

## Att 1: DBS CPA Proposal

MDA members have frequently inquired whether the association endorses anyone for dental-specific certified public accounting services. In January, the MDA IFG Committee on Endorsed Services requested that a request for proposals be issued for dental-specific CPA services. Four firms replied to the RFP.

Of the four respondents, one (Rehmann Group) withdrew after indicating its business model did not include providing discounts for its services. One firm had been in business only a short time. The two firms that were considered both had been serving dentists for many years; however, after viewing presentations from both firms and reviewing their proposals, the MDA IFG Committee on Endorsed Services preferred the proposal of Dental Business Specialists (DBS).

The MDA already endorses DBS Investment Advisers, LLC, for wealth management and retirement planning services. DBS and DBSIA are related companies. DBS's chief executive Mr. Ted Schumann II is a member of the MDA Foundation Board of Trustees and has been a significant contributor and fundraiser, most recently pledging to match the first \$5,000 in Foundation donations. Additionally, DBS and DBSIA have long referred members to MDA Insurance for their personal and business insurance needs. Further, part of the tax planning that DBS undertakes for its clients includes methods to reduce the tax burden by contributing appropriately to retirement accounts; cross referrals from DBS to DBSIA will assist in strengthening that line of business that the MDA already endorses. DBS is also the only CPA firm in Michigan that was invited to join the Academy of Dental CPAs. Mr. Schumann has his personal lines business placed with MDA IFG.

The ESC believes keeping the CPA services aligned with the investment advisers services will strengthen both programs and provide the best MDA member experience.

DBS proposes a discount of \$100 of its monthly accounting service fees and 10% of its fees for tax returns be appropriated between MDA member discounts and organization royalties at the discretion of MDA leadership. An explanation follows.

### **MDA client using DBA monthly accounting services**

Accounting Fee.....	\$600 per month
Total Annual Costs.....	\$7,200 total (\$600 x 12 months)
Royalties Paid to MDA.....	\$1,200 total (\$100 x 12 months)

*In this example, MDA can determine how much of the \$1,200 it would like to receive in royalty payment vs. pass along as savings to members. The amount should be something that is easily describable to MDA members. The \$1,200 will be paid in collections within 60 days of receiving in the form of monthly installments.*

### **MDA client using DBS business tax return preparation services**

Tax Return Preparation Fee.....	\$1,000 total
Royalties Paid to MDA.....	\$100 total (10% of \$1,000)

*In this example, MDA can determine how much of the \$100 it would like to receive in royalty payment vs. pass along as savings to members. The amount should be easily describable to MDA members. The \$100 will be paid in collections within 60 days of receiving.*

In addition, DBS will pay an annual royalty for the duration of the endorsement of \$5,000 in equal monthly installments in recognition of the business it currently has with MDA members.

The DBS proposal follows.



# MDA ENDORSEMENT PROPOSAL

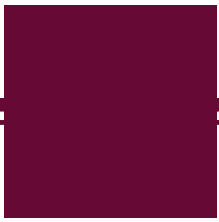






# Table of Contents

A.	Company Information .....	Page 5
B.	Dental CPA Services .....	Page 13
C.	Pricing & Discounts .....	Page 19
D.	Customer Services .....	Page 23
E.	Business Referrals .....	Page 25
F.	Marketing to MDA Members .....	Page 27
G.	Royalties .....	Page 31
H.	Appendix .....	Page 35





A.

## Company Information



### 1. Company Name

The DBS Companies, consisting of:

#### **Dental Business Specialists**

The business coaching, consulting, tax and accounting division provides the tools and resources needed for dentistry clients to run successful, profitable practices.

#### **DBS Investment Advisers, LLC – *Endorsed by the MDA***

Established in 2000, the fee-only financial planning and retirement division provides dedicated investment services and goal-based planning services with the highest level of fiduciary care to dentistry professionals.

#### **DBS Dental Sales**

Recognizing the significant role that practice brokerage regularly plays in the lives of DBS clients, we offer a dedicated line of business to assist with the buying, selling and acquisition process of a dental practice.

### 2. Company location(s) and contact information:

#### **Company Headquarters:**

##### **Bay City Office**

6006 Westside Saginaw Road, Bay City, MI 48706

**Toll free:** .....(800) 327-2377

**Local:**.....(989) 686-6222

**Web address:** .....[www.TheDBSCompanies.com](http://www.TheDBSCompanies.com)

#### **Other Locations:**

##### **Clarkston Office**

6548 Town Center Drive, Suite A, Clarkston, MI 48346

**Phone:** .....(248) 366-2900

**Web address:**.....[www.TheDBSCompanies.com](http://www.TheDBSCompanies.com)

##### **Saginaw Office**

5525 Colony Drive North, Saginaw, MI 48638

**Phone:** .....(989) 799-0000



**Flint Office**

3497 Richfield Road, Flint, MI 48506

**Phone:** .....(810) 736-2350

**Petoskey Office**

4000 Main Street, Suite 217, Bay Harbor, MI 49770

**Phone:** .....(989) 799-1665

**3. List the principal management team members of your company and provide a brief biography of each person. Please provide a main contact person:**



**Theodore C. Schumann, II, MBA, MSF, CFP®, AIF®**

*Managing Partner*

Cell: (989) 751-0769

Email: ted.schumann@dbsia.net

*\*Main Contact*

Ted is the Managing Partner of DBS Investment Advisers, LLC. For over 14 years, Ted has been helping clients plan their financial future. Ted works with both office retirement plans and individual clients. From portfolio management to financial planning, debt-reduction strategies, and fiduciary client service,

Ted provides clients with comprehensive strategies and assistance to prepare for retirement. Ted is also a proud member of the MDA Foundation Board of Directors and serves on the MDA Foundation Finance Committee.

