

## CONFIDENTIAL BUSINESS OFFERING

### ESTABLISHED & TRUSTED SLEEP THERAPY

### Ventura, CA

#### Description of business

This well-established Independent Diagnostic Testing Facility (IDTF) has been a trusted provider of comprehensive sleep diagnostic services in Ventura County for over 30 years. Offering both in-lab overnight polysomnography and portable in-home sleep testing, the business ensures flexible and accurate diagnoses for patients with suspected sleep disorders.

What truly sets it apart is its fully integrated care model—from diagnostics to treatment—including CPAP equipment dispensing, patient education, and long-term therapy support. This end-to-end approach results in high patient retention, multiple revenue streams, and strong clinical outcomes.

The center has built longstanding referral relationships with major hospitals, medical groups, and insurers, and holds contracts with Medicare and all major private payers. As the first AASM-accredited sleep center in the county and an early adopter of home-based testing, it is widely recognized for innovation and quality of care.

Operating a 6-bed facility with a skilled, long-tenured team, the business is typically booked weeks in advance. With scalable infrastructure, minimal local competition, and multiple growth avenues, this is a turnkey opportunity ideal for a medical group, individual buyer, or private equity firm looking to expand in the high-demand sleep diagnostics space.

#### Products & Services:

This long-standing sleep center offers end-to-end services—from diagnostics to long-term therapy—through a fully integrated care model that boosts patient outcomes and recurring revenue.

- Sleep Testing: In-lab polysomnography for complex cases and home sleep apnea tests for convenience and cost-efficiency.
- CPAP Equipment & Supplies: Full range of devices and accessories with patient education, fitting, and compliance monitoring.
- Specialized Services: Daytime testing (MSLT/MWT) and CPAP acclimation sessions to support treatment adherence.
- Admin & Billing Support: In-house scheduling, referral management, and insurance billing with contracts across Medicare and major payers.
- Innovation: Serves as a beta site for new technologies and markets a proprietary sleep product.

With a strong reputation, referral network, and scalable model, the Company is a leader in outpatient sleep care with clear growth potential.

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 has not and will not verify the accuracy or completeness of this information.

## CONFIDENTIAL BUSINESS OFFERING

### Employee/personnel/payroll:

Title/Position	FT/PT	Role	Salary	# of Years	Benefits
Director of Ops	FT	Manages day to day Ops	\$110K	24	Health/Dental, Vehicle/Gas
Assistant Manager	FT	Supports Ops, Handles day testing	\$67K	23	75% Health/Dental
Billing/ AR	FT	Claims submission, Insurance follow-up	\$26.25/hr	4	Health/Dental, PTO
Care Coordinator	FT	Patient Scheduling & Communication	\$23/hr	4	Health/Dental, PTO
Licensed Sleep Tech	PT	Conducts sleep studies	\$43/hr	11	
Sleep Tech Trainer	PT	Conducts tests & Provides training	\$45/hr	6	
Tech Assistant (x4)	PT	Supports licensed techs	\$21-\$23/hr	1-8	

### Ownership info

The Company is privately owned by two experienced healthcare operators planning retirement. One is open to staying on post-sale; the other will support a smooth transition. Both will assist with training and key introductions. Offered as a 100% ownership sale with no outside investors.

### Billing & Collections

Billing is managed in-house by a dedicated specialist with 4+ years of experience. Claims are submitted directly to contracted payers, including Medicare, commercial insurers, VA/TriWest, and regional IPAs.

- In-House Control: No third-party billing, allowing faster follow-ups and better denial management.
- Diverse Payer Mix: Medicare Part B, major insurers, VA, and IPAs.
- Comprehensive Coding: Regularly bills a wide range of CPT/HCPCS codes for sleep studies and DME.
- Timely Payments: Most claims paid within 30–60 days.
- Low Denials: Strong payer relationships and clean documentation keep denial rates low.

The billing process is streamlined and can be easily absorbed by a buyer's internal team or scaled within a larger billing system.

