

CUMULATIVE RESULT

\$11.9M

TOTAL ECONOMIC BENEFIT
OVER 8 YEARS

\$10.6M more cash for the business
+ \$1.3M for employee benefits

WITH ASC PARTNERS

\$33.6M
AFTER-TAX CASH

WITHOUT ASC PARTNERS

\$23.0M
AFTER-TAX CASH

A California specialty physician group with multiple physician-owners was generating approximately \$4.2 million in annual taxable business profit and incurring approximately \$1.8 million in annual business income taxes. The owners wanted to improve tax efficiency, strengthen retirement and employee benefits, and retain more of the practice's earnings. A conventional ESOP had previously been proposed, but California's Corporate Practice of Medicine requirements prevented that structure from being implemented.

PROBLEM

California's restrictions on ownership and control of medical practices limited the group's ability to use a conventional ESOP. The physicians needed an alternative that could achieve their broader tax, capital, retirement, and employee-benefit objectives while preserving physician ownership and control of the medical practice.

SOLUTION

ASC Partners implemented **Strategic Capital Architecture™** to restructure how the company deployed its earnings - improving tax efficiency, increasing capital retained for business and retirement objectives, strengthening employee benefits, and preserving physician ownership and control of the medical practice.

RESULTS

IMMEDIATE IMPACT

\$1.1M
MORE CASH IN YEAR 1
NET OF TAXES AND FEES

CUMULATIVE THROUGH YEAR 8

\$10.6M
**MORE CASH FOR
THE BUSINESS**

\$1.3M
**FOR EMPLOYEE
BENEFITS**

*Illustrative case study based on an actual ASC Partners implementation. Certain identifying and background facts have been modified to preserve confidentiality. Figures reflect cumulative results 8 years after initial restructuring.