As the longest-serving executive within The DBS Companies, as well as the person responsible for fielding all new client inquiries across all lines of business, Ted will serve as the main point of contact between the MDA and DBS.

**Ted's Education/Designations:**

- Central Michigan University, BS
- Walsh College, Master of Business Administration

- Walsh College, Master of Finance
- Certified Financial Planner™
- Accredited Investment Fiduciary®

**John Looby, CPA***Managing Partner*

Phone: (800) 327-2377

Email: loobyj@dbstbti.com

John Looby oversees the tax and accounting division of The DBS Companies. John entered the field when he joined his father's CPA firm of Webster, Looby & Baumgarten, P.C. after graduation from Michigan State University in 1998. In October 2020 he became a managing partner of The DBS Companies. John has been providing financial, consulting, and tax services to both businesses and individuals for

the last 22 years as a Certified Public Accountant. John has worked primarily with various professional, medical, and dental fields. His clients range from new graduates to multiple-doctor practices with over 30 partners.

**John's Education/Designations:**

- Michigan State University, BS
- Certified Public Accountant (CPA)

**Mike Looby***Managing Partner*

Phone: (800) 327-2377

Email: mplooby@dbstbti.com

Mike Looby oversees the tax and accounting division of The DBS Companies. In October 2020 he became a managing partner of The DBS Companies. Mike began his accounting and tax journey back in high school while working with his father Robert J. Looby, the founder of Looby Baumgarten PC CPAs. Now as a managing partner at DBS, Mike continues to

provide consulting and all tax-related services, in addition to providing value-added services while working with clients to identify opportunities for growth and increased productivity. Having worked with medical and dental professionals and groups for over 20 years now, Mike loves the ever-changing technology, as well as tax strategy and figuring out how to best implement them in practice.

**Mike's Education/Designations:**

- Baker College, BS
- Nouvel Catholic Central finance committee

**4. Provide a brief history of your company:**

Shortly after Theodore C. Schumann, CPA, CBC, CFP® took over the family tax and financial planning business in 1984, he encountered a series of clients in the dentistry profession facing similar challenges. While highly educated medical professionals, the general lack of business training and experience left them unprepared for the financial and HR responsibilities of running a practice, including:

- Cash-flow, tax, and accounting knowledge to manage a profitable business
- Debt-reduction planning for costly student loans
- Financing the purchase of a dental practice
- Personnel management to maintain a productive team
- Retirement savings planning as an individual and business owner
- Succession planning to transition a practice

Recognizing a distinct need for dedicated professional services for the dental industry, in 1986 The DBS Companies was formed to provide the comprehensive solutions this community deserves. Over the past three decades, the service model and team have continued to evolve to provide the multifaceted education and resources required to meet the changing needs of dental professionals throughout every stage of their careers.

**5. Provide information or statement regarding the financial stability of your company. Is your company publicly traded?**

The DBS Companies is not publicly traded. Please see the statement on the following page expressing the financial stability of our company.



## Company Information



March 2, 2021

Cindy Hoogasian  
Michigan Dental Association  
3657 Okemos Rd  
Suite 100  
Okemos, MI 48864

Dear Cindy and Committee,

Based on my review of the most recent compilation of financial statements completed through December 31, 2020, our company is operating profitably and has current assets sufficient to meet current liabilities. Profitability of the firm appears sustainable barring unforeseen circumstances.

Sincerely,

Ty Robbins



### THE DBS COMPANIES

(989) 686-6222 • (800) 327-2377 • (989) 686-5380 FAX  
6006 WESTSIDE SAGINAW ROAD P.O. Box 280 BAY CITY, MI 48707  
[www.TheDBSCompanies.com](http://www.TheDBSCompanies.com)



## 6. List any other associations or organizations that work with your company

### **Academy of Dental CPAs**

The DBS Companies is a member of the Academy of Dental CPAs (ADCPA), a nationwide organization devoted the training and continuing education of accountants who specialize in dental practices. DBS is the only certified public accounting firm in Michigan that has been invited to join the ADCPA.

Our connection with the ADCPA was particularly valuable in the midst of the COVID-19 pandemic and shutdown; the ADCPA worked closely with their contact in the position of ADA Congressional Lobbyist to provide accurate and up-to-the-minute information about the ever-changing PPP loan rules and other CARES Act provisions, allowing us and other ADCPA members to disseminate that information to our clients.

