

CONFIDENTIAL BUSINESS OFFERING

Top Ranking Weight Loss & Medical Spa Servicing San Jose, CA

Description of business

This renowned weight loss clinic and medical spa in San Jose, CA, has been a trusted pillar of health and wellness in the community for over 25 years. Established in 1990, this business was acquired by its current owner in 2004. With a vision to provide comprehensive care, the owner aimed to treat patients from the ground up, ensuring a holistic and personalized approach to wellness. The business's accreditations include Obesity Medicine Association Membership, Coolsculpting University, and Allergan Aesthetics Certificate. As awareness of weight loss grew, the establishment expanded steadily, gaining recognition year after year.

The majority of services is medical weight loss treatments including GLP-1 and GIP for weight loss. To meet the evolving needs of its clients, the practice introduced a range of aesthetic treatments, including Botox, CoolSculpting, hormonal replacement & vitamin therapy. With a dedicated team committed to delivering personalized, high-quality treatments, every patient receives high quality care making every appointment a valuable experience.

This well-established practice, located on a major street in downtown San Jose, provides new owners with a strong foundation to build upon its innovative business model. The current owner, a dedicated physician with specialized training from the Obesity Medicine Association and a committed mindfulness meditation practitioner, is preparing for retirement but remains committed to staying on for three months to ensure a smooth transition and the continued success of the practice.

Products & Services:

The breakdown of services is as follows:

| PRODUCTS/SERVICE | SALES |
|----------------------|-------|
| Weight Loss | 60% |
| CoolSculpting | 15% |
| Aesthetics | 13% |
| Hormonal Replacement | 10% |
| Vitamin Therapy | 2% |

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.

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Employee/personnel/payroll:

The med spa has 4 Full time employees, 2 Part time Employees and 1 Independent Contractor. The Physician is licensed by the California Medical Board.

| Title/Position | Duties/Responsibilities | Wage/Salary |
|-------------------|--|--------------|
| Doctor | See Patients | \$4000/month |
| Medical Assistant | Manage Patients & Take Vitals | \$25/hr |
| Office Manager | Marketing, Management | \$40/hr |
| Accounting | Inventory, Med Ordering, Accounting | \$30/hr |

**Benefits are given for their SR Medical Assistant receiving a bonus of \$2,000/year.*

Ownership info

The business operates as an S-corporation, with stock exclusively owned by the Doctor. In addition to overseeing the clinic, the Doctor actively treats patients and performs medical procedures. Owner compensation starts at \$48,000 per year(included in payroll), excluding additional profits generated from clinic operations.

Billing & Collections

The practice accepts various payment methods, including cash, credit cards, CareCredit, and PayPal. Over the past 12 months, it has welcomed approximately 700 new clients, with over 500 returning customers and a total of 2,000 active patient records. The spa serves an average of 10–15 clients per day, reflecting its strong and growing customer base.

Currently, there is no EMR system in place, but implementation would be straightforward, allowing for improved efficiency and patient record management.

Annual Revenues and Profits:

| | 2024 | 2023 | 2022 |
|----------------|-----------|-----------|-----------|
| Annual Revenue | \$779,002 | \$769,564 | \$336,014 |
| Net Profit/SDE | \$327,265 | \$495,555 | \$136,883 |

+++ 2024 tax returns not completed and higher SDE can be expected.

See attached financial statements.

**BUYER TO CONFIRM ALL NUMBERS AND ADVISED TO HIRE CPA TO REVIEW ALL FINANCIALS.
INFORMATION TAKEN FROM SELLER PROVIDED TAX RETURNS AND DOCUMENTS.**

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Equipment

The practice is fully equipped with essential devices to support its services, including a CoolSculpting machine, an EKG machine, a BMI analyzer, and an electric massage table amounting to approximately \$150,000.

Laboratory testing is conveniently available through a partner located across the street, providing easy access to diagnostic services for patients.

Marketing:

| Marketing Media | Description | Annual Cost |
|-----------------|----------------------------------|-------------|
| Google Ads | Adds more SEO Optimization | \$12,000 |
| Social media | Expands platform in Social Media | \$10,000 |

**The spa has notable partnership and alliance with Trifecta meal planning - provider of referrals*

Hours of operation

The practice operates Monday through Friday from 11 AM to 6 PM and is open on two Saturdays each month. Services are available by appointment only, ensuring personalized care and a seamless client experience.

