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DUE DILIGENCE CHECKLIST

If this form is being used to evaluate a practice listed by Nate Lynch & Associates LLC this form discloses that Nate Lynch & Associates LLC is representing the seller. This form is made available to buyers to help ensure a smooth and efficient transition. While most buyers understand the need to do Due Diligence they may not know where to begin.

1. Obtain the last three years of tax returns.
2. Obtain a year to date Profit and Loss Statement.
3. Obtain a Balance Sheet for the current year and past year if available.
4. If the doctor or his/her CPA does not prepare a balance sheet that is ok because many if not most doctors do not prepare a balance sheet.
5. Obtain a real estate appraisal from the seller if one is available.
6. Obtain a tax bill for the facility that shows if taxes have been paid
7. Obtain a copy of the tax assessment of the facility.
8. Obtain the veterinary practice appraisal or veterinary practice valuation if one has been done.
9. If a practice appraisal was not done work with your CPA to analyze the cash flow of the practice.
10. Locate a lender experienced in Veterinary Practice Lending.
11. If you have a good lender it will help you analyze the cash flow of the veterinary practice.
12. Get a list of the major vendors of the practice.
13. Verify which computer software is in use and whether it is a legal copy.
14. Verify the version of the computer software.
15. Find out how to transfer the practice software and contract.
16. Find out what equipment is on lease and what steps need to be taken to assign the leases.
17. Find out what other leases exist such as yellow pages, computers or postage meters.
18. Check the zoning regulations for the facility to see if the practice is conforming to the law.
19. Have a building inspection done if you are buying real estate.
20. If the practice is leased get a copy of the lease.
21. Ask the seller if he is being sued or has been sued in the past 10 years
22. Ask the seller if there are any potential malpractice suits pending.

23. Find out if your spouse supports your decision to buy this practice. You will need the support of your spouse in order to succeed.
24. Verify the existence of any trade name, fictitious name, LLC or Corp. This is done at your states Secretary of State's Office.
25. Find out which employees are likely to stay with a new buyer and which employees are likely to leave.
26. Ask the seller if he/she is willing to help you transition the practice.
27. Find out how long the seller is willing to stay and estimate how long you think you will need the seller.
28. Find out how much each employee makes and what benefits they get and find out when the last time they received a raise.
29. Find out when fees were last raised.
30. Find out when the yellow page advertisement expires and when the New Year's advertisements must be placed.
31. Find out about web sites, and url rights.
32. Get a list of equipment with model number if possible
33. If the doctor does not have a list of equipment then take your own inventory. et a copy of the Confidential Practice Analysis Form from Nate Lynch & Associates LLC.
34. Get a copy of your credit report and correct any mistakes.
35. If the veterinary practice has associates find out if they have signed a non-compete agreement.
36. Check to see if controlled substances are being handled properly
37. Count Physical Charts and pull a random sample of charts to get an idea of the number of actual clients.
38. Compile a Personal Financial Statement for your lender or lenders.
39. Complete all necessary paperwork for your lender or lenders.
40. Decide what role in the practice you would like the seller to play in the practice post closing.
41. Apply for Veterinary License if you are not licenses in the State.
42. Drive by the competitions practice or buy a retail item such as food or a toy to get an idea for what the competition is like.
43. Read any employee manuals or handbooks the practice might have.
44. Check all of the major equipment of the facility.
45. Ask the Seller what items will not be included in the sale.
46. Ask yourself if the practice, its patients and the location suits your lifestyle.
47. Hire an experienced CPA for the purchase and for an ongoing basis.
48. Hire an experienced lawyer for the purchase and for an ongoing business.
49. Utilize Nate Lynch & Associates LLC for practice information and coordination.

50. Understand that while Nate Lynch & Associates LLC represents and is paid by the seller we don't get paid unless a successful closing takes place. We are available to facilitate this purchase every step of the way.