### **DBS Investment Advisers, LLC – *Endorsed by the MDA***

We work closely alongside MDA-endorsed DBS Investment Advisers, LLC to develop tax-efficient retirement plan strategies and evaluate practice and personal financial stability for our mutual clients.

### **Looby Baumgarten, P.C.**

Looby Baumgarten, P.C. is a partner CPA firm owned by John and Mike Looby.

### **MDA IFG**

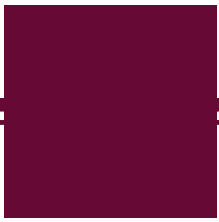
We regularly consult with our clients to identify long term care, disability and life insurance needs, and direct clients to MDA IFG for execution.

### **Michigan Tax & Accounting Professionals (MTAP)**

We consult with MTAP for continuing education for our organization.

### **AICPA/MICPA**

We have membership in American Institute of CPAs and Michigan Association of CPAs through our partner business Looby Baumgarten, P.C. In addition, some of our CPAs are individual members of MICPA. We consult with MICPA for continuing education for our organization.





The  
DBS  
Companies

B.

Dental CPA  
Services

## **1. Provide a detailed description of the services offered by your company:**

The DBS Companies provides dentists with the tools and resources needed to run successful, profitable practices. This includes but is not limited to the following:

### **Tax Services**

DBS provides clients with proactive tax mitigation strategies, quarterly tax estimates, tax preparation services, and IRS resolution if necessary. Our accountants meet with their clients on a quarterly or semi-annual basis to review their tax situation and ensure that they are still on-track.

### **Accounting Services**

DBS provides monthly accounting and payroll services for clients who own a practice. In addition, we prepare their monthly financial statements and present them in an easy-to-understand format that gives clients a clear snapshot of their practice.

### **Additional Services**

In addition to the services we provide in-house, we also have relationships with practice profitability consultants, PPO consultants, dental embezzlement experts, and other related industry professionals.

## **2. Explain the process an MDA member would follow to engage your company to provide CPA services:**

### **Step 1: Introduction**

When a potential client contacts us, we quickly schedule a free consultation with them. To accommodate the various scheduling needs of our working professionals, we offer phone or video conferences and one-on-one consultations available either in our office or a convenient location of their choosing.

### **Step 2: Individual Consultation**

The purpose of this initial consultation is to make introductions, address any questions or concerns, discuss the potential client's practice or personal finances, review the practice entity, and discuss their staff or any management concerns.



**Step 3: Strategic Assessment**

Following the meeting, we develop strategies, provide recommendations, and assist in the selection of appropriate tax strategies that are the best fit for the potential client's needs.

**Step 4: Presentation of Engagement Letter**

We then review the scope of services the potential client desires from DBS, discuss fees (including any additional fees related to the unique circumstances or needs of the potential client), and present the potential client with an Engagement Letter. If the potential client decides to continue working with DBS and signs the Engagement Letter, they are officially brought on as a new client.

**Step 5: Ongoing Service & Support**

The DBS Companies will work with the client on an ongoing basis and proactively work to align our clients' needs with their goals. This service includes quarterly or semi-annual tax planning meetings; monthly accounting and financial statement preparation; as well as regular phone, email, and one-on-one availability to clients.

**3. Discuss the support you will provide to dentists:**

We work with our dental clients to provide them with the tools, resources, and expertise needed to run a successful practice. For practice owners, we provide monthly accounting and payroll services, as well as monthly financial statement preparation to provide clients with a clear snapshot of the condition of their practice. In addition, we work with owners from a practice management standpoint to assist them with leadership skills, resolving office conflict, and increasing their practice profitability.

We also assist clients with personal tax return preparation, quarterly tax estimates, proactive tax mitigation strategies, and tax-efficient retirement plan strategies.

**4. What differentiates your company and its services from those of your competitors?****Specialized Expertise**

Since 1986, The DBS Companies has been dedicated to the unique and in-depth accounting, tax, and planning needs of dental professionals and has grown to become a well-known authority by MDA members. Our expertise is demonstrated through:

- Participation in MDA events for more than twenty years
- Regular article contribution to the Journal of the Michigan Dental Association
- Ongoing dental school lectures
- The development of the American Dental Sales database
- The successful brokerage of more than 600 dental practices nationwide

### **Membership in the Academy of Dental CPAs**

DBS is the only certified public accounting firm in Michigan that has been invited to join the Academy of Dental CPAs, an organization that is devoted to the training and continuing education of accountants who specialize in dental practices.

### **Comprehensive Service Extensions**

The DBS Companies has continued to grow and adapt to provide the most comprehensive and proactive service offerings possible for dental professionals in each stage of their careers including:

- Student loan debt-reduction strategies
- Practice acquisition
- Tax preparation and planning
- Accounting and payroll services
- Increasing/maintaining practice profitability
- Planning for retirement
- Bringing on associates
- Succession planning
- Business sale
- Retirement income planning

Over the past three decades of working with the dental industry, The DBS Companies has developed an extensive range of services and referral partners to address each of the essential planning needs specific to dentistry professionals at all stages of their careers. We are also uniquely qualified to offer unparalleled service addressing the critical interdependencies of the financial, management and brokerage aspects of a dental practice.

