THE JOURNAL OF
# PHYSICIAN-OWNED REAL ESTATE

Volume V
Presented By CMAC Partners & Swap Negotiators

CMAC PARTNERS ► 399 CAROLINA AVENUE, SUITE 250, WINTER PARK, FL 32789 ► OFFICE 407.264.7253 ► FAX 407.895.6001 ► WWW.CMACPARTNERS.COM

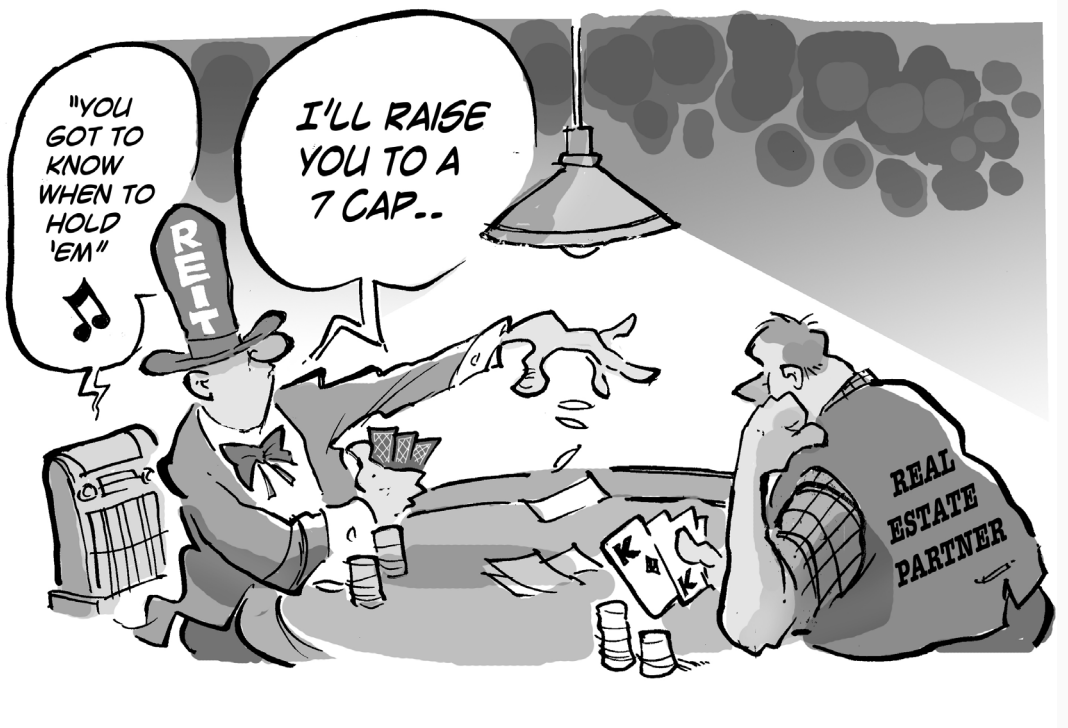
## Why More Doctors Are Saying "NO" to REITs

### *Deals Look Sweet but Leave Too Much on the Table*

"UPON FURTHER REVIEW". It's a commonly heard sports refrain that is being echoed in the halls of MOBs, ASCs and other physician owned properties: when things are slowed down so that a closer inspection can be made, physician-owners are finding that they would be better off in the long run by holding on to their property and taking advantage of improved cash flows and increased asset value arising from the same leases required by the REIT under the provisions of sale.

Recently, a physician-owned orthopedic group in the Southeast was offered in excess of $25 million for its real estate. The doctors, who stood to make more than a 400% return in 5 years immediately said "YES"… then (upon further review) they said "NO"!

This group looked at a model and found that if they held the property...(Page 2)




## Partner Buy-In

### Turnkey Solution Developed

Recently in Washington State, a worst-case scenario came true when 8 of the 11 partners in an orthopedic practice told the remaining 3 who owned the real estate that they would rather move the group's office than pay rent to the three partners who owned the real estate.

These kinds of situations can rip at the fabric of an otherwise cohesive practice and there is not a single good reason to allow it to occur. Too often, partners opt for the wrong answer and sell the real estate to a third party, depriving everyone of multiple benefits of ownership. The right answer is to integrate the new members into the real estate. But to do that, there are several hurdles that seem difficult for many groups to clear.

