdebrider
- and more.

This medical spa is the only office in the Inland Empire that has an in-office CT scan capability.

Facilities:

This office is unlike any other medical spa in California. The layout and build are spacious and made for such operations. There is curbside parking and entrance along with visibility near a community hospital.

- CT scanner room which can be easily converted to an exam room
- 2 extra-large cosmetic consult rooms with furniture and carpets
- 2 extra-large exam rooms all with full range Midmark procedure chairs
- 1 medium size exam room with Midmark procedure chair,
- Very large surgery/procedure room with Midmark procedure chair (can be used as exam room when no procedures are being done).
- 1 very large nursing station- with multiple cabinets, countertop space, and sink/water- for supplies, processing, check out/scheduling with 2 workstations
- Very large reception area
- Very large reception work desk with 1 large workstation attached to the chart room with 3 additional workstations.
- Incredibly large private office/break room/conference room which can be subdivided or partitioned into 4 offices or multiple cubicles.

Pacific Reliance Medical Brokers CONFIDENTIAL BUSINESS PROFILE

- Separate Men's and Women's restrooms with 2 stalls and 2 sinks in female, urinal and 2 stalls with sink in men's restroom
- Separate private back entrance
- All rooms other than the private office have cabinets with sinks/water.

Office space consists of approximately 3200 sf of space.

Monthly lease is \$7,200 per month. Real estate is owned by the seller and may be purchased at market value.

Real Estate:

Page 1

Rent Roll																
Property	Unit(s)	Lease	Lease Type	Brand	Area	Lease From	Lease To	Term	Monthly Rent	Monthly Rent Per Area	Annual Rent	Annual Rent Per Area	Annual Rec. Per Area	Annual Misc Per Area	Security Deposit	LOC Amount/ Bank Guarantee
nevada - 1174 Nevada St, Redlands																
Current Leases																
	100		Office Net		3,416.00	04/16/2013		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	150		Office Net		1,472.00	12/01/2020	11/30/2023	36	2,729.87	1.85	32,758.44	22.25	0.00	0.00	2,649.60	0.00
	200		Office Net		1,523.00	04/01/2019	03/31/2022	36	1,615.75	1.06	19,389.00	12.73	0.00	0.00	1,615.75	0.00
	210		Office Net		1,289.00	12/01/2017	11/30/2021	48	1,740.15	1.35	20,881.80	16.20	0.00	0.00	1,659.58	0.00
Total Current					7,700.00				6,085.77	0.79	73,029.24	9.48	0.00	0.00	5,924.93	0.00
	Total Units	Total Area	Percentage		Monthly Rent	Annual Rent										
Occupied	4	7,700.00	100.00		6,085.77	73,029.24										
Vacant	0	0.00	0.00		0.00	0.00										
Total	4	7,700.00			6,085.77	73,029.24										

Wednesday, September 22, 2021
02:09 PM

- Owned by Seller
- 8,300 square feet
- 4 tenants
- located on busy street with streetfront signage
- Rental Income is \$15,400/mos and is below market.

All information contained within this document and in all other materials was furnished by either the buyer or seller of the business. Purchasing a business involves risk and all parties are advised to seek legal and financial advice. Pacific Reliance Business Brokers has not and will not verify the accuracy or completeness of this information.

Pacific Reliance Medical Brokers
CONFIDENTIAL BUSINESS PROFILE

Historical Revenues:

(Buyer to confirm all numbers and advised to hire CPA to review all financials)

	2018	2019	2020	2021 Year to Date
Annual Revenue	\$1,063,970	\$1,188,139	\$1,017,988	\$616,282.
Seller's Discretionary Earnings (SDE)	\$323,710	\$473,488	\$350,441	N/A

On track to do **\$1.2 Million** this year in revenues.

Hours of operations

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
9 – 4 PM	9 – 4 PM	9 – 4 PM	9 – 4 PM	9 – 4 PM	CLOSED	CLOSED

Billings/collection/revenue sources

California Medical billing handles credentialing and billing used since opening in 2010. For EMR Health Fusion by Medi-touch is used.

