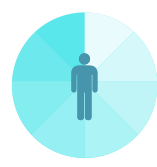


**START HERE!**



# Investors

Typical client is an investor or investment group that is not licensed to practice medicine and therefore cannot directly own or operate a medical practice.



**Stop here:**  
You may need shareholder agreements, restricted stock agreements, or unit agreements



Extra step if you have multiple shareholders or investors:  
Registration with the Securities & Exchange Commission or find an exemption  
Evaluate blue sky laws

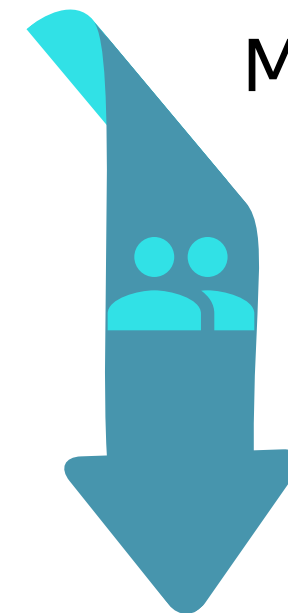
# Management Service Organization (MSO)

The MSO is owned by the investors. It can be formed as a corporation, LLC, or other appropriate entity.

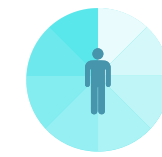
Payment for Management Services  
(structured to avoid fee-splitting prohibitions)



**Stop here:**  
The MSO and PC enter into a contract called a Management Service Agreement (MSA)



Management Services  
(billing, admin, marketing, legal, real estate...)

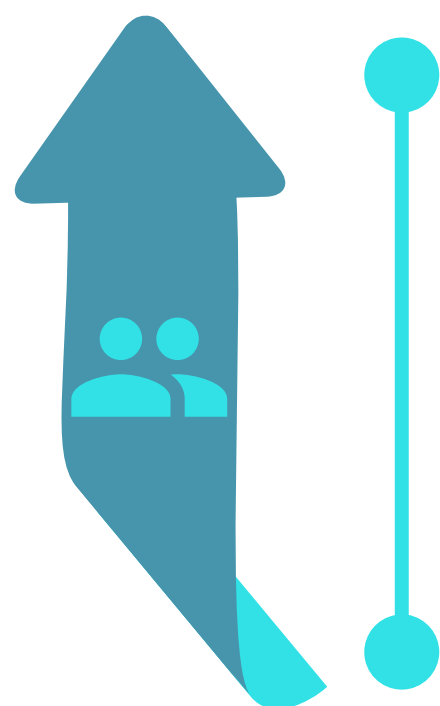


Non-Clinical Staff

# Professional Corporation (P.C.)

Depending on the state, this may be a Service Corporation (SC), Professional Limited Liability Company (PLLC), or Medical Corporation (MC)  
P.C. is wholly owned by licensed medical professionals. The MSO does not own the PC.

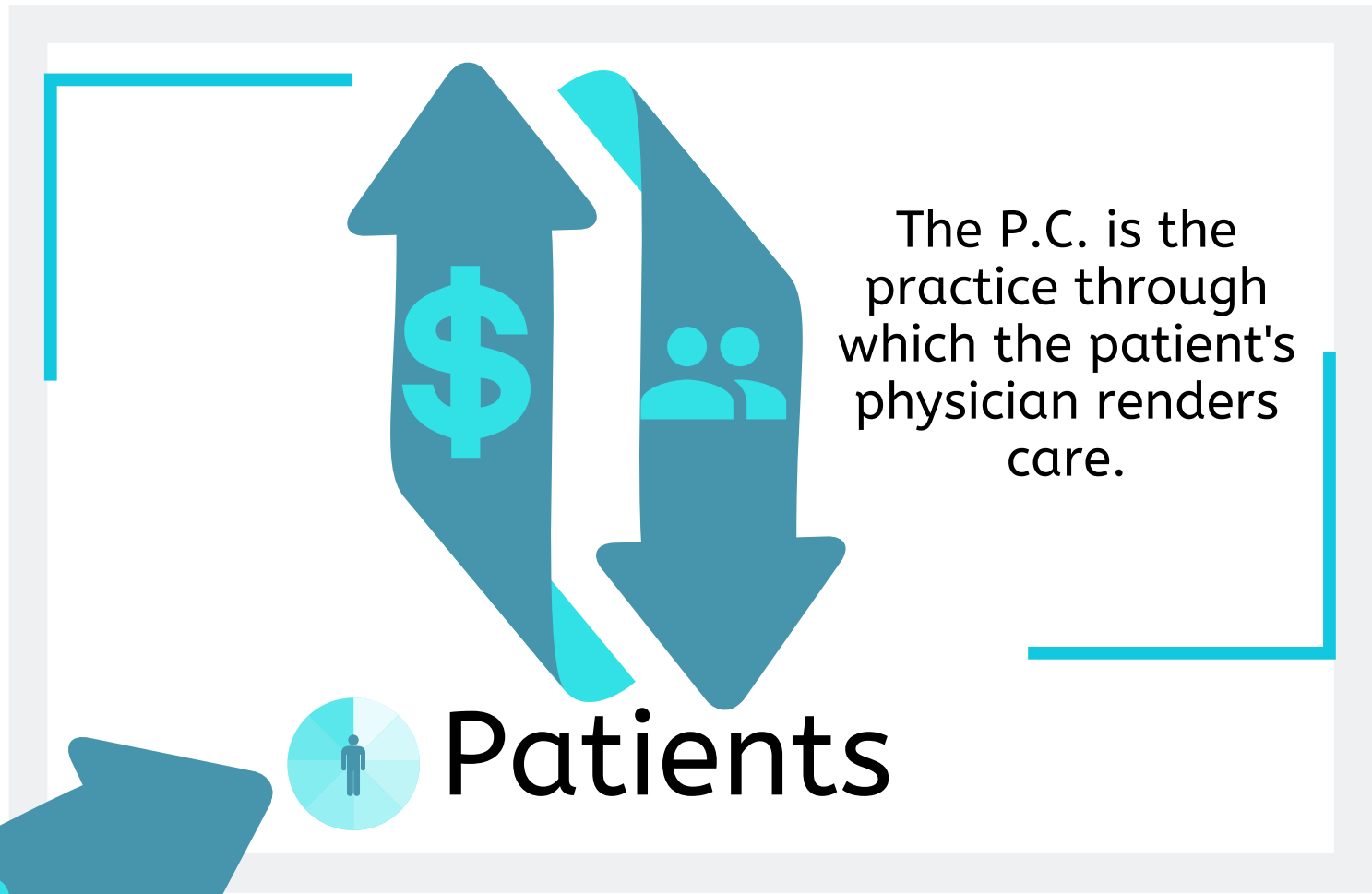
Patient Care



**Stop here:**  
Clinical staff will sign either employment contracts or independent contractor agreements with the P.C.



Salary



The P.C. is the practice through which the patient's physician renders care.

Patients

Physicians + Clinical Staff

**Stop here:**

Physician owners of the P.C. may enter into designated shareholder agreements with the MSO. They may also be the MSO's exclusive owners! What's crucial is that they have sufficient medical decision-making independence apart from the MSO. These requirements also vary by state.

Care

MSO