CMAC has worked with clients in implementing a turnkey solution that addresses the three common hurdles.

Its short program designation ...(Page 2)

## Yes, You Can Improve Your Real Estate Appraised Value

### *Four Steps to Assure the Best Outcome*

An appraisal of your medical property can be one of the most critical components in determining the profitability of your investment. It may influence the degree to which you can leverage your equity or determine the sales price by which partners buy-in or sell their shares. Yet most physician owners sit back and let this highly subjective analysis take its course, assuming there is nothing they can do to influence its outcome. Wrong! In reality, there is substantial proactive work that can be done to create the greatest possible value without leaving it to chance.

Here is the strategy that CMAC follows to get our clients the best outcomes:

**1. Define the appraiser's credentials** – Let's start with the understanding that not all appraisers are created equal. Just like doctors, some appraisers are specialists and more experienced with specific types of properties. Just as you would rather have an orthopedic surgeon work on your knee than an ophthalmologist, we make sure that an appraiser whose expertise is valuing warehouses isn't valuing to our client's MOB, ASC or hospital. While banking regulations prevent a borrower from selecting specific appraisers, regulations do not prevent the borrower from insisting upon defined credentials in the bidding process.

**2. Check the results** - Even with the specific language we insist upon, we find appraisers who, upon checking of their credentials, do not pass the test. We will then ask the company that won the bid to assign an appraiser who does or, if they don't have one, have the bank re-bid to another firm.

**3. Do your homework and share the answers.** – Unlike high school, sharing these answers is not cheating. To a great extent, the appraised value will be influenced by the lease rate. Look around for comparable medical properties with high lease rates and communicate those to the appraiser. If you are using good comparables, you will have made the appraiser's job easier and enhanced your property's value.

**4. Convey the intangibles.** – TThere may be a wealth of information that is not obvious to the appraiser but which adds value to your property. Share that information.

...(Page 2)

## Rothman Institute's Strength Shown in Refinancing

### *Banks Slash Loan Spreads to Win CMAC Bidding*


Mike West, CEO

When two companies, each at the top of their respective businesses, join forces, good things are likely to happen. Such was the case with Rothman Institute and CMAC Partners.

Recently, Rothman Institute decided to engage CMAC to assist on the refinancing of its real estate investments. As a result, proposals were received that established unprecedented low bank spreads in the Philadelphia market and enabled Rothman to secure financing that will improve returns to its partners for years to come.

Prior to CMAC's involvement, Rothman had done a very good job of securing favorable real estate financing that was, admittedly, under-market. How, then, was CMAC able to create such a significant improvement?

The quick answer is that CMAC was able to expand the playing field, from a localized Philadelphia market to a national level. By doing this, CMAC was able to bring greater competitive pressure from banks outside of the Northeast, as well as from banks within the Philadelphia market that had provided low pricing in other CMAC markets.

Moreover, CMAC was able to present the bidding banks with a potential client that was a first-class business operation. Rothman Institute is comprised of some of the very best orthopedic surgeons in the country, but it is much more than that. It is a very large and very well run operating business - and that's what makes it so attractive to the banks.

The operation is run by a talented ...(Page 7)

## Physicians Shed Personal Guarantees

When seeking real estate financing from traditional bank lenders, it is common practice that partners are required to personally guarantee the debt. Such was the case with OrthoTennessee, a group of over 40 physicians and the single largest orthopedic provider in the state of Tennessee.

Glenn Sumner, CEO of OrthoTennessee enlisted the help of CMAC to analyze the group's existing debt structure for two of its real estate properties. The intent was to determine if it would be possible to secure new financing that could release them from the guarantees while maintaining ...(Page 8)

## Bank Exposé – Why Prepayment Penalty Is More Important Than Rate

Entering into marriage, the last thing a couple thinks about is divorce. Similarly, when a borrower executes his loan, he is likely pleased with the rate and does not anticipate prepayment. Like marriages, however, more than 50% of these contracts never make it to term. All of a sudden, that "great rate" doesn't look so great in the face of changing conditions. Those changes can include a drop in the market or lack of rise as anticipated, the stabilization of a new project, a decreased loan-to-value or an improvement in the credit of the borrower. Beyond rate, there may be other compelling, but unforeseen, reasons to pay off your current loan.