The practice accepts all major insurance, 3 major HMO's, Medicare, Care credit and credit card/cash.

Marketing:

Clientele base is mainly through word of mouth and referrals. Spa uses social media such as Facebook and Yelp.

For additional information, please contact Jerry Diza at Info@PacificRB.com or call (949)

U.S. Income Tax Return for an S Corporation

2019

Department of the Treasury Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. Go to www.irs.gov/Form1120S for instructions and the latest information.

For calendar year 2019 or tax year beginning [redacted], 2019, ending [redacted]

Header section containing: A S election effective date (12/01/2009), B Business activity code number (0111), C Check if Schedule M-3 attached, D Employer identification number, E Date incorporated (12/01/2009), F Total assets (\$26,806).

Section G-I: G Is the corporation electing to be an S corporation beginning with this tax year? (Yes/No), H Check if: (1) Final return, (2) Name change, (3) Address change, (4) Amended return, (5) S election termination or revocation, I Enter the number of shareholders (1).

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Main table with columns for INCOME, DEDUCTIONS, and TAX AND PAYMENTS. Rows include: 1a Gross receipts or sales (1,190,508), 1b Returns and allowances (2,369), 1c Balance (1,188,139), 2 Cost of goods sold, 3 Gross profit (1,188,139), 6 Total income (1,188,139), 7-21 Deductions (Total 1,141,779), 21 Ordinary business income (46,360), 22a-22c Excess net passive income, 23a-23e Tax payments, 24 Estimated tax penalty, 25 Amount owed (0), 26 Overpayment.

Sign Here section: Declaration of preparer, Signature of officer, Date, Title (President & CEO), and box for 'May the IRS discuss this return with the preparer shown below?' (Yes/No).

Paid Preparer Use Only section: A large blacked-out area for preparer information.

Statement 1
Form 1120S, Line 19
Other Deductions

Accounting.....	\$	5,620.
Auto and Truck Expense.....		13,276.
Bank Charges.....		144.
Billing Service Fees.....		49,928.
Books and Reference Materials.....		891.
Business Conference.....		3,363.
Continuing Education.....		1,250.
Dues and Subscriptions.....		1,755.
Employ Goodwill.....		3,157.
Insurance.....		46,394.
Landscape Maintenance.....		658.
Legal and Professional.....		3,753.
Meals.....		697.
Medical Office Software.....		5,205.
Medical Supplies.....		163,657.
Medical Vaccines and Medicines.....		28,572.
Miscellaneous.....		2,797.
Office Expense.....		5,322.
Outside Services.....		56,875.
Postage.....		100.
Professional Development.....		498.
Security.....		140.
Small Medical Implements.....		1,880.
Storage.....		648.
Supplies.....		10,276.
Telephone.....		9,055.
Travel.....		2,701.
Uniforms.....		1,586.
Utilities.....		8,913.
Website Expense.....		7,379.
	Total \$	<u>436,490.</u>

Statement 2
Form 1120S, Schedule K, Line 12a
Charitable Contributions

Cash Contributions - 60% Limitation.....	\$	25,554.
	Total \$	<u>25,554.</u>

Statement 3
Form 1120S, Schedule L, Line 6
Other Current Assets

	<u>Beginning</u>	<u>Ending</u>
AMEX Over Payments.....	\$ 0.	\$ 369.
	Total \$	<u>0.</u>
		<u>369.</u>

U.S. Income Tax Return for an S Corporation

2019

Department of the Treasury Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. Go to www.irs.gov/Form1120S for instructions and the latest information.

For calendar year 2019 or tax year beginning , 2019, ending , 2019, ending

Form header section containing: A S election effective date (12/01/2009), B Business activity code number, C Check if Schedule M-3 attached, D Employer identification number, E Date incorporated (12/01/2009), F Total assets (\$26,806).

