

ASSOCIATE BUY-IN CHECKLIST©

The practice owner and associate agree to a plan whereby the associate purchases some or all of the assets of the owner's practice. The parties may start with an associate/practice owner relationship and then transform it into a practice association, partnership or role reversal with associate becoming the practice owner and prior owner becoming an associate.

1. **Form of Agreement**
 - a. One written document, dated and signed by parties
2. **Relationship of Parties**
 - a. Employee or independent contractor before and after buy-in is complete.
3. **Terms of Agreement**-three agreements in one
 - a. Status of parties - before, during, after buy in.
 - b. Mechanism of buy-in - costs/formulas/termination/unwinding/refund.
 - c. Compensation, benefits, and duties before, during and after buy-in is completed.
4. **Taxes**-dependent upon status of parties
5. **Expenses**-at each stage of buy-in
 - a. Overhead/Supplies/Inventory
 - b. Flat cost or production based
6. **Ownership Interest**
 - a. Before/During/After buy-in
 - b. Upon completion of buy-in, what does each party own
 - c. Right to take or copy patients/records - patient referral/ownership tracking.
 - d. Assets - before, during, and after buy-in.
7. **Income/Production - Mechanics**
 - a. Mechanics before, during and after buy-in.
8. **Management Duties**-Define role of each doctor or elect managing party
9. **Liability Considerations**
10. **Insurances**-Malpractice/Office Package/Workers Comp/Overhead/Disability
 - a. Insurance costs - who pays/cross-verification.
 - b. Indemnification - bilateral
11. **Termination/Death/Disability/Sale/Option to Purchase/Right of First Refusal**
 - a. Prenupual road map for each event/notice/timing etc.
 - b. Selection of life, overhead, disability insurance
12. **Covenant Not to Compete (valid/invalid)**-Business and Professions Code Sections 16600, et seq.
13. **Anti-Solicitation Clause**
 - a. Mechanics