By working with The DBS Companies, clients have the opportunity to work with our other lines of business, which all have extensive knowledge of the dental industry. Please

see our other lines of business below. Each line of business works closely with our CPA division to efficiently serve our clients throughout each stage of their dental career.

### **DBS Investment Advisers, LLC**

DBS Investment Advisers, LLC is the MDA's only endorsed provider for financial planning and investment services. Clients benefit from the efficiency and cooperation that comes from having centralized accounting and investment management. Our accountants are easily able to confer with the investment advisors to determine the most tax-efficient retirement funding options available for clients and evaluate practice and personal financial stability.

This seamless coordination between our CPAs and financial advisors gives us the ability to troubleshoot issues and share information behind-the-scenes for our mutual clients, thereby saving our clients time and billable hours. For example:

- For mutual clients, our financial advisors can submit tax documents for investment accounts directly to the accountant.
  - Dentists who engage a separate CPA and financial advisor do not have this ability. The doctor would have to act as the intermediary between the two parties, thereby resulting in potential delays and additional fees.
- Recently, our CPAs and financial advisors were able to work together to determine that opening a SEP-IRA would result in significant tax savings (over 50%) for one of our mutual clients. The two lines of business were able to confer with each other, analyze the client's financial data, and draw conclusions within a matter of minutes.
  - This level of efficiency would not be possible with a separate CPA and financial advisor.

In addition, since DBS Investment Advisers, LLC is endorsed by the MDA, it would be more efficient to extend a CPA endorsement for The DBS Companies as well. By offering a discount to MDA members for CPA services, some of our investment clients may choose to engage DBS for CPA services as well. This would result in more royalties paid to the MDA from both endorsed services.

Conversely, if the MDA were to endorse an outside CPA that had its own financial planning line of business, that could tempt clients away from DBS Investment Advisers, LLC, thereby reducing the royalties the MDA receives.

### **DBS Dental Sales**

Our CPA division works closely with DBS Dental Sales in the transition planning process

of a dental practice. Representing more than 600 transactions in the past 30 years, we have developed a dedicated line of business to assist with the buying and selling process of a dental practice, including:

- Buy-sell transition planning
- Partnership and associate recruitment
- Sales, mergers, and delayed sales
- Practice valuations and cash-flow management

**5. Tell us about your ability to service MDA members throughout the state; describe your staffing levels and willingness to expand as necessary to meet the needs of our members.**

DBS currently works with clients all throughout the state of Michigan. Through the combination of in-person meetings, conference calls, virtual meetings, and regular correspondence, distance is not an issue in delivering exceptional client care.

Our current staffing levels are appropriate for our client base according to industry metrics. In the professional service environment, relationships are built one at a time, allowing us to monitor capacity and add and orient staff as appropriate. Should it become necessary to hire more accountants and other staff to handle an increased volume of clients, DBS is willing to expand its operation to maintain its level of service.





The  
DBS  
Companies

C.

## Pricing & Discounts



1. Please explain your fee structure and how it may vary between a sole proprietor with a single practice and a multi-location larger practice.

Our fees are customized to each client’s individual needs. Clients can select and choose which services they desire from The DBS Companies, and these selections can be edited at any time. All of our fees start at a standardized base rate, but can vary according to the complexity of the practice or the individual doctor’s personal finances. As such, a sole proprietor would typically be charged less than a multi-location larger practice with multiple doctors.

2. What are your normal fees for each type of service you provide?

Monthly Accounting Services

Sole Proprietor .....	\$600 per month*
Multi-Location/Partnership/Multi-Doctor Practice .....	\$750 per month*

*\*These numbers reflect our standardized base rates and can vary depending on the complexity and scope of the CPA services desired.*

Payroll Services

Sole Proprietor .....	\$350 per month*
Multi-Location/Partnership/Multi-Doctor Practice .....	\$350 per month*

*\*These numbers reflect our standardized base rates and can vary depending on the complexity and scope of the CPA services desired.*

Tax Preparation Services

Personal Tax Return\*

Standardized Base Rate .....	\$250 - \$800 fee*
------------------------------	--------------------

*\*These rates vary depending on the complexity of the tax return and time required to complete it.*



### Business Tax Return

Standardized Base Rate .....\$700 - \$1,000 fee\*

*\*These rates vary depending on the complexity of the tax return and time required to complete it.*

### Partner-Level Professional Consulting Services

Monday-Thursday (during business hours).....\$350 per hour

Friday-Sunday & Evenings .....\$425 per hour

## 3. What discount from your normal fees for each type of service will you offer to MDA members?

In recognition of the strong and mutual support between The DBS Companies and the MDA, we propose \$100 of our monthly service fees and 10% of our fees for tax returns be appropriated between MDA member discounts and organization royalties at the discretion of MDA leadership.