Form section containing: G Is the corporation electing to be an S corporation beginning with this tax year? (Yes/No), H Check if: (1) Final return, (2) Name change, (3) Address change, (4) Amended return, (5) S election termination or revocation, I Enter the number of shareholders (1), J Check if corporation: (1) Aggregated activities, (2) Grouped activities.

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Main table with columns for INCOME, DEDUCTIONS, and TAX AND PAYMENTS. Rows include: 1a Gross receipts or sales (1,190,508), 1b Returns and allowances (2,369), 1c Balance (1,188,139), 2 Cost of goods sold, 3 Gross profit (1,188,139), 4 Net gain (loss), 5 Other income (loss), 6 Total income (loss) (1,188,139), 7-21 Deductions (Total 1,141,779), 21 Ordinary business income (loss) (46,360), 22a-22c Excess net passive income or LIFO recapture tax, 23a-23e 2019 estimated tax payments and 2018 overpayment credited to 2019, 24 Estimated tax penalty, 25 Amount owed (0), 26 Overpayment, 27 Enter amount from line 26.

Sign Here section: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Signature of officer: [Redacted], Date: [Redacted], Title: President & CEO. May the IRS discuss this return with the preparer shown below? [X] Yes [] No.

Paid Preparer Use Only section: Print/Type preparer's name, Preparer's signature, Date, Check [X] if self-employed, PTIN, Firm's name, Firm's address, Firm's EIN, Phone no.

Statement 1
Form 100S, Schedule F, Line 7
Compensation Of Officers

Name of Officer	Soc. Sec. #	% Of Time	% Stock	Compensation
[REDACTED]	[REDACTED]	100.00	100.00	154,357.
Total Compensation of Officers				154,357.
Less: Compensation Claimed on Sched. V and Elsewhere				0.
Officers' Compensation Deducted on Sch. F (line 7)				154,357.

Statement 2
Form 100S, Schedule F, Line 20
Other Deductions

Accounting.....	\$	5,620.
Auto and Truck Expense.....		13,276.
Bank Charges.....		144.
Billing Service Fees.....		49,928.
Books and Reference Materials.....		891.
Business Conference.....		3,363.
Continuing Education.....		1,250.
Dues and Subscriptions.....		1,755.
Employ Goodwill.....		3,157.
Insurance.....		46,394.
Landscape Maintenance.....		658.
Legal and Professional.....		3,753.
Medical Office Software.....		5,205.
Medical Supplies.....		163,657.
Medical Vaccines and Medicines.....		28,572.
Miscellaneous.....		2,797.
Office Expense.....		5,322.
Outside Services.....		56,875.
Postage.....		100.
Professional Development.....		498.
Security.....		140.
Small Medical Implements.....		1,880.
Storage.....		648.
Supplies.....		10,276.
Telephone.....		9,055.
Travel.....		2,701.
Uniforms.....		1,586.
Utilities.....		8,913.
Website Expense.....		7,379.
Total		\$ 435,793.

Statement 3
Form 100S, Schedule L, Line 5
Other Current Assets

	Beginning	Ending
AMEX Over Payments.....	\$ 0.	\$ 369.
Total	\$ 0.	\$ 369.

Recasting

		Tax Returns 2020				Tax Returns 2019	
		Revenue	Expenses			Revenue	Expenses
	Gross	\$1,017,988			Gross	\$1,188,139	
	Net income	21,863			Net income	46,360	
	Compensation to officers		164,888		Compensation to officers		154,357
	Depreciation		12,941		Depreciation		29,951
	Interest		702		Pension		132,582
	Pension		115,268		Charity		25,554
	Auto and truck		12,008		Meals & entertainment		697
	Employee Goodwill		1,785		Travel		2710
	Travel		726		Auto and truck		13,276
	Outside Services		18,147		Continuing education		1,250
	Bus Conference		1,477		Interest		3,356
	Website		6,438		Employee Goodwill		3,157
					Bus Conference		3,363
					Website		7,379
					Outside Services		56,875
	SDE		\$356,243		SDE		\$480,867