

CONFIDENTIAL BUSINESS OFFERING

WELL ESTABLISHED DERMATOLOGY PRACTICE COASTAL SAN DIEGO

Description of business

This premiere dermatology practice located in a San Diego beachside community is well positioned to treat the growing needs of an aging community of sun bathers enjoying outdoor activities. The practice specializes in medical and surgical dermatology for patients of all ages, offering a full spectrum of dermatologic care. Founded in 2015, the practice has grown into a highly regarded and in-demand provider within its community, earning a stellar professional reputation within the medical community and consistently achieving top scores on quality metrics.

The practice delivers comprehensive skin care services, diagnosing and treating a broad range of conditions including acne, psoriasis, rosacea, skin growths, and skin cancers. It provides personalized treatment plans and offers both medical dermatology and advanced procedural and surgical services.

Patient experience is a central focus, with thorough consultations, patient education, and a professional, welcoming clinical environment. The practice accepts a wide range of PPO insurance plans and maintains efficient scheduling and operations to ensure accessibility and convenience.

The clinic operates a CLIA-certified laboratory and has expanded its clinical and administrative team to support continued growth. The practice has achieved steady year-over-year expansion and maintains a strong reputation for quality patient care and clinical excellence. Dermatopathology is also provided.

Products & Services:

The breakdown of services is as follows:

PRODUCTS/SERVICE	SALES
General Medical / Surgical Dermatology	70%
Mohs Surgery	15%
Cosmetic Procedures	10%
Skin Care Products	1%
Sunscreen	1%

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The practice provides a comprehensive range of medical and surgical dermatology services focused on the diagnosis, treatment, and management of common and complex skin conditions for patients of all ages.

Core services include treatment of acne, psoriasis, rosacea, rashes, warts, and moles (nevi), as well as comprehensive skin cancer detection and management, including Mohs micrographic surgery. The practice also offers basic skin treatments and care for age-related skin concerns such as wrinkles.

With an emphasis on early detection, preventive care, and personalized treatment plans, the clinic delivers full-spectrum dermatologic services designed to promote long-term skin health and patient wellness.

Year	2025	2024	2023
Collections	\$ 1,920,076	\$ 1,787,804	\$1,926,632
EBITDA	\$434,397	\$453,496	\$435,197

EBITDA was calculated by replacing both owner's salary with another MD and PA with combined salaries of \$412,000 per year.

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Employee/personnel/payroll:

The practice is owned and operated by 2 physician partners who actively provide clinical services and receive monthly direct distributions.

Title/Position	Duties/Responsibilities	PT/FT	Wage/Salary
Practice Manager	Accounts Receivable/Payable, Payroll & HR	FT	\$83,000/yr
Charge Nurse	Pathology, Surgery, Scheduling	FT	\$49,900/yr
2 Medical Receptionists	Answering Phone calls, inquiries, check-in/out	FT	\$43,000/yr
5 Medical Assistants	Assisting physicians with Patient Care	FT & PT	Average \$20/hr
Physician Assistant	Sees Patient, Provides direct patient care	PT	\$95/hr

Ownership info

The practice is owned as a partnership between two physician partners. Both partners are actively involved in the day-to-day operations, providing clinical services and sharing in the profits through monthly direct distributions. This ownership structure ensures alignment between management and clinical leadership while maintaining continuity and stability for the practice.

Partner 1 works approximately 4 days per week.

Partner 2 works approximately 3 days per week.

Billings/collection/revenue sources

It maintains 19,712 active patient charts, with each doctor seeing an average of 30 patients per day. Revenue comes from medical and surgical dermatology services, including Mohs surgery, through insurance (primarily PPO) and self-pay.

ModMed Practice Management handles receivables and QuickBooks manages payables.

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Equipment

The practice is equipped with three power surgical tables, three ceiling-mounted OR lights, four overhead exam lights, standard exam tables, eight desktop computers, one laptop, and a full phone system. Clinical support equipment includes one autoclave, seven hyfrecators, and 6 Ipads for EMR devices for scribing, providing the necessary infrastructure for both medical and surgical dermatology procedures.

Growth & Expansion

The practice offers cosmetic dermatology on a limited basis. Procedures include neurotoxins/Botox, chemical peels, dermabrasion, filler, laser resurfacing and retinoids. Additionally, there is room for 3 full time practitioners and addition of lasers and phototherapy.

Marketing:

The practice leverages a combination of digital and professional marketing strategies. Online visibility is supported through SEO optimization managed in-house, while patient growth is primarily driven by a stellar professional reputation and strong word-of-mouth referrals. In addition, the practice manager actively engages in outreach to other local practices to foster referral relationships, supporting a consistent flow of new patients.

Hours of operation

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
CLOSED	8AM-5PM	8AM-5PM	8AM-5PM	8AM-5PM	8AM-5PM	CLOSED

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Real Estate

The practice operates in a leased facility under a three-year lease set to expire on June 30, 2028, with 3% annual rent escalations. Current monthly rent is \$12,683, providing a stable and predictable occupancy cost for the practice's operations.

Facilities/Highlights

The practice occupies 2,400 square feet positioned within a premier medical campus that serves as one of the region's most established outpatient health centers. The location benefits from strong visibility, free on-site parking, and proximity to other medical providers.

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Frequently Asked Questions

1. Does owners intend to stay on after closing?

The owners have indicated an interest in remaining with the practice post-close and up to December 2026, though the exact structure and terms of continued role would need to be finalized. They do not want to stay on as medical director.

2. What are the “Mobile Mohs Fees” shown as \$25,835 on the P&L?

The Mobile Mohs Fees relate to a third-party mobile Mohs service provider that supplies: a mobile Mohs cryostat machine, and a histology technician who prepares the Mohs slides during Mohs micrographic surgery days.