### Example 1:\*

#### MDA client using our monthly accounting services

Accounting Fee ..... \$600 per month

Total Annual Costs ..... \$7,200 total (\$600 x 12 months)

Royalties Paid to MDA ..... \$1,200 total (\$100 x 12 months)

*\*In this example, MDA can determine how much of the \$1,200 they would like to take in royalty payment vs. pass along as savings to members. We encourage the MDA to pick something that is easily describable to MDA members. The \$1,200 will be paid in collections within 60 days of receiving in the form of monthly installments.*


### Example 2:\*\*

#### MDA client using our business tax return preparation services

Tax Return Preparation Fee ..... \$1,000 total

Royalties Paid to MDA ..... \$100 total (10% of \$1,000)

*\*\*In this example, MDA can determine how much of the \$100 they would like to take*



*in royalty payment vs. pass along as savings to members. We encourage the MDA to pick something that is easily describable to MDA members. The \$100 will be paid in collections within 60 days of receiving.*





The  
DBS  
Companies



Customer  
Services



### 1. Describe your intake consultation/onboarding process.

For potential clients, we begin our relationship with a free consultation. The purpose of the initial consultation meeting is to make introductions, discuss their practice or personal finances, review the practice entity, discuss their staff or any management concerns, etc.

Following the meeting, we develop strategies, provide recommendations, and assist in the selection of appropriate tax strategies that are the best fit for the potential client's needs. We then review the scope of services the potential client desires from DBS, discuss fees (including any additional fees related to the unique circumstances or needs of the potential client), and present the potential client with an Engagement Letter.

If the potential client signs the Engagement Letter, they are officially brought on as a new client. We then begin working with the client on an ongoing basis and proactively work to align our clients' needs with their goals. This service includes quarterly or semi-annual tax planning meetings; monthly accounting and financial statement preparation; as well as regular phone, email, and one-on-one availability to clients.

### 2. What mechanisms will be in place to track MDA member business?

We are open to discussion of the most efficient and effective means for ongoing tracking. As a starting point, we suggest maintaining a spreadsheet identifying each MDA member, the gross fee collected, their member discount, and MDA royalties to be submitted along with monthly royalty payments.

First Name/ Identifier	Gross Fee Collected	Member Discount	Royalties Submitted
---------------------------	------------------------	--------------------	------------------------

### 3. Can your company serve the entire state of Michigan?

Yes, The DBS Companies actively serves clients throughout the state of Michigan. We also currently have clients in Florida, New Hampshire, Illinois, and Kansas. Through the combination of in-person meetings, conference calls, virtual meetings, and regular correspondence, distance is not an issue in delivering exceptional client care.





The  
DBS  
Companies

E.

Business  
Referrals

- 1. MDA IFG would like to be the first point of referral for any identified business or personal insurance needs discovered through your consultation process. MDA IFG can provide literature and other referral information to your company for distribution to MDA member clients.**
- 2. Have you referred any of your clients to MDA IFG for their insurance needs? Please provide details.**

Yes, we have referred clients to MDA IFG for their insurance needs. However, we are not at liberty to discuss specific client information due to privacy laws and our company's code of ethics.

In addition, managing partner Ted Schumann II has his life, auto, and homeowners insurance policies through MDA IFG. Ted also regularly invites MDA IFG agents to attend his presentations.

- 3. How does your firm now handle insurance referrals?**

Currently, MDA IFG is our first point of referral when our clients come to us with insurance needs. We have direct cell phone and email addresses for some of the MDA IFG agents and can assist our clients with making direct connections.

- 4. Does your firm also have an insurance arm or any additional informal or contractual relationship with an insurance agency or company?**

No, The DBS Companies does not have any insurance division, nor does it have a relationship with an insurance agency or company. Clients who express concerns about their insurance are referred to MDA IFG.



The  
DBS  
Companies

F.

# Marketing to MDA Members



## 1. What marketing collateral would you develop in order to aid in the promotion of the MDA Program to our members (i.e. brochures, flyers, newsletters, articles, electronic communication, webinars)?

### Logo Usage:

Having a dedicated focus to the dental industry, we would integrate the MDA endorsement using established brand standards and guidelines on any of our public-facing communications for maximum exposure.

### Brochures / Flyers:

- Introduction piece: explaining the services and benefits available to MDA members
- Event promotions: capturing the content and registration details for each of our live and virtual education opportunities

### Newsletters / Email Communications:

We use an email database to share (A.) newsletters or articles with topics of interest with our clients and potential clients. These could be adapted and expanded as needed to provide regular communications with members.

**[See full article in Appendix]**

### Articles:

Over the years we have produced and contributed content for the Journal of the Michigan Dental Association based on the topics of interests dental professionals bring to us on a daily basis. We would anticipate continuing or increasing this involvement with the endorsement.



**Contact Us!**

**The DBS Companies**

**DBS INVESTMENT ADVISERS, LLC**

**Bay City Office**  
6006 Westside Saginaw Rd  
Bay City, MI 48706  
Phone: (800) 327-2377  
Fax: (989) 686-5380

**Clarkston Office**  
6548 Town Center Drive, Suite A  
Clarkston, MI 48346  
Phone: (248) 366-2900  
Fax: (248) 366-2904

**michigan dental association**

**It's Time To Take Action!**

Build a plan to reach your goals better, faster, and more efficiently with professional guidance from a company dedicated to your unique needs as a dental professional.