Real Estate

The facility is leased on a month-to-month basis for \$2,730, with the option to negotiate a long-term lease.

Facilities

The facility spans 1,500 sq. ft. and features a well-designed layout, including four rooms and a break room on the first floor, along with two additional rooms in the basement, providing ample space for various treatments and services. It is fully utilized by 70% office space and 30% warehouse/storage.

The property offers room for expansion, benefits from roadside exposure, and is situated in a high-traffic pedestrian area, enhancing visibility and accessibility for more potential clients. Additionally, two new heating and air units were recently installed, ensuring a comfortable environment for both staff and customers.

There are no direct competitors within a 3-mile radius, providing a unique opportunity to serve the local market without immediate competition.

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Areas of opportunity:

The owner believes that implementing webinars, memberships, content creation, and email marketing can significantly enhance sales performance, drive client engagement, and expand the spa's reach within the community. One opportunity the owner identifies is to continuously adjust pricing based on market competition and actively seek better pricing for purchasing GLP-1

Growth & Expansion

The team is planning to expand its services to include IV therapy, exosome treatments, skin boosters for collagen production, biostimulators, and vitamin injection packages, Telehealth, Virtual visits, Memberships, Emsculpt, Red Light therapy, Cosmetic Laser Treatments, Skin Rejuvenation, Peptide Therapy further enhancing its comprehensive approach to wellness and aesthetics.

The owner is exploring expansion opportunities in secondary target areas, including North Bay, San Mateo County, and Los Gallos Menlo Park, to broaden the spa's reach and customer base.

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 for instructions and the latest information.

OMB No. 1545-0123
2023

For calendar year 2023 or tax year beginning , ending

A S election effective date
02/23/04

B Business activity code
number (see instructions)
621399

C Check if Sch. M-3
attached ☐

TYPE

OR

PRINT

Name
[REDACTED]

Number, street, and apartment no. If a P.O. box, see instructions.
[REDACTED]

City or town, state or province, country, and ZIP or foreign postal code
San Jose CA 95112

D Employer identification number
[REDACTED]

E Date incorporated
02/23/2004

F Total assets (see instructions)
\$ **61,553**

G Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☒ No

H 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 **1**

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.

Income

Deductions (see instructions for limitations)

Tax and Payments

1a Gross receipts or sales **769,564**

b Less Returns and allowances

c Balance

1c **769,564**

2 Cost of goods sold (attach Form 1125-A)

3 Gross profit. Subtract line 2 from line 1c

4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)

5 Other income (loss) (see instructions—attach statement)

6 **Total income (loss).** Add lines 3 through 5

7 **Compensation of officers** (see instructions—attach Form 1125-E)

8 Salaries and wages (less employment credits)

9 Repairs and maintenance

10 Bad debts

11 Rents

12 Taxes and licenses

13 **Interest** (see instructions)

14 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)

15 Depletion (**Do not deduct oil and gas depletion.**)

16 Advertising

17 Pension, profit-sharing, etc., plans

18 Employee benefit programs

19 Energy efficient commercial buildings deduction (attach Form 7205)

20 Other deductions (attach statement) **See Stmt 1**

21 **Total deductions.** Add lines 7 through 20

22 **Ordinary business income (loss).** Subtract line 21 from line 6

23a Excess net passive income or LIFO recapture tax (see instructions)

b Tax from Schedule D (Form 1120-S)

c Add lines 23a and 23b (see instructions for additional taxes)

24a Current year's estimated tax payments & preceding year's overpayment credited to the current year

b Tax deposited with Form 7004

c Credit for federal tax paid on fuels (attach Form 4136)

d Elective payment election amount from Form 3800

z Add lines 24a through 24d

25 Estimated tax penalty (see instructions). Check if Form 2220 is attached ☐

26 **Amount owed.** If line 24z is smaller than the total of lines 23c and 25, enter amount owed

27 **Overpayment.** If line 24z is larger than the total of lines 23c and 25, enter amount overpaid

28 Enter amount from line 27: **Credited to 2024 estimated tax** **Refunded**

Add backs \$23,937

SDE: \$495,555

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 Title **President**

Paid Preparer Use Only

Print/Type preparer's name [REDACTED] Preparer's signature [REDACTED] Date Check ☐ if self-employed PTIN [REDACTED]

