



## **Smile Inc/ Carl Burroughs etc.**

More comments about Smile Inc/ Carl Burroughs have emerged as the marketing campaign has approached more practices. According to comments received from dentists their proposal is now that they buy 60% of a dental practice, then the dentist keeps 40% in the form of shares (no cash). Once they reach a target (apparently of 62 practices) they are intending to launch it onto the ASX. That would get their money back at a possible big profit but, there is a big risk that they may not get to a launch on the ASX and that dentists will be locked up as minority shareholders with the practice totally controlled by whatever business entity Mike Timoney and Carl Burroughs have wrapped around it.

We advise that it is imperative that dentists take professional advice from well informed sources as to the risks involved.

Imagine if you sign over 60% of your practice and in respect of the other 40% be given shares in an illiquid company which does not get to a stock exchange listing. However, the controllers of that company have management rights over your practice! Where does that leave you? As another dentist has indicated there is a big risk of being stranded and strangled in your practice.

Even if you find aspects of this offer attractive it is better to be last in than first in. The last in has a better idea as to the probability of the company being listed on the stock market and generally the last in has much more information than the first in.

Many schemes have been put to investors in all sorts of industries over the years but lots of them have:-

1. Disappeared or
2. Been significantly modified

Our advice to dentists is to take a deep breath, step back and before you do anything take professional advice.

Best wishes to all dentists,

**GRAHAM MIDDLETON**

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### **SYNSTRAT SERVICES**

**Synstrat provides Accounting, Financial Services, Business Advice, Financial Advice and practice valuation services to Dentists.**

**Contact Graham Middleton or if I am immediately unavailable, Jenny O'Brien on (03) 9843 7777 who will arrange a time to discuss. We will then contact you to discuss your needs. Obviously if significant services are involved, then charges will apply. These include fees for consultations with Graham Middleton once the need is defined.**

**We are happy to discuss our charges on contact**