Under conditions like these, the borrower learns that the most important term of a loan agreement is **not the interest rate** but rather the prepayment penalty, an economic handcuff that is quite gratifying for the lender.

The wrong prepayment penalty can have one of three outcomes:

1. It can stop the borrower from moving to a lower-cost loan because any savings would be offset by the penalty,
2. It can stop the borrower from securing new financing because the prepayment, when added to the loan balance, is more than a bank will lend, or
3. It can add substantial cost to a refinance, which translates into a much higher effective rate on the original loan.

The devastating impact of unfair prepayment penalties can quickly be demonstrated by 3 different groups that CMAC could have helped had it not been for the onerous prepayment penalties....(Page 2)

| Group | Form of Penalty | Premium Interest |
|---|---|---|
| Oregon Multispecialty | Yield Maintenance | $4,000,000 |
| Idaho Surgical Hospital | Percentage of Balance | $2,200,000 |
| Oklahoma Specialty Hospital | Percentage of Loan Balance - Resetting | $1,800,000 |

# Heart Hospital Saves Big in $145,000,000 Refinancing

*Interest Savings In Millions*

After months of dialogue with its lead lender without a proposal, a leading physician-owned heart hospital engaged CMAC to see what might be done to help realize the sought-after improvements on its loans. Whether it was due solely to CMAC's involvement or whether the hospital had loosened the lid on the proverbial jar so that we could open it, the hospital was soon enjoying a rate reduction twice what it had been negotiating, a reduced number of lender participants and a reduction in duplicative and uneven reporting requirements.

Although CMAC had brought bank bids from outside the area that would have saved the hospital even more money, the hospital decided to keep its business local as it looked to maintain both the physical and fiscal health of the community.

continued from Page 1

## Why More Doctors Are Saying No…

even just another thirty six months with the new lease, they could increase the after-tax benefit by another 35% (see chart). Additionally, there were other downsides with respect to loss of control and loss of recruiting leverage that would have impacted the owners. Here's a closer look at those three reasons:

**The Economics**

While the REIT sale would have put more money in the partners' pockets immediately, it would require the execution of a new long-term lease. The combination of the new lease terms and the availability of low cost financing would result in a substantially improved cash flow. The lease increases also meant that the value of the property would continue to rise, even considering a higher cap rate expected with higher interest rates. What they found, is that a later exit strategy would mean substantially more after-tax dollars in their pockets. The MedVest model developed by CMAC and employed by the group's CPA showed that even with a 2-year hold under the new lease terms and a sale (of any individual investors ownership interest) at a less aggressive cap rate, there would be an improvement of several million dollars. The MedVest model is available to any CMAC client and, in this case, the outcomes of this specific case are shown below.

**Group Recruiting Tool**

Today, more groups are realizing that physician ownership in their own real estate provides substantial additional passive income to the partners and can be a significant determinant in the decision of where a doctor chooses to practice. While it is prudent for every owner to have an exit strategy, that strategy should involve the sale of the partner's individual interest and does not have to involve the sale of an asset that the other investors depend upon for future income.

**Facility Control**

The intangible benefit of controlling the facility from which you operate your practice is of immeasurable value. What is right for the operation and will result in substantial additional income, is not always the right economic outcome for the real estate. By owning your building, you will be able to make the best decisions that will result in the maximum benefit for the practice and the partners.

continued from Page 1

## Bank Exposé - Prepayment Penalty…

There are two basic forms of prepayment. The easy one to follow may have a twist.

**A Percentage of the Loan Balance**

While this form of prepayment may look simple on the surface, some banks use subtle language that can sometimes be fatal. This situation occurred recently with a borrower that had originally borrowed more than $20 million three years prior and currently had a prepayment penalty of 2%. A few months before the borrower looked at refinancing, it took out an additional advance that increased the loan balance by about 3%. When the borrower then looked to refinance (a move that would have saved over $2 million), it learned that the 3% advance had "reset" the prepayment penalty to a level that would wipe out any potential savings. When negotiating a prepayment penalty of this nature, never accept a starting penalty of more than 3% and make sure that any future advances will not reset the penalty on the entire amount.