Contact Ted Schumann II at DBS Investment Advisers, LLC to schedule a free consultation!

www.TheDBSCompanies.com

**Meet Our Advisors**

**Ted Schumann II**  
MBA, MSE, CFP®, AIFP®  
ted.schumann@dbasia.net

**Jeff Brink, DDS**  
Investment Advisor  
Representative  
jeff.brink@dbasia.net

**Zach Rivaud**  
APMA®, CRPS®, AIFP®  
zach.rivaud@dbasia.net

## 2. Would you fund at least one direct mail campaign each year?

Yes, The DBS Companies will fund and manage distribution for at least one annual mailing co-branded with MDA IFG as part of our endorsement. (Example B. shows the most recent co-branded mailing from DBSIA, our investment advisory line of business.)

**[See full brochure in Appendix]**

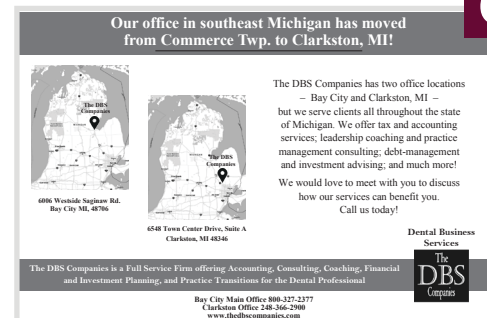
### 3. Would you purchase a booth at the MDA Annual Session?

Yes, we have exhibited at the MDA annual session for more than 20 years, and would continue purchasing a booth for The DBS Companies for each MDA Annual Session for the duration of our endorsement.

### 4. Would you advertise in the MDA monthly magazine?

Yes, we have both advertised **(C.)** and provided contributing articles on a regular basis over the years, and would purchase an ad each month for The DBS Companies as part of our endorsement.

**[See full advertisements in Appendix]**



### 5. Describe the marketing plan you would establish for the MDA Program:

Having a long-established dedication to the dental industry and MDA organization, many of our existing educational and promotional materials are immediately available for ongoing, mutually beneficial growth of our organizations. We would anticipate an increase in frequency and/or involvement in each of these areas upon official endorsement, including:

- Monthly e-newsletters
- Monthly ads in the Journal of the Michigan Dental Association
- Sponsorship of component society meetings in conjunction with MDA IFG based on interest of society and availability
- Seminars and webinars based on interest and MDA request
- Exhibiting & speaking at MDA Annual Session
- Contributing articles
- Direct mail campaigns, at least one annual mailing co-branded with MDA IFG

We are also open to discussion of additional promotional needs and ideas from MDA to maximize our partnership, which may include:

- Press release announcement
- Dedicated member website
- Co-branded and/or MDA specific print collateral

## **6. Would you build a specific landing page for MDA members on your website?**

Yes, we could easily build a dedicated landing page for MDA members on our website.

## **7. Is MDA Services expected to incur any marketing costs?**

We will work with MDA to find the most effective way to provide communication and value to members with the most efficient use of MDA and DBS resources.





royalties

The  
DBS  
Companies

G.

Royalties



### 1. What sort of revenue sharing structure do you envision as compensation to the MDA for the endorsement of your proposed services?

In recognition of the strong and mutual support between The DBS Companies and the MDA, we propose \$100 of our monthly service fees and 10% of our fees for tax returns (as outlined in Section C) be appropriated between MDA member discounts and organization royalties at the discretion of MDA leadership.

#### **Example 1:\***

##### **MDA client using our monthly accounting services**

Accounting Fee .....	\$600 per month
Total Annual Costs .....	\$7,200 total (\$600 x 12 months)
Royalties Paid to MDA .....	\$1,200 total (\$100 x 12 months)

*\*In this example, MDA can determine how much of the \$1,200 they would like to take in royalty payment vs. pass along as savings to members. We encourage the MDA to pick something that is easily describable to MDA members. The \$1,200 will be paid in collections within 60 days of receiving in the form of monthly installments.*

#### **Example 2:\*\***

##### **MDA client using only tax preparation services**

Tax Return Preparation Fee .....	\$1,000 total
Royalties Paid to MDA .....	\$100 total (10% of \$1,000)

*\*\*Applicable to clients where only one annual tax return is prepared. Cannot be combined with another engagement, like in Example #1.*

*In this example, MDA can determine how much of the \$100 they would like to take in royalty payment vs. pass along as savings to members. We encourage the MDA to pick something that is easily describable to MDA members. The \$100 will be paid in collections within 60 days of receiving.*

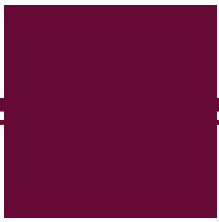
### 2. Would the MDA be compensated on existing MDA members currently using your services?

