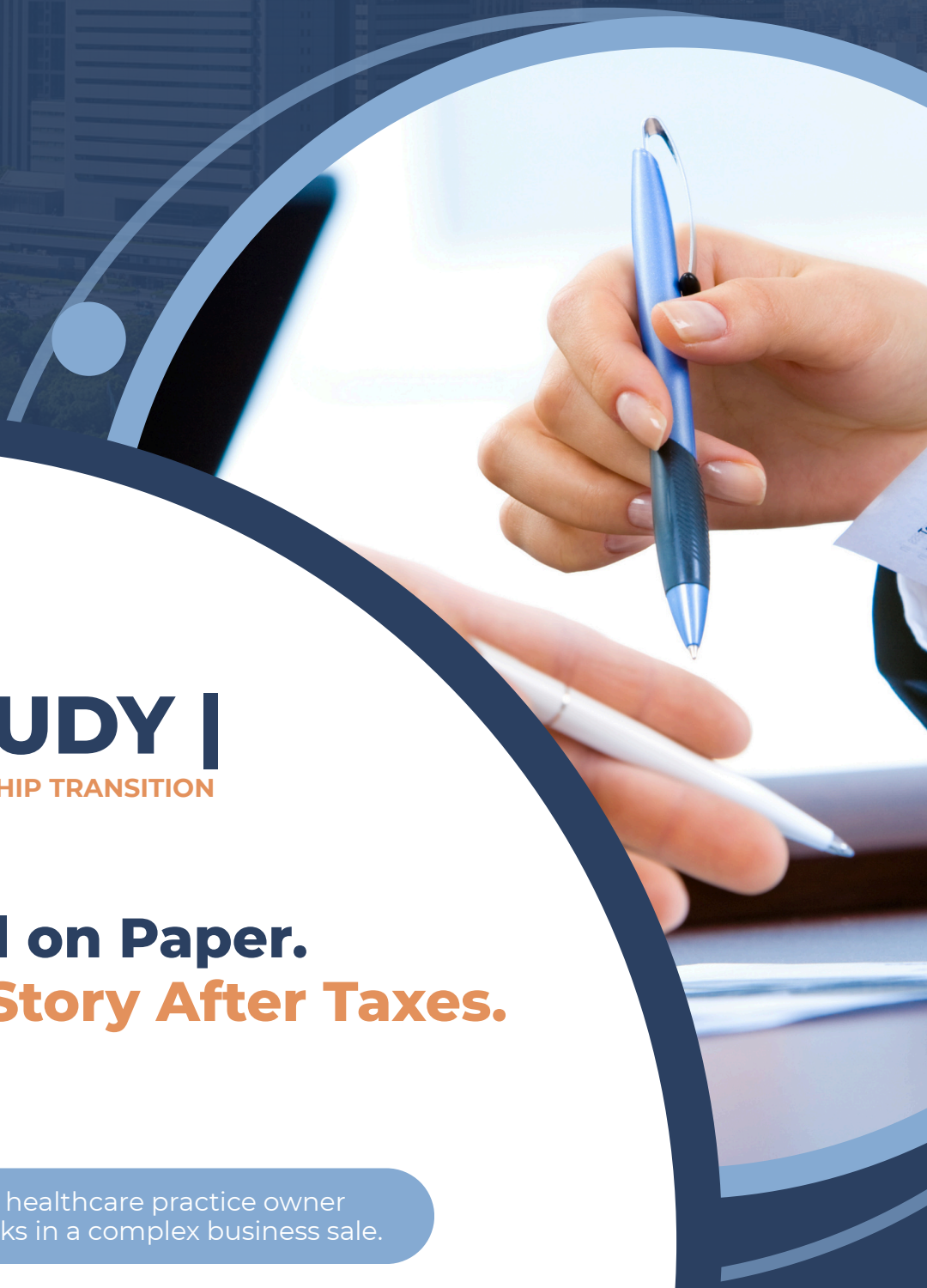
ClearSky
CPA
Build. Grow. Exit. Minimize Taxes.



CASE STUDY |

BUSINESS EXIT & OWNERSHIP TRANSITION

A Great Deal on Paper.
A Different Story After Taxes.

How ClearSky CPA helped a healthcare practice owner uncover hidden financial risks in a complex business sale.

www.clearskycpa.com

1. The Decision

After years of building a successful healthcare practice, the owner was negotiating the sale of a majority interest while retaining 33% ownership.

The opportunity sounded attractive: join a larger organization, reduce responsibilities, and participate in future growth.

But the proposed deal raised some important questions.

Would this partnership make financial sense beyond the initial excitement?

2. What Was at Stake

The buyer initially proposed paying with shares in its own company. Yet neither business had been formally valued to establish what those shares were worth.

The buyer would also assume existing business debt.

What many owners don't realize is that **debt assumed by a buyer can create taxable proceeds, even when no cash changes hands.**

Receiving shares instead of cash doesn't automatically eliminate taxes either.

The owner could face a substantial tax bill without receiving enough cash to cover it.

3. The ClearSky Approach

ClearSky helped the owner look beyond the proposed purchase price and evaluate what the transaction would actually mean financially.

We raised concerns about accepting shares without a reliable valuation and analyzed the tax impact of transferring business debt.

As negotiations shifted toward installment payments, we identified another potential surprise: **Getting paid over several years doesn't mean all taxes can be spread over several years.**

Certain gains, including depreciation recapture, generally become taxable in the year of sale, even when payments come later.

Our focus was helping the owner understand the expected cash, taxes, and continuing financial risks before making a long-term commitment.

4. The Outcome

Over nearly two years, the proposed transaction evolved from a share exchange toward installment payments and retained ownership.

ClearSky's involvement helped the owner identify significant risks, understand potential tax obligations, and evaluate the deal beyond its headline purchase price.

The result was greater clarity about what the owner would receive, what they would owe, and what they would continue to own.

5. The Bigger Lesson

A good business relationship doesn't automatically make a good business deal.

Selling a business is about more than agreeing on a price. How you're paid, what happens to existing debt, and what ownership you retain can shape your financial future.

At ClearSky CPA, we help business owners evaluate these decisions before they become long-term commitments.

Because a successful exit isn't just about closing the deal. It's about living with the results.



These case studies illustrate specific client circumstances and outcomes. Results vary based on individual facts, timing, and applicable tax laws. Past results do not guarantee similar outcomes. This information is for educational purposes and is not individualized tax, legal, or investment advice.



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