**Yield Maintenance or Break Funding**

Anytime you can't quite understand what appears to be a fairly mundane formula that is only meant to "keep the bank even", it's time to watch out. A yield maintenance clause is like an interest rate swap penalty on steroids. The best advice is simply, "Don't do it!" If you have any doubts as to how much a prepayment could cost you, ask your banker to provide you with an example of the calculation if you wanted to pay off in 2 years where rates had tracked according to projections. If you want an independent calculation, call CMAC and we will provide it at no charge. Once you see the example, you will know why avoidance is so important.

The bottom line is that unfair prepayments, like one-sided prenuptials, can be avoided when properly negotiated ahead of time.

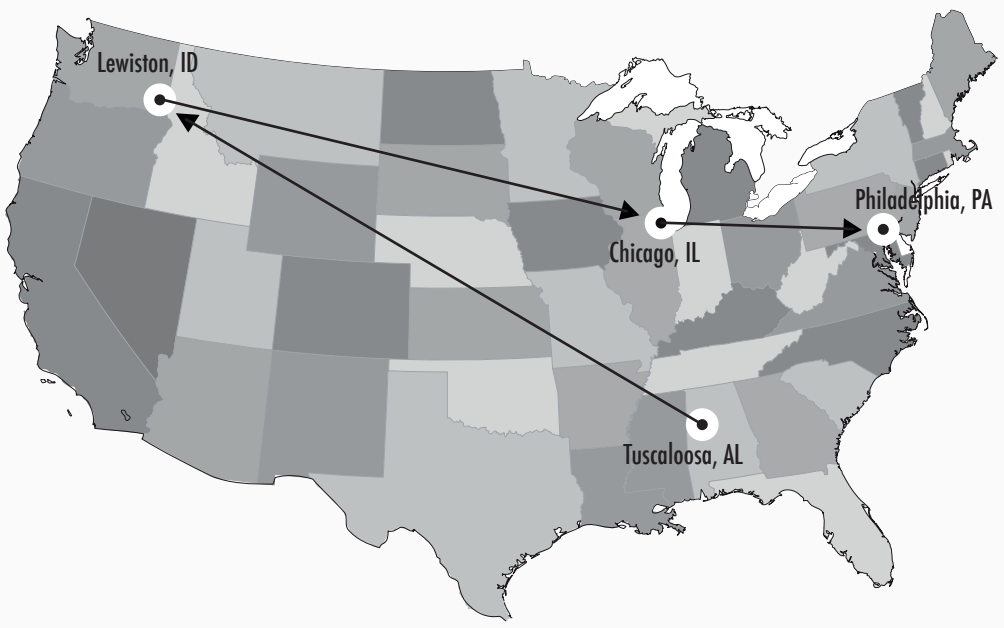
# Secret to Your Best Rate – Look to Lewiston, Idaho

As the CEO of Hope Orthopaedics in Salem, Oregon, David Schlactus had engineered a substantial improvement in their real estate loans. David accomplished this upgrading by bringing CMAC aboard and using CMAC's national pricing presence to influence the Salem banking community. When Mr. Schlactus took the reins of Valley Medical in Idaho, he thought, "Why not Lewiston?" and, once again, called upon CMAC.

The result was a testament to exactly what is meant by the concept of "rate nationalization". On the day Valley Medical closed its loan, it became, for all intents and purposes, the center of medical real estate banking in the United States. Its loan terms were as good or better than any other comparable group in the US.

The rates and terms secured by Mr. Schlactus were most directly affected by a transaction recently closed with the same bank by CMAC in Tuscaloosa, Alabama. The Lewiston loan, in turn, became the primary influence for superior pricing and terms for a later loan in Chicago, IL. The Chicago loan terms then positively affected bidding in Philadelphia, PA.

It is a never-ending process of CMAC using the best of all proposals, in every part of the country, to improve the next proposals regardless of location.




continued from Page 1

## Partner Buy-In …

is 3HT.

**Hurdle 1 – Satisfying the Current Real Estate Partners**

While most physician-partners can see the benefit of diluting their own interest and giving up some future returns to achieve a balanced ownership, they want to know that they have received full value for their interest. Under the 3HT plan, the partners selling any portion of their interest would receive the full market value as if selling to an unrelated third party. The value is not based upon an appraised value but upon a formula that yields a better sales price, is fair to all and can be reused into the future.