Yes, as consideration for MDA members who are active clients of The DBS Companies as of the effective endorsement date, we propose \$5,000 / year paid in 12 monthly installments of \$416.67 as royalties to the MDA in perpetuity for the duration of our endorsement agreement.



### **3. What is the frequency of royalty payment you would prefer? (i.e. Monthly vs. Quarterly)**

DBS would prefer monthly, but we are willing to be flexible and work with the MDA to find the most efficient payment option for both parties.





The  
DBS  
Companies

H.

Appendix



## Example A: Newsletter/Email Campaign Article

July 2019

Dental Business Services

### IRS Shuts Down State Tax Workaround

by: Jack G. Frank, MST, EA

The IRS has released proposed regulations that would shut down some suggested workarounds for the new \$10,000 limit on the deductibility of state and local taxes (SALT). The new guidance would close the door on a strategy offered by some states to circumvent the deduction limit by attempting to turn the taxes paid into charitable contributions not subject to the same cap.

#### Background

Historically, if you itemized deductions on your federal income tax return, you could generally claim a deduction for taxes paid to state and local governments, including income and property taxes (or sales tax in lieu of income tax). For 2018 to 2025, the deduction for state and local taxes is limited to \$10,000 (\$5,000 for married taxpayers filing separate returns).

Some high-tax states have proposed potential workarounds to the new federal limit on the deduction for state and local taxes, including:

- Providing a credit to taxpayers for charitable contributions to a state-created charity in lieu of payment of state income tax (or possibly for the amount of state tax in excess of the \$10,000/\$5,000 limit); the taxpayer would then claim a federal charitable tax deduction for the payment.
- Imposing a tax on employers instead of on employees; it's suggested that the employer could deduct the tax as a business expense on its federal tax return and correspondingly reduce the amount paid to an employee,

who effectively receives the same amount on an after-tax basis.

The proposed regulations address only the concept of trying to reposition payment of state taxes as charitable contributions.

#### Proposed regulations

The proposed IRS regulations would restrict the charitable deduction workaround by:

- Reducing the federal charitable deduction for individuals to the extent that a state provides a state or local tax credit in return for a payment or transfer of property to charity. However, the federal deduction for charitable contributions would not be reduced if the state or local tax credit does not exceed 15%.
- Reducing the federal charitable deduction for individuals if a tax deduction is provided at the state or local level in return for a payment or transfer of property to charity, in cases where that deduction is greater than the amount of the payment (or the fair market value of donated property).

The proposed regulations have an effective date for amounts paid and property transferred after August 27, 2018.

**Example:** An individual makes a payment of \$1,000 to a charity. In exchange for the payment, the individual is entitled to a state tax credit of 70% of the payment. The federal charitable

deduction is reduced from \$700 (\$1,000 x 70%) to \$300.

**Example:** An individual contributes a painting worth \$100,000 to a charity. In exchange for the contribution, the individual is entitled to a state tax credit of 15% of the fair market value of the property. The federal charitable deduction is not reduced because the credit does not exceed 15%.

**Example:** An individual makes a payment of \$1,000 to a charity. In exchange for the payment, the individual is entitled to a state tax deduction equal to the amount of the payment. The federal charitable deduction is not reduced because the deduction does not exceed the amount of the payment.

**Note:** Whether or not these limits based on state or local tax credits or deductions apply, the amount of your charitable deduction may be limited to certain percentages of your adjusted gross income, depending on the type of charity and the property contributed.

As you can see, the limit on the deduction for taxes paid at the state and local levels is a departure from prior legislation. This is one of the few negatives brought about by the Tax Cuts and Jobs Act of 2017. We strive to be proactive in tax planning with our clients to accommodate the ever-changing tax landscape. Please feel free to contact me to discuss your current tax situation or begin the tax planning process.



## Example B: Co-Branded Direct Mail Campaign (DBSIA Brochure & MDA Letter)

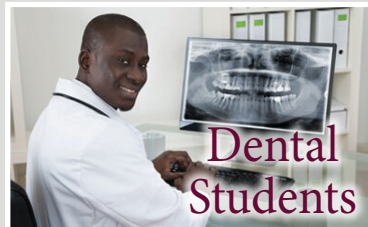


### DBS INVESTMENT ADVISERS, LLC

DBS Investment Advisers, LLC is dedicated to helping dental professionals manage their financial future! We have over 20 years of experience working with dentists throughout every stage of their careers. Our advisers work by your side to create a financial plan that best suits your individual needs and goals.



### Who We Serve:



Dental  
Students



Associate  
Dentists



Seasoned  
Dentists



Retiring & Retired  
Dentists

### What We Do:



We work with you to balance your personal and professional goals! Whether you're a new graduate looking to pay off costly student debts, an experienced dentist looking to retire, or at any other stage in your career, DBS Investment Advisers, LLC will help you manage your financial future! We can help with:

- ✓ Evaluating job offers & opportunities
- ✓ Debt-reduction planning
- ✓ Personal & business retirement plans
- ✓ Investment guidance and management
- ✓ Maximizing retirement income
- ✓ And much more!