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## CONFIDENTIAL BUSINESS OFFERING

### Annual Revenues and Profits:

YEAR	2024	2023	2022
Combined Annual Revenue	\$1,546,420	\$1,427,865	\$1,346,617
SDE	\$374,545	\$265,480	\$241,929

**BUYER TO CONFIRM ALL NUMBERS AND ADVISED TO HIRE CPA TO REVIEW ALL FINANCIALS. INFORMATION TAKEN FROM SELLER PROVIDED TAX RETURNS AND DOCUMENTS. PRBB DOES NOT WARRANTY THE INFORMATION PROVIDED, BUT MERELY SHARES INFORMATION RECEIVED FROM SELLER.**

### Equipment

The Company owns all equipment required to operate a multi-room sleep testing facility. All assets are in good working condition and fully paid. Key equipment includes:

**Diagnostic & Monitoring Equipment:**

- Natus & Sandman PSG Systems
- ResMed VPAP Tx Unit (Lab Edition)
- Nonin CO<sub>2</sub> Monitor, Oximeter, Sony & Infrared Camera Systems
- Two-way intercoms for patient monitoring

**IT & Admin Equipment:**

- PSG scoring system, desktop computers, servers (Dell PowerEdge with RAID)
- Printers, scanner, fax, flat screen TVs, digital BP monitors

**Facility & Patient Room Equipment:**

- Full/Twin XL beds with furnishings
- CPAP supply dryers, Zoll AED, facility surveillance system

The setup supports full-scale, multi-room operations and can be readily transitioned to new ownership.

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## CONFIDENTIAL BUSINESS OFFERING

### Marketing:

The Company's patient flow is sustained primarily through long-standing referral relationships with physicians and medical groups, rather than direct advertising. This relationship-based model drives steady demand and high utilization.

- **Established Network:** Trusted by PCPs, pulmonologists, cardiologists, and medical groups.
- **In-Network Advantage:** Contracts with Medicare and major insurers drive steady referrals.
- **Proven Reputation:** AASM-accredited and an early adopter of home sleep testing.
- **Low Marketing Spend:** Relies on word-of-mouth; strong opportunity for digital and outreach campaigns.
- **Growth Potential:** Expand through obesity clinics, PCP networks, and DME partnerships.

### Facility Overview

Located in a full-service medical building with free parking and ADA access, the clinic is steps away from on-site MRI, lab, pharmacy, and supply services. It features 4 exam rooms, 1 procedure room, 2 private restrooms, a physician's office, storage, a waiting area, and a staff break room.

Efficiently designed for comfort and function, the facility is well-suited for continued sleep diagnostics or other medical use.

### Hours of operation

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
9AM-5PM OPM-5AM	9AM-5PM OPM-5AM	9AM-5PM OPM-5AM	9AM-5PM OPM-5AM	9AM-5PM OPM-5AM	CLOSED	CLOSED

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### Real Estate

The business currently leases the unit at a monthly rate of \$3,200, with the lease set to expire in 2029.

### Areas of Opportunity

The Company is well-positioned to scale through clinical, operational, and geographic initiatives. Key areas include:

1. **Home Sleep Testing (HST) Expansion**
  - Meet rising demand for convenient, cost-effective testing.
  - Increase referrals from PCPs and weight-loss clinics.
  - Use scalable logistics to grow without expanding physical space.
2. **Maximize Facility Use**
  - Add daytime services like CPAP desensitization, MSLT/MWT, and consults.
  - Introduce programs for sleep-related comorbidities (e.g., obesity, anxiety).
3. **Marketing & Outreach**
  - Launch digital marketing, SEO, and provider outreach campaigns.
  - Boost credibility with testimonials, webinars, and content marketing.
4. **CPAP Resupply Growth**
  - Build or enhance a recurring CPAP supply program.
  - Add online ordering, auto-reorders, and remote compliance tracking.
5. **Geographic Expansion**
  - Open satellite sites or HST-only hubs in underserved areas.
  - Use telehealth for intake, follow-ups, and consults.
6. **Operational Improvements**
  - Streamline billing, tech, and scheduling systems.
  - Upgrade EHR or DME platforms for efficiency and scale.

For more information, contact us.

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Form 1120-S

Department of the Treasury  
Internal Revenue Service

## U.S. Income Tax Return for an S Corporation

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](http://www.irs.gov/Form1120S) for instructions and the latest information.