**Hurdle 2 – Satisfying the Incoming Real Estate Partners**

Incoming partners need to know that 1) the returns on their investments will produce a better yield than any other options of similar credit and 2) they will be able to afford the investment. With 3HT, the Return on Equity is shown in double digits and affordability is created through reduced equity requirements combined with availability of financing.

**Hurdle 3 – Securing the Financing to Support the Purchase and Sale Structure**

The final piece in the 3HT solution is putting the right financing or combination of financings in place that will accommodate the first two pieces. This means creating a structure that will provide the optimal cash flow for the entity while keeping the equity piece minimized. Additionally, the repayment of any loans to incoming partners must be structured to provide a positive cash flow after considerations for payment of debt service and income taxes. CMAC has structured solutions time and time again which make the third leg of 3HT work with the first two.

For further information on how 3HT can be used with your group, go to www.cmacpartners.com.


continued from Page 1

## Yes, You Can Improve Appraised Value…

Explain the demographics or the fact that your building got the last available permit for this type of zoning. Whatever it is that cannot be seen on the surface but creates value will make a difference.

In the end, you will know that you were instrumental in bringing about a more favorable outcome than had you sat on the sidelines and waited for the results.

## PHYSICIAN HOSPITAL

**Oklahoma City, OK**

**$145,000,000**

**Modified Existing Loan Reducing Interest Expense by over $5,000,000**

## LEXINGTON CLINIC

**Lexington, KY**

**$27,500,000**

**Restructured Existing Debt with Incumbent Lender to Create Cash Flow Improvement**

## VALLEY MEDICAL CENTER

**Lewiston, ID**

**$8,000,000**

**Refinanced Debt to Extend Term & Reduce Rate**

## THE ORTHOPAEDIC INSTITUTE

**San Antonio, TX**

**$10,000,000**

**Stripped Existing Equity While Improving Interest Rate**

## PALM HOLDINGS

**Boca Raton, FL**

**$25,000,000**

**Reduced Rate with Incumbent Lender by .90%**

## SIERRA PACIFIC ORTHOPEDICS

**Fresno, CA**

**$14,000,000**

**Refi of Real Estate Debt to Fund Partner Buy-Outs and Buy-Ins**

## ROTHMAN INSTITUTE MOBs

**Philadelphia, PA**

**$24,000,000**

**Reduced Loan Spread by Nearly 50% with Incumbent Lender**

## MIDWEST ORTHO-PAEDICS AT RUSH

**Chicago, IL**

**$25,000,000**

**Negotiated Reduction of Interest Rate Swap Unwind**

# Groups Moving Past Swap Unwind Fees without Penalty

*Pay Now or Pay Later: It's the Same Difference*

Despite their bankers' best efforts to have them believe that they would be hurt economically by paying off their interest rate swap, borrowers have begun to understand that there is really no downside to moving out of a swap when there are other advantages to a new loan. Now, borrowers can lower their interest expense, improve cash flows, or move into a long-term loan for greater security. They need only understand how swaps *really* work to move forward.

There are two big myths regarding swap terminations that banks are happy to have their clients believe:

**Myth #1:** We can't move out of our swap because it has a huge unwind fee. The longer we stay in it, the smaller the unwind and we will lose that advantage if we terminate.

**Myth #2:** If rates go up, our termination fee will definitely get smaller. If we terminate our swap, we will lose that benefit.

**Debunking the Myths**

**Myth #1:** If you unwind at the true par value, the money that you save by paying the lower replacement rate of interest is equal to the unwind fee. This is sometimes difficult to wrap your arms around but is illustrated by the following example:

Let's say that you had 12 months left on a $10MM non-amortizing swap with a rate of 6.50%. You are told that you would owe an unwind fee of $425,000. On the surface, that might seem like a good reason not to unwind. However, what you would find is that you could replace that 6.50% swap with one at roughly 2.20%. The interest savings in a year by paying the lower replacement rate is approximately $425,000 - the same amount you would have paid to exit the swap.

