

From: Donald Pomeranz <[REDACTED]>
To: "jeffrey E." <jeevacation@gmail.com>
Subject: Re:
Date: Sun, 26 Apr 2015 14:23:54 +0000

Would love to enjoy the sun, maybe tomorrow. It's raining now.

Thanks for getting back to me.

The practice act I've mentioned is now law. The only hold up is soon, I hope, to be completed. We have submitted the final draft of the Rules and Regulations to the governor's office. We are only waiting for that to be reviewed by whatever lawyer person is required to review. Once approved it only needs the governor's signature to become law. We don't have to drag this through the Senate. I have asked one of my friends who works for the governor's legal team where we're at but have not heard back.

As we say "soon come"

DP

On Sun, Apr 26, 2015 at 8:58 AM, jeffrey E. <jeevacation@gmail.com> wrote:

thanks for the thoughts. my note was to point out that goodwill CAN be valued. it is directly tied to revenues in the future, if you were to leave and the practice next day go to zero then good will was zero. if after you left the practice doubled. good will was worth. a significant amount. that is why good will is usually in a small practice paid over time based on a formula as opposed to even the most fair minded guess, what is the status of the new licensing legislation? . enjoy the sun

On Sun, Apr 26, 2015 at 9:45 AM, Donald Pomeranz <[REDACTED]> wrote:

Good morning from Ocala, FL

I honestly haven't a clue what you meant by this last note. However, relaxing a bit outside of St. T I thought I would give you my thoughts about all of this and try to give you an understanding of my perspective.

I feel very strongly that my concept of goodwill in a practice involves the selling of my patient records, my 40+ year good reputation, my willingness to take under my wing a very young practitioner with absolutely no real clinical experience and teach her as honestly and to the best of my ability how to become a good dentist. While this is completely impossible in even two or three years it is a good start. To become a good dentist takes 10-15 years of clinical experience, and lots of continuing education. I was once told this very same thing by the dean of my dental school and thought he was off the wall. Dr. Ingle found several of us in the hall as graduating seniors with large chips on our shoulders. His comment that day was you guys think you know it all but let me tell you, "in five years you may know something. In ten years you'll just be getting the hang of things. In fifteen years you'll finally know what you're doing." We laughed and said thanks and didn't believe a word. Well, Jeff, he couldn't have been more correct!

What you are asking me to do is take Karyna under my wing and help her through the next number of years. I have no idea what kind of dentist she is at this point in time. For all I know she could be all thumbs and be totally inept. I get a sense that is truly not the case but you are still asking me to accept the unknown.

Do these considerations have a price? Absolutely and it will never be for what you are suggesting. What I've described is my concept of goodwill. It definitely has value and it this that value that true practice appraisers include in valuation of a practice, not just a look at the

hard numbers. Your advisers think that \$400K is about what my practice is worth given the fact that practices aren't selling in the V.I. That will dramatically change with the changes in the dental practice Act and the subsequent Rules and Regulations changes. I think that my practice is well worth a minimum of \$800K with me in it for the next few years.

I am amazed over the last couple of months that I have been approached by not only you, but two other individuals about selling my practice. And this comes without even advertising. It seems that my age and number of years in practice leads many to recognize that retirement may be in my future. While retirement is nice the fact of the matter is that I have no hobby (unless I become an Ocala cowboy) so keeping my hands in dentistry for a while longer is likely to continue. I find the future of dentistry very promising and especially so in the V.I. I think that young dentists like Karyna and Whitney Gray if they pursue continuing education will find dentistry as rewarding a profession as I have.

One of the interested parties in my practice is a V.I. dentist who is interested in developing a larger practice with mine as the center. This dentist has a firm understanding of the value of my practice so it will be intriguing to see where that goes.

At any rate I wanted you to hear a bit from me. I remain very flattered and appreciative of the fact that you initially have chosen my practice and me as Karyna's entry into the world of private practice.

Take care, Donald

On Sat, Apr 25, 2015 at 9:16 AM, jeffrey E. <jeevacation@gmail.com> wrote:

the only way to value goodwill of a single is to pay it out . based on its revenue, its not a large brad corp

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