OMB No. 1545-0123

2024

For calendar year 2024 or tax year beginning , 2024, ending

A	S election effective date 11/05/1992	TYPE OR PRINT Oxnard, CA 93030	D	Employer identification number [REDACTED]
B	Business activity code number (see instructions) [REDACTED]		E	Date incorporated [REDACTED]
C	Check if Schedule M-3 attached <input type="checkbox"/>		F	Total assets (see instructions) \$ 293,868.

G Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☒ NoH Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change  
(4) ☐ Amended return (5) ☐ S election termination

I Enter the number of shareholders who were shareholders during any part of the tax year. . . . . 3

J Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

Caution: Include only trade or business income and expenses on lines 1a through 22. See the instructions for more information.

I N C O M E	1 a	Gross receipts or sales	1,546,420.	b	Less returns and allowances		Balance	1 c	1,546,420.
	2	Cost of goods sold (attach Form 1125-A)						2	
	3	Gross profit. Subtract line 2 from line 1c						3	1,546,420.
	4	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)						4	
	5	Other income (loss) (see instrs — att statement)						5	
	6	Total income (loss). Add lines 3 through 5						6	1,546,420.
D E D U C T I O N S  S E E  I N S T R U C T I O N S	7	Compensation of officers (see instructions — attach Form 1125-E)						7	165,061.
	8	Salaries and wages (less employment credits)				\$62,000- Wife's Comp		8	532,145.
	9	Repairs and maintenance						9	6,713.
	10	Bad debts						10	
	11	Rents						11	50,465.
	12	Taxes and licenses						12	46,700.
	13	Interest (see instructions)						13	
	14	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)						14	
	15	Depletion (do not deduct oil and gas depletion.)						15	
	16	Advertising						16	1,101.
	17	Pension, profit-sharing, etc., plans						17	
	18	Employee benefit programs						18	2,437.
	19	Energy efficient commercial buildings deduction (attach Form 7205)						19	
	20	Other deductions (attach statement)				See Statement. 1		20	634,828.
	21	Total deductions. Add lines 7 through 20						21	1,439,450.
	22	Ordinary business income (loss). Subtract line 21 from line 6						22	106,970.
T A X  A N D  P A Y M E N T S	23 a	Excess net passive income or LIFO recapture tax (see instructions)		23 a					
	b	Tax from Schedule D (Form 1120-S)		23 b					
	c	Add lines 23a and 23b (see instructions for additional taxes)						23 c	
	24 a	Current year's estimated tax payments and preceding year's overpayment credited to the current year		24 a					
	b	Tax deposited with Form 7004		24 b					
	c	Credit for federal tax paid on fuels (attach Form 4136)		24 c					
	d	Elective payment election amount from Form 3800		24 d					
	z	Add lines 24a through 24d						24 z	
	25	Estimated tax penalty (see instructions). Check if Form 2220 is attached						25	
	26	Amount owed. If line 24z is smaller than the total of lines 23c and 25, enter amount owed						26	0.
	27	Overpayment. If line 24z is larger than the total of lines 23c and 25, enter amount overpaid						27	
	28	Enter amount from line 27: Credited to 2025 estimated tax Refunded						28	

Sign Here	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.				May the IRS discuss this return with the preparer shown below? See instructions. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	Signature of officer	Date	3/1/25 President & CEO			
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN	
	Firm's name			Firm's EIN		
	Firm's address			Phone no.		
	Thousand Oaks, CA 91362					

BAA For Paperwork Reduction Act Notice, see separate instructions.

SPSA0112 10/31/24

Form 1120-S (2024)

Form 1120-S

Department of the Treasury  
Internal Revenue Service

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OMB No. 1545-0123

2023

For calendar year 2023 or tax year beginning , 2023, ending

A	S election effective date	TYPE OR PRINT Oxnard, CA 93030	D	Employer identification number
B	Business activity code number (see instructions)		E	Date incorporated
C	Check if Schedule M-3 attached <input type="checkbox"/>		F	Total assets (see instructions)
				\$ 259,528.

G Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☒ NoH Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change  
(4) ☐ Amended return (5) ☐ S election termination

I Enter the number of shareholders who were shareholders during any part of the tax year. . . . . 3

J Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

Caution: Include only trade or business income and expenses on lines 1a through 22. See the instructions for more information.