**Myth #2:** A rise in interest rates will not necessarily mean a lowering of the unwind fee. Your swap already anticipates rate increases. If the rate increases ahead of the projected curve, your unwind fee will fall. If it increases behind the projected curve, your unwind fee could actually increase. There is nothing to be gained by standing still if there is a better option at hand.

**Those That Defied the Myths**

By understanding these concepts, a number of borrowers have seen improvements in the terms of their debt.

| Borrower | Bank Holding Swap Prior to Refi | Benefit |
|---|---|---|
| Urology Associates<br>San Antonio, TX | Compass Bank | Enabled buyout of retiring partners |
| Texas Orthopedics<br>Austin, TX | Regions Bank | Improved cash flow and secured a longer term |
| Asheville Spine<br>Asheville, NC | Wells Fargo | Secured refinancing at a lower rate for a longer term |
| OrthoWilmington<br>Wilmington, NC | SunTrust | Enabled refinance at a lower rate during merger |
| Eye Specialists of Mid-Florida<br>Lakeland, FL | SunTrust | Secured higher loan to value and a longer term |
| Ortho Associates and Eye Institute<br>Fort Walton Beach, FL | Synovus | Reduced rate, improved cash flow and extended term |

In the case of swaps, the truth may not set you completely free; however, it can save you a lot of money.

*continued from Page 1*

## Rothman Institute Strength Shown…

executive team headed by its CEO (and Chief Strategist), Mike West. If you happen to be at Starbucks at Thomas Jefferson Hospital when it opens at 5 AM, you might run into Mike starting his day. The conference room down the hall from Mike's office is adorned with maps and demographics that are constantly referenced in Rothman's never-ending planning. There is not a move that is made with regard to the practice of orthopedics, investment in medical research or investment in real estate that is not thoroughly considered and carefully plotted. This is the story that CMAC was able to share with its lenders.

In this case, Rothman, working with CMAC, was able to cut its bank spreads by nearly 50% in locking long-term fixed rates: a great example of what teamwork can accomplish with the right partners.


# Playing Poker with the Bank

*How One Borrower Won $100,000 from the Swap Desk*

Interest Rate Swaps can be an effective way to hedge risk. They are also a source of substantial profit for the bank at a direct cost to the borrower. A great example of just how much fat can be trimmed from inflated profits was clearly demonstrated recently.

In this particular case, the owners of our borrower had decided that they wanted to deal with a particular bank because of its long-standing relationship. While the business side of the bank had been fair on its pricing of the loan, the swap desk was looking to earn a profit that was significantly higher than average. CMAC's sister company, Swap Negotiators, had gone back to the bank and suggested that the swap desk needed to reduce its profit. The bank explained that its hands were tied because the loan spread was so thin that there was nothing they could do on the pricing.

Because this borrower had sufficient assets to collateralize the swap independently, we suggested that we enter into a small game of chance. Swap Negotiators called the bank and advised them that the borrower would close its loan with that bank *but* would be placing its swap with another provider who offered a lower price - and we waited. There was no downside to the borrower as the bank would always accept the original deal.

We didn't have to wait long. Within a couple of days, the bank was back on the phone with the borrower. The swap desk had miraculously found a way to reduce its spread to a level that saved the borrower about $100,000. Did the borrower really have a lower rate from another bank? A good gambler never shows his cards.


Swap Negotiators levels the playing field.

# Taking Cash Out v. Paying Down Debt

***Groups Can Now Have It Both Ways***

In any group having at least two members, there is a good chance that there will be differing opinions on whether the group should maximize the debt on its real estate or pay down the debt as quickly as possible. At CMAC, we are commonly asked, "Which is the right thing to do?" The answer is pretty straightforward - it depends upon your personal situation, philosophy and objectives.

In other words, there is no right or wrong answer. Until recently, the best we could do was to outline each approach and let the partners decide which philosophy would prevail. However, having recently worked with some fairly creative national attorneys and CPAs, CMAC has come up with two different plans under which both sides can come close to achieving both objectives simultaneously.

The first step is to make sure that we have clearly defined the goals of each group and that they have fully considered the advantages of each approach.

**Maximizing Debt**

Those partners who prefer to keep debt high often describe the following as the most important objectives:

- This is the most effective way of minimizing the equity and making buy-in more affordable for incoming partners.
- By keeping equity low, the ROE (Return of Equity) is increased so long as the cost of capital is reasonable.
- This frees up cash for partners who wish to leverage their available cash through further investments.
- Some view it as a way of enhancing asset protection by taking the equity out of an asset upon which the lender has a lien.