Firm's name [REDACTED] Firm's EIN [REDACTED]

Firm's address **Sacramento, CA 95833** Phone no. [REDACTED]

For Paperwork Reduction Act Notice, see separate instructions. Form **1120-S** (2023)

DAA

W [REDACTED]
Federal Statements

FYE: 12/31/2023

Statement 1 - Form 1120-S, Page 1, Line 20 - Other Deductions

| Description | Amount | |
|-------------------------|-----------|-----------------------|
| Legal & Professional | \$ 6,502 | |
| Utilities & Telephone | 4,429 | |
| Miscellaneous | 4,807 | |
| Employee Reimbursement | 4,469 | |
| Auto lease | 17,823 | |
| Travel | 4,866 | |
| Malpractice Insurance | 13,527 | |
| Liability Insurance | 870 | |
| Office Supplies | 10,285 | |
| Payroll Processing Fees | 3,176 | |
| 50% of Meals | 1,248 | \$23,937 in add backs |
| Total | \$ 72,002 | |

Statement 2 - Form 1120-S, Page 4, Schedule K, Line 17d - Other Items and Amounts

| Description | Amount |
|---|--------|
| Section 199A Information - See Attached Wrk | \$ |

Statement 3 - Form 1120-S, Page 5, Schedule M-2, Line 5(a) - Other Reductions

| Description | Amount |
|------------------------|----------|
| Travel & Entertainment | \$ 1,247 |
| Total | \$ 1,247 |

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** for instructions and the latest information.

OMB No. 1545-0123

2022

For calendar year 2022 or tax year beginning , ending

| | | | |
|--|--|--|--|
| A S election effective date 02/23/04 | TYPE OR PRINT | Name [REDACTED] | D Employer identification number 20-0014869 |
| B Business activity code number (see instructions) 621399 | | Number, street, and room or suite no. If a P.O. box, see instructions. [REDACTED] | E Date incorporated 02/23/2004 |
| C Check if Sch. M-3 attached <input type="checkbox"/> | | City or town, state or province, country, and ZIP or foreign postal code San Jose CA 95112 | F Total assets (see instructions) \$ 95,540 |

- G** Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☒ No
- H** 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 **1**
- 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 21. See the instructions for more information.

| | | | | |
|--|---|-----------------|--------------------------|--------------------------|
| Income | 1a Gross receipts or sales | 1a | 336,014 | |
| | b Returns and allowances | 1b | | |
| | c Balance. Subtract line 1b from line 1a | | | 1c 336,014 |
| | 2 Cost of goods sold (attach Form 1125-A) | | | 2 53,290 |
| | 3 Gross profit. Subtract line 2 from line 1c | | | 3 282,724 |
| | 4 Net gain (loss) from Form 4797, line 17 (attach Form 4797) | | | 4 |
| Deductions (see instructions for limitations) | 5 Other income (loss) (see instructions—attach statement) | | | 5 |
| | 6 Total income (loss). Add lines 3 through 5 | | | 6 282,724 |
| | 7 Compensation of officers (see instructions—attach Form 1125-E) | | | 7 48,000 |
| | 8 Salaries and wages (less employment credits) | | | 8 46,980 |
| | 9 Repairs and maintenance | | | 9 |
| | 10 Bad debts | | | 10 |
| | 11 Rents | | | 11 28,600 |
| | 12 Taxes and licenses | | | 12 9,593 |
| | 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 16,828 |
| | 17 Pension, profit-sharing, etc., plans | | | 17 |
| | 18 Employee benefit programs | | | 18 |
| | 19 Other deductions (attach statement) | | See Stmt 1 | 19 56,033 |
| 20 Total deductions. Add lines 7 through 19 | | | 20 206,034 | |
| 21 Ordinary business income (loss). Subtract line 20 from line 6 | | | 21 76,690 | |
| Tax and Payments | 22a Excess net passive income or LIFO recapture tax (see instructions) | 22a | | Add back \$12,193 |
| | b Tax from Schedule D (Form 1120-S) | 22b | | |
| | c Add lines 22a and 22b (see instructions for additional taxes) | | 22c | |
| | 23a 2022 estimated tax payments and 2021 overpayment credited to 2022 | 23a | | SDE \$136,883 |
| | b Tax deposited with Form 7004 | 23b | | |
| | c Credit for federal tax paid on fuels (attach Form 4136) | 23c | | |
| | d Add lines 23a through 23c | | 23d | |
| | 24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/> | | | 24 |
| | 25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed | | | 25 |
| | 26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid | | | 26 |
| 27 Enter amount from line 26: Credited to 2023 estimated tax | | Refunded | 27 | |