I N C O M E	1 a	Gross receipts or sales	1,431,349.	b	Less returns and allowances	3,484.	Balance	1 c	1,427,865.	
	2	Cost of goods sold (attach Form 1125-A)							2	
	3	Gross profit. Subtract line 2 from line 1c							3	1,427,865.
	4	Net gain (loss) from Form 4797, line 17 (attach Form 4797)							4	
	5	Other income (loss) (see instrs — att statement)							5	
	6	Total income (loss). Add lines 3 through 5							6	1,427,865.
D E D U C T I O N S  S E E  I N S T R S	7	Compensation of officers (see instructions — attach Form 1125-E)							7	138,060.
	8	Salaries and wages (less employment credits) \$62,000- wife's comp							8	484,847.
	9	Repairs and maintenance							9	7,042.
	10	Bad debts							10	
	11	Rents							11	56,488.
	12	Taxes and licenses							12	72,296.
	13	Interest (see instructions)							13	99.
	14	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)							14	
	15	Depletion (Do not deduct oil and gas depletion.)							15	
	16	Advertising							16	6,894.
	17	Pension, profit-sharing, etc., plans							17	
	18	Employee benefit programs							18	51,108.
	19	Energy efficient commercial buildings deduction (attach Form 7205)							19	
	20	Other deductions (attach statement) See Statement 1							20	526,952.
	21	Total deductions. Add lines 7 through 20							21	1,343,786.
	22	Ordinary business income (loss). Subtract line 21 from line 6							22	84,079.
T A X  A N D  P A Y M E N T S	23 a	Excess net passive income or LIFO recapture tax (see instructions)					23 a		23 c	
	b	Tax from Schedule D (Form 1120-S)					23 b			
	c	Add lines 23a and 23b (see instructions for additional taxes)					23 c			
	24 a	Current year's estimated tax payments and preceding year's overpayment credited to the current year					24 a		24 z	
	b	Tax deposited with Form 7004					24 b			
	c	Credit for federal tax paid on fuels (attach Form 4136)					24 c			
	d	Elective payment election amount from Form 3800					24 d			
	z	Add lines 24a through 24d					24 z			
	25	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>							25	
	26	Amount owed. If line 24z is smaller than the total of lines 23c and 25, enter amount owed							26	0.
	27	Overpayment. If line 24z is larger than the total of lines 23c and 25, enter amount overpaid							27	
	28	Enter amount from line 27: Credited to 2024 estimated tax Refunded							28	

Sign  
Here

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 3/19/24 Title President &amp; CEO

May the IRS discuss this return  
with the preparer shown below?  
See instructions.☒ Yes ☐ NoPaid  
Preparer  
Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name				
Firm's address	Thousand Oaks, CA 91362	Phone no.		8

BAA For Paperwork Reduction Act Notice, see separate instructions.

SPSA0112 06/27/23

Form 1120-S (2023)

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

Name of Officer	Soc. Sec. #	% Of Time	% Stock	Compensation
		42.50	42.50	47,424.
		42.50	42.50	0.
		15.00	15.00	90,636.
Total Compensation of Officers				138,060.
Less: Compensation Claimed on Sched. V and Elsewhere				0.
Officers' Compensation Deducted on Sch. F (line 7)				138,060.

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

Accounting.....	\$	1,955.
Auto and Truck Expense.....		12,175.
Bank Charges.....		783.
Computer and Internet Expenses.....		30,776.
Continuing Education.....		180.
Credit Card Fees.....		1,795.
Dues and Subscriptions.....		1,372.
Human Resource Expenses.....		3,788.
Insurance.....		26,157.
Janitorial.....		32,827.
Laundry and Cleaning.....		39,523.
Miscellaneous.....		2,902.
Office Expense.....		17,220.
Outside Services.....		154,392.
Payroll Processing.....		5,677.
Postage.....		2,753.
R/E adj.....		53.
Reconciliation Discrepancies.....		1,538.
Reference Materials.....		247.
Security.....		6,161.
Supplies.....		141,646.
Telephone.....		13,301.
Travel.....		16,166.
Utilities.....		13,565.
Total		\$ 526,952.

\$15,000- Personal Insurance

Statement 3  
Form 100S, Schedule L, Line 6  
Loans to Shareholders

\$327,480 EBITDA with Addbacks

	Beginning	Ending
Shareholder Loan.....	\$ 23,032.	\$ 23,032.
Shareholder Loan.....	6,468.	6,468.
Total	\$ 29,500.	\$ 29,500.