**Minimizing Debt**

These partners are more conservative in nature. They are seeking the following:

- Maximizing the annual cash out as an annuity by minimizing debt service.
- Reducing personal liability connected with the debt as a guarantor.
- Creating the greatest amount of cash out at a later date, perhaps after retirement.

**The Answer**

Under CMAC's plans, those partners who wish to act more conservatively have the ability to pay down their portion of the debt with a commensurate reduction in guarantees connected to the loan and the property. The documents required to accomplish these multiple objectives have been templated and can be applied to whatever scenario best suits the partners. In the end, all partners are in the position they favored individually without having to sacrifice their personal objectives for the sake of the majority interests.

# CMAC Pledges $20,000

## to Veterans' Families and Parkinson's Groups

CMAC is proud that our company and its principals have chosen to "give back" to those around us who are doing valuable work on behalf of so many others. In addition to the personal gifts from our principals to their favored organizations, CMAC is pleased to announce pledges this year of $10,000 each to The David Phinney Foundation and to TAPS (Tragedy Assistance Program for Survivors). CMAC is proud that its clients share in this commitment to philanthropy. There is a list of CMAC clients shown below along with the impressive causes that each of those groups support. Taking a moment to look at those associations is very much a feel-good process.

**Supporting Veterans' Families**

The mission of TAPS is to provide ongoing peer-based emotional support to the spouses, parents and children who are grieving the loss of one who died in the service of our country. TAPS works through an established peer mentoring network, online live chat programs and in-person care groups. Additionally, there is a TAPS hot line that is answered 24 hours a day and 365 days a year. TAPS operates retreats for adults and Good Grief camps for children. One of the compelling reasons we are supporting TAPS is that more than 90% of the dollars donated are used to directly benefit the recipients.

**The "Today Victory" Over Parkinson's**

Davis Phinney holds more cycling victories (328) than any other American born cyclist. At the age of 40, Davis was stricken, but not struck down, with Parkinson's disease. Too many of us have a loved one or a friend who has suffered from this malady that robs the body and challenges the mind of a once-vigorous and articulate individual. Countless dollars have been raised to fund important research which may find a cure or prevention for Parkinson's in the future. The Davis Phinney Foundation deals in the here and now by educating, motivating, supporting, and pushing those afflicted to fight back today. While we may not be able to stop the progress of Parkinson's, it can be slowed, allowing the PDs, as they call themselves, to continue to lead lives that are both productive and fulfilling. The Davis Phinney Foundation, and Davis Phinney himself, demonstrate how to find victories every day. Davis formerly celebrated his bike race victories by raising his hands in a "V" formation. Davis now uses that same "V" to inspire others to celebrate the many daily victories earned by the more than 150,000 people afflicted by Parkinson's.

### CMAC's Clients and the Causes They Support

- Eye Specialists of Mid-Florida
  - *We Care Polk – pro bono medical care to indigent residents of Polk County*
- Lafayette Surgical Hospital
  - *United Way of Acadiana - www.unitedwayofacadiana.org*
- Orthopedic Associates, LLC
  - *United Way of Greater St. Louis - www.stl.unitedway.org*
- Palmetto Surgery Center
  - *National Foundation for Ectodermal Dysplasias – www.nfed.org*
- Cullman Primary Care
  - *United Way of Cullman County, Alabama – www.Uwaycc.org*
- Visionary USA Surgical Institute
  - *The Exceptional Foundation of the Gulf Coast - www.exceptionalfoundationgc.org*
- Valley Medical Center
  - *The Snake River Community Clinic - http://srcc-freeclinic.org/*
- Ophthalmology Consultants
  - *Mission Cataract; giving the gift of sight - http://missioncataractusa.org*
- Tampa Bay Orthopaedic Specialists
  - *The Jewish Burial Society of Pinellas County; burial sites for all faiths*
- The Austin Diagnostic Clinic
  - *The Family Eldercare Summer Fan Drive - www.summerfandrive.org*
- Surgical Solutions
  - *Rett Syndrome Foundation – www.rettsyndrome.org*
- Alabama Orthopaedic Clinic
  - *Victory Health Partners – www.victoryhealth.org*
- Orlando Orthopaedic Center
  - *Give Kids Sports - www.orlandoorthofoundation.org*

# ONE DOCTOR'S JOURNEY - TO HELL AND BACK

By Shannon Stocker, M.D.