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. ☒ Yes ☐ No

Signature of officer [REDACTED]r

Date

President

Title

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name

[REDACTED] Accountancy Corp

Firm's EIN

[REDACTED]

Firm's address

[REDACTED]
Sacramento, CA 95833

Phone no.

[REDACTED]
016-000-0000

For Paperwork Reduction Act Notice, see separate instructions.

Form **1120-S** (2022)

20-0944869

Federal Statements

FYE: 12/31/2022

Statement 1 - Form 1120-S, Page 1, Line 19 - Other Deductions


| <u>Description</u> | <u>Amount</u> | |
|------------------------|---------------|-------------------|
| Legal & Professional | \$ 14,084 | |
| Utilities & Telephone | 7,825 | |
| Miscellaneous | 6,012 | |
| CPE | 1,710 | |
| Auto lease | 10,327 | \$12,193 add back |
| Travel & Entertainment | 1,866 | |
| Malpractice Insurance | 10,834 | |
| Liability Insurance | 716 | |
| Office Supplies | 2,659 | |
| Total | \$ 56,033 | |

PROFIT AND LOSS

JAN 2024 - DEC 2024

| | JAN 2024 - DEC 2024 | % OF INCOME |
|-------------------------|---------------------|-------------|
| INCOME | | |
| SALES | \$779,002 | 100.00% |
| DOCTOR'S W2 INCOME | \$46,000 | |
| TOTAL NET INCOME | \$825,002 | |

| | JAN 2024 - DEC 2024 | % OF SALES INCOME |
|-----------------------------------|---------------------|----------------------|
| EXPENSES | | |
| Advertising | \$45,500 | 5.84% |
| Car Lease & Equipment Expenses | \$23,008 | 2.95% |
| Entertainment | \$3,221 | 0.41% |
| Office Insurance | \$887 | 0.11% |
| Malpractice Insurance Expenses | \$31,298 | 4.02% |
| Loan Interest | \$7,572 | 0.97% |
| Lawyer Expenses | \$19,752 | 2.54% |
| Membership/Education | \$8,100 | 1.04% |
| Miscellaneous Expenses | \$6,205 | 0.80% |
| Paychex Employee payroll | \$124,335 | 15.96% |
| Paychex invoices | \$4,100 | 0.53% |
| Employer EDD Insurance | \$1,123 | 0.14% |
| Medical Drug Expenses | \$159,648 | 20.49% |
| Office Supplies | \$18,992 | 2.18% |
| Rents | \$40,278 | 5.17% |
| Utilities/Phones/Cell/PGE/ADT etc | \$5,718 | 0.73% |
| TOTAL EXPENSES | \$497,736.65 | 63.89% |
| NET OPERATING INCOME | \$327,265.35 | 42.01% |



PROFIT AND LOSS

JAN 2025 - APR 2025

| | JAN 2025 - APR 2025 |
|-------------------------|---------------------|
| INCOME | |
| SALES | \$247,828 |
| DOCTOR'S W2 INCOME | \$24,000 |
| TOTAL NET INCOME | \$271,828 |

| | JAN 2025 - APR 2025 |
|-----------------------------------|---------------------|
| EXPENSES | |
| Advertising | \$13,869 |
| Car Lease & Equipment Expenses | \$7,434 |
| Entertainment | \$997 |
| Loan interest | \$2,524 |
| Lawyer Expenses | \$3,135 |
| Membership/Education | \$3,288 |
| Miscellaneous Expenses | \$1,995 |
| Paychex Employee payroll | \$45,087 |
| Medical Drug Expenses | \$49,565 |
| Office Supplies | \$4,901 |
| Rents | \$10,920 |
| Utilities/Phones/Cell/PGE/ADT etc | \$1,906 |
| TOTAL EXPENSES | \$145,621.00 |
| NET OPERATING INCOME | \$126,207.00 |