## Example B: Co-Branded Direct Mail Campaign (DBSIA Brochure & MDA Letter)

### Contact Us!



#### DBS INVESTMENT ADVISERS, LLC

##### Bay City Office

6006 Westside Saginaw Rd  
Bay City, MI 48706  
**Phone:** (800) 327-2377  
**Fax:** (989) 686-5380

##### Clarkston Office

6548 Town Center Drive, Suite A  
Clarkston, MI 48346  
**Phone:** (248) 366-2900  
**Fax:** (248) 366-2904



michigan dental  
ASSOCIATION  
ENDORSED



### It's Time To Take Action!

Build a plan to reach your goals better, faster, and more efficiently with professional guidance from a company dedicated to your unique needs as a dental professional.

Contact Ted Schumann II at DBS Investment Advisers, LLC to schedule a free consultation!

[www.TheDBSCompanies.com](http://www.TheDBSCompanies.com)

### Meet Our Advisors



**Ted Schumann II**  
MBA, MSF, CFP®, AIF®  
[ted.schumann@dbsia.net](mailto:ted.schumann@dbsia.net)



**Jeff Brink, DDS**  
Investment Advisor  
Representative  
[jeff.brink@dbsia.net](mailto:jeff.brink@dbsia.net)



**Zach Rivard**  
APMA®, CRPS®, AIF®  
[zach.rivard@dbsia.net](mailto:zach.rivard@dbsia.net)

## Example B: Co-Branded Direct Mail Campaign (DBSIA Brochure & MDA Letter)



**DBS**  
INVESTMENT  
ADVISERS, LLC

Dear MDA member,

As self-employed dentists, one of the challenges we all grapple with is finding the time and energy to implement a successful retirement savings plan. While we know it's important, the day-to-day demands of our practices often cause us to overlook this critical area of our professional lives. A few years ago, the MDA announced its endorsement of DBS Investment Advisers, LLC, to assist members in building and managing their personal wealth through individual investment portfolios as well as small business retirement plans. DBSIA was selected because of its deep knowledge of the business of dentistry, the unique challenges our members face, and their willingness to help our new and younger dentists begin to invest in their futures.

Now there is more good news about DBSIA. It has partnered with an MDA member dentist who is also a licensed investment adviser representative, Dr. Jeff Brink, to add even more expertise in both the dental business and investment worlds. Dr. Brink is a general dentist whose practice, Lakeview Dental Care, is located in Hamburg Township. Since his licensing in 2015 and prior to joining DBSIA, Dr. Brink owned and operated his own investment advisory firm serving only members of the dental profession. Dr. Brink is passionate about the business of dentistry and ready to guide other dentists in achieving successful career and financial outcomes.

Both Ted Schumann II and Dr. Brink are available to assist you as you pursue your financial and career goals. If you are concerned that you are not "on track" or worried that your do-it-yourself investment model may be coming up short or exposing you to too much risk, then please reach out to them for a free consultation. DBSIA has significant expertise in the area of office retirement plan design and execution. Proper plan selection, design, and fund selections are key to your long-term success. If in doubt, DBSIA will offer you a complimentary plan analysis. Now is the right time to reach out to DBSIA for assistance. They are also available to perform a retirement readiness evaluation for those members closer to the end of their careers who have built personal wealth and are weighing their retirement options.

DBSIA offers a reduced fee structure for MDA members. As investment fiduciaries, the advisers at DBSIA are never compensated by commissions paid on the sale of financial products. They are obligated to only offer financial advice that is in your long-term best interest. I encourage you to call 800-327-2377 and set up an appointment with Dr. Brink or Ted Schumann II. In these volatile times, professional guidance can only help.

Sincerely,

Michael Booth  
Chair, MDA Services

3657 OKEMOS ROAD • SUITE 100 • OKEMOS MI 48864-3927 • 800.860.2272 • FAX: 517.484.5460 • MDAPROGRAMS.COM

**Example C: Recent Monthly MDA Magazine Ad****Our office in southeast Michigan has moved  
from Commerce Twp. to Clarkston, MI!**

6006 Westside Saginaw Rd.  
Bay City MI, 48706



6548 Town Center Drive, Suite A  
Clarkston, MI 48346

The DBS Companies has two office locations  
– Bay City and Clarkston, MI –  
but we serve clients all throughout the state  
of Michigan. We offer tax and accounting  
services; leadership coaching and practice  
management consulting; debt-management  
and investment advising; and much more!

We would love to meet with you to discuss  
how our services can benefit you.  
Call us today!

The DBS Companies is a Full Service Firm offering Accounting, Consulting, Coaching, Financial  
and Investment Planning, and Practice Transitions for the Dental Professional

Dental Business  
Services

The  
DBS  
Companies

Bay City Main Office 800-327-2377  
Clarkston Office 248-366-2900  
[www.thedbscompanies.com](http://www.thedbscompanies.com)



## **Contact Us:**

The DBS Companies  
6006 Westside Saginaw Rd  
Bay City, MI 48706

(800) 327-2377

[www.TheDBSCompanies.com](http://www.TheDBSCompanies.com)