I get the question all the time: "Why aren't you practicing medicine?" It's a simple question, and it deserves a simple answer.

But there are no simple answers to life-changing events. Not in my estimation, anyway.

Turn the clock back to 1999. I was a fourth-year medical school student looking forward to a career as a pediatrician when I began having symptoms of persistent pain in my right arm. Nothing seemed to help, and no one seemed able to find the source of my problem. Knowing the intensity that would be required by a looming residency, I decided to focus on my health after graduation and pursued answers instead of pediatrics.

Shortly after graduation, an isolated tumor was discovered strangling a tiny sensory nerve in my right arm. I followed the recommended course of action and the tumor was surgically removed. The pain, however, persisted and even grew worse. Much, much worse.

Over the course of the next 5 years, I met with over two dozen physicians who callously diagnosed me as a head case. A drug seeker. One by one, they told me my symptoms were psychosomatic. And with each analogous diagnosis, my world crumbled a little more.

Eventually, open neuropathic ulcers formed on my right arm that could be neither controlled nor denied. My weight had deteriorated to a meager 85 pounds and it hurt so much to walk that I was forced to use a wheelchair or a cane. I constantly felt as if someone had doused me in gasoline and lit me on fire. My husband and I made the decision to visit Mayo in Rochester where, after a week of grueling tests including thermography, MRIs, a nerve conduction study and a spinal tap, I was finally diagnosed with RSD (Reflex Sympathetic Dystrophy), a disorder of the autonomic nervous system that produces unrelenting pain. Although a diagnosis was clear, the treatment options offered were antiquated and unreliable at best.

Years earlier, I had read about a ketamine

coma trial in Germany for people with pain symptoms similar in quality to mine. I remember shaking my head in pity for those patients having to choose such a terrifying path in the hopes of living a pain-free life. Yet now, here I was… facing the same choice. I knew I could die, but was living with my life as it was really an option?

After further research, my husband and I learned the coma trials had just begun in Monterrey, Mexico. We lived in Orlando and, ironically, the coordinating physician for the study was less than two hours away in Tampa. The decision for us was an easy one. I met with the doctor and, only three short weeks later, we flew to Mexico. Two days after arriving in Monterey I lay in my hospital bed being prepped for the induction. I cried with my husband one last time, thanked him for his unconditional love and support, and then, never knowing whether I would see him again… kissed him goodbye.

Some people ask me if I miss medicine, and my answer is always the same - I miss the kids who would have been my patients. I miss their gratitude and their honesty, and the intense satisfaction that comes with helping a child feel better. But not a day goes by when I wish I would have chosen a different path. Six months after the coma I became pregnant with my daughter and 22 months later I gave birth to my son. My husband remains my rock and my best friend. I have a job that I believe in and teammates that stuck with me through hell.

And now I'm back. Right where I'm supposed to be.

### Your CMAC Partners Executive Team

Steven Pishko | Liz Allport | Dr. Shannon Stocker | Greg Warren

www.cmacpartners.com

continued from Page 1

## Physician Shed Guarantees…

or improving the current cash flows. CMAC leveraged the strength of OrthoTennessee with its own market potency and restructured the debt without personal guarantees, while simultaneously reducing the loan spread at a fixed rate over an extended loan term.

Something like a domino effect among lenders has occurred in the finance marketplace. As one agrees to loan without personal recourse, another will follow in order to compete- and on it goes. "The secret to success is being able to point out the competition and produce credible documentation", says Liz Allport, a Principal with CMAC Partners. "It's akin to showing a competitor's coupon when shopping." Ms. Allport went on to explain that she always requests pricing on both recourse and non-recourse financing options so that any premium in pricing can be quantified. It's important to realize that, even if a medical practice isn't the heavy hitter like OrthoTennessee, there's still a middle ground and great improvements to be made. Personal liability mitigation has become a real hot button among borrowers, and the degree of success can be substantial when working with the right competitive data.