

Business Finance Group (BFG) successfully arranged \$367,800 in SBA financing to acquire an existing dental practice in Riverside, CA. To successfully fund, we had to address the following:

- Initial Acquisition Price Not Supported

Upon receipt of the seller's tax return and after our forensic accounting analysis, we advised the buyer that the reported cash flow did not support the purchase price. With this information, the buyer was able to successfully renegotiate the purchase price to a level more commensurate with the cash flow generated by the business.

- Limited Demonstrated Loan Repayment Ability Evident

Most recent tax return did not show the ability to repay the proposed loan. The sellers did not devote the necessary time to manage the dental practice themselves; instead, the sellers relied on independent dentists to manage the practice which was a contributor to limiting cash flow. To show this situation would not likely occur with the buyers, we emphasized: the buyers lived within two miles of the practice compared to the sellers living 60 miles away; their specialty in prosthodontist dentistry would add additional cash flow to the business; and their furnishing and using three of the seven dental offices which were not being used. We worked closely with the buyers to develop supportable projections that demonstrated loan repayment ability based upon the improved management and business opportunities provided by the buyers.

To ensure the success of obtaining suitable business financing or business insurance for our clients, we thoroughly analyze and evaluate every transaction engagement.

We look forward to working with you and your clients, who you feel require business financing and/or business insurance to allow their businesses to successfully expand their business horizons.