

SIROTE & PERMUTT

A PROFESSIONAL CORPORATION

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September 10, 1992

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PERSONAL, PRIVATE AND CONFIDENTIAL

U. S. Department of Labor
Office of Employee Benefits Security,
Labor Management Services Administration
Washington, D.C. 20216

RE: Deferred Compensation Reporting
and Disclosure Compliance Statement

Gentlemen:

1. Name and Address of Employer:

Tuscaloosa Ear, Nose & Throat Center, P.C.
921 Professional Plaza
Tuscaloosa, AL 35401

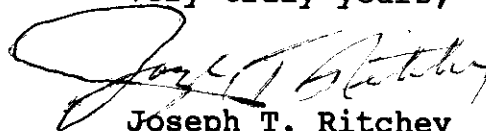
2. Employer Identification Number: 63-0726764

3. Declaration: Tuscaloosa Ear, Nose & Throat Center, P.C. maintains plans primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.

4. The Number of Plans Maintained by Employer: 4

Attached are copies of that portion of the Agreements which represent the deferred compensation plans. We will be happy to provide additional information upon your request.

Very truly yours,


Joseph T. Ritchey
FOR THE FIRM

JTR/ACW/ks
Enclosures
29026LTR.ACW

Department of Labor
September 10, 1992
Page 2

bcc: James E. Shotts, Jr., M.D. (w/enclosures)
James H. Walburn, M.D. (w/enclosures)
Max W. McCord, Jr., M.D. (w/enclosures)
Lee Loftin, M.D. (w/enclosures)
William A. Tate, CPA (w/enclosures)

SEP 15

EXHIBIT "A"

In the event of termination of employment of the Employee for any reason whatsoever pursuant to Section 16 of this Agreement, the termination benefit pursuant to Section 17 shall be determined as follows:

(a) Definitions:

(1) "Accounts Receivable" shall mean gross charges for professional or other medical services on the books of Employer as of the Applicable Date, reduced by the portion of the gross charges which the Employer is unable to receive by contract from patients, insurance companies, federal or state governments or other third party payors.

(2) "Applicable Date," in the event of termination pursuant to Sections 16.1, 16.2 or 16.4 of this Agreement, shall mean the date of termination of employment. In the event of termination of employment pursuant to Section 16.3, or in the event of death during a period of Disability, "Applicable Date" shall mean the date Employee's Disability commenced, as hereinabove defined.

(3) "Applicable Period" shall mean the twelve month period immediately preceding the applicable Date.

(4) "Collectible Accounts Receivable" shall mean 90% of Accounts Receivable of the Employer as of the Applicable Date.

(5) "Employee's Production Percentage" shall mean a fraction, the numerator of which shall be the gross charges attributable to the services of the Employee for the Applicable Period, and the denominator of which shall be the total amount of Employer's gross charges attributable to the services of all Senior Physician Employees plus the sum of the product(s) of the following formula for each physician employee, who is not a Senior Physician Employee: the physician employee's vested percentage in his termination benefit times the gross charges attributable to the services of the physician employee.

(6) "Senior Physician Employees" shall mean James E. Shotts, Jr., M.D., James H. Walburn, M.D., and Max W. McCord, Jr., M.D.

(b) Termination Benefit Formula:

(1) An amount equal to 33-1/3% of the first \$450,000 Collectible Accounts Receivable of the Employer as of the Applicable Date; plus

(2) An amount equal to the Employee's Production Percentage times the excess of Collectible Accounts Receivable over \$450,000; less

(3) Any Disability Payments as hereinabove defined paid to Employee by the Employer pursuant to this Agreement.

(c) Calculation: The result of the foregoing calculations shall be the amount of the Termination Benefit. The amount of the Termination Benefit shall be determined by the accountant or accounting firm then servicing the Employer, from the financial records of the Employer and such determination, when made and delivered to the Employer, shall be binding upon all interested parties.

(d) Vesting: All termination benefits payable to the Employee pursuant to Section 17 hereof are contingent upon the percentage of the Termination Benefit in which the Employee is vested on the Applicable Date, determined by the number of full consecutive years of employment completed by the Employee with the Employer as follows:

<u>Years of Employment Completed</u>	<u>Vested Percentage</u>
1	20%
2	40%
3	60%
4	80%
5	100%

Dated effective June 29, 1992.

Employer:

James E. Shotts, Jr.
James E. Shotts, Jr., M.D.
President

Employee:

James H. Walburn, M.D.
James H. Walburn, M.D.

EXHIBIT "A"

In the event of termination of employment of the Employee for any reason whatsoever pursuant to Section 16 of this Agreement, the termination benefit pursuant to Section 17 shall be determined as follows:

(a) Definitions:

(1) "Accounts Receivable" shall mean gross charges for professional or other medical services on the books of Employer as of the Applicable Date, reduced by the portion of the gross charges which the Employer is unable to receive by contract from patients, insurance companies, federal or state governments or other third party payors.

(2) "Applicable Date," in the event of termination pursuant to Sections 16.1, 16.2 or 16.4 of this Agreement, shall mean the date of termination of employment. In the event of termination of employment pursuant to Section 16.3, or in the event of death during a period of Disability, "Applicable Date" shall mean the date Employee's Disability commenced, as hereinabove defined.

(3) "Applicable Period" shall mean the twelve month period immediately preceding the applicable Date.

(4) "Collectible Accounts Receivable" shall mean 90% of Accounts Receivable of the Employer as of the Applicable Date.

(5) "Employee's Production Percentage" shall mean a fraction, the numerator of which shall be the gross charges attributable to the services of the Employee for the Applicable Period, and the denominator of which shall be the total amount of Employer's gross charges attributable to the services of all Senior Physician Employees plus the sum of the product(s) of the following formula for each physician employee, who is not a Senior Physician Employee: the physician employee's vested percentage in his termination benefit times the gross charges attributable to the services of the physician employee.

(6) "Senior Physician Employees" shall mean James E. Shotts, Jr., M.D., James H. Walburn, M.D., and Max W. McCord, Jr., M.D.

(b) Termination Benefit Formula:

(1) An amount equal to 33-1/3% of the first \$450,000 Collectible Accounts Receivable of the Employer as of the Applicable Date; plus

(2) An amount equal to the Employee's Production Percentage times the excess of Collectible Accounts Receivable over \$450,000; less

(3) Any Disability Payments as hereinabove defined paid to Employee by the Employer pursuant to this Agreement.

(c) Calculation: The result of the foregoing calculations shall be the amount of the Termination Benefit. The amount of the Termination Benefit shall be determined by the accountant or accounting firm then servicing the Employer, from the financial records of the Employer and such determination, when made and delivered to the Employer, shall be binding upon all interested parties.

(d) Vesting: All termination benefits payable to the Employee pursuant to Section 17 hereof are contingent upon the percentage of the Termination Benefit in which the Employee is vested on the Applicable Date, determined by the number of full consecutive years of employment completed by the Employee with the Employer as follows:

<u>Years of Employment Completed</u>	<u>Vested Percentage</u>
1	20%
2	40%
3	60%
4	80%
5	100%

Dated effective June 29, 1992.

Employer: James E. Shotts, Jr.
James E. Shotts, Jr., M.D.
President

Employee