3. What EMR and billing systems does the practice use?

The practice uses ModMed for EHR, Practice management, Revenue cycle management, Billing services

4. How is the team split between the physicians?

The current staffing structure supports both physicians across the practice. Partner 1 works 4 days a week and Partner 2 works 3 days a week. Additional details can be provided regarding clinical and administrative team allocation between providers.

5. How is physician/owner compensation structured, particularly for Partner 2?

Both physicians’ compensation is based on individual collections. The structure is as follows:

- Each physician owns a separate S Corporation
- The two S Corps operate under a General Partnership
- Monthly collections are reviewed individually
- Appropriate overhead is allocated
- Each physician’s share of total revenue is calculated
- Distributions are then made according to each physician’s proportional contribution

6. Can more detail be provided regarding the PA’s production and revenue generation?

Collections for Physician Assistant in 2025 was \$304,577

7. Is Billing Processing Costs for external billing service:

Yes, 6.25% of collections (does not include self-pay and cash cosmetic services.) This 6.25% cost includes full RCM services, EHR, Practice Management Software, MIPS, and Pathology Module.

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8. What employee benefits does practice provide for staff:

Benefits provided for eligible full-time employees only: Medical/Vision/Dental insurance up to \$400/month, Life Insurance, accrued PTO, Sick Pay, 6 paid holidays per year, 401K with Safe Harbor Employer Matching

9. Current access level?

Approximately 2 months wait

10. Average Mohs cases doctors sees on average per month?

15-20 (approximately another 15 cases referred out) Average number of inhouse path slides prepared annually: 2200

11. Are slide reads performed by physician partners?

Yes, approximately 80% read in-house and the remainder are sent to outside Pathology Lab for reading.

Practice sells ELTA MD sunscreens, a private label sunscreen (made by Topix), and Private Label skin care line called DermAdvantage (made by Cosmedical.)

Cosmetic consultations are done by the 2 doctors and the physician assistant.

For more information, Contact us

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Profit and Loss by Class

January-December, 2025

DISTRIBUTION ACCOUNT			TOTAL
Income			
Fee for Service Income	1,089,537.75	830,538.23	1,920,075.98
Total for Income	1,089,537.75	830,538.23	\$1,920,075.98
Cost of Goods Sold			
Billing Processing Costs	59,631.19	45,336.97	104,968.16
Cosmetics	12,861.09	84,531.31	97,392.40
Total for Cost of Goods Sold	72,492.28	129,868.28	\$202,360.56
Gross Profit	1,017,045.47	700,669.95	\$1,717,715.42
Expenses			
Advertising and Promotion	678.08	678.08	1,356.16
Bank Service Charges	93.50	37.50	131.00
Business Licenses and Permits	325.75	325.75	651.50
Computer and Software Expenses	1,024.49	1,024.49	2,048.98
Continuing Education	216.00	216.00	432.00
Dues and Subscriptions	4,131.50	3,298.50	7,430.00
Insurance Expense			
Disability/Life Insurance	6,831.60	3,467.25	10,298.85
General Liability	1,851.27	1,851.28	3,702.55
Malpractice Insurance	4,516.00	4,512.00	9,028.00
Worker's Comp	396.62	308.17	704.79
Total for Insurance Expense	13,595.49	10,138.70	\$23,734.19
Janitorial Expense	4,909.00	4,909.00	9,818.00
Kitchen Supplies	361.66	361.65	723.31
Laboratory Fees	559.65	559.65	\$1,119.30
Mobile Mohs Fees	25,835.00		25,835.00
Total for Laboratory Fees	26,394.65	559.65	\$26,954.30
Meals and Entertainment	487.87	487.88	975.75
Medical Supplies	18,572.92	14,164.05	32,736.97
Office Expenses	3,696.56	3,696.55	7,393.11
Office Supplies	2,198.43	1,680.57	3,879.00
Payroll Expenses			
401k Admin Costs	1,024.50	1,024.50	2,049.00
Employee Benefits	16,798.15	12,872.96	29,671.11
Employee Wages	260,968.91	219,374.97	480,343.88
Payroll Taxes	22,009.07	16,736.84	38,745.91
Processing Fee	2,457.96	1,875.21	4,333.17
Temp Help	1,600.10	1,242.40	2,842.50
Total for Payroll Expenses	304,858.69	253,126.88	\$557,985.57
Postage & Delivery	979.78	749.52	1,729.30

Profit and Loss by Class

January-December, 2025

DISTRIBUTION ACCOUNT			TOTAL
Professional Fees			
Accounting	2,563.37	2,563.35	5,126.72
Legal	31.13	31.13	62.26
Total for Professional Fees	2,594.50	2,594.48	\$5,188.98
Rent Expense	81,329.50	81,329.50	162,659.00
Repairs and Maintenance	641.95	641.95	1,283.90
State/Federal Taxes	275.83	275.83	551.66
Utilities			
Gas & Electric	3,543.89	3,543.91	7,087.80
Phone & Internet	5,360.90	5,360.90	10,721.80
Total for Utilities	8,904.79	8,904.81	\$17,809.60
Website Marketing	2,914.03	2,914.01	5,828.04
Total for Expenses	479,184.97	392,115.35	\$871,300.32
Net Operating Income	537,860.50	308,554.60	\$846,415.10
Other Income			
Other Income	391.07	391.06	782.13
Total for Other Income	391.07	391.06	\$782.13
Other Expenses			
Net Other Income	391.07	391.06	\$782.13
Net Income	538,251.57	308,945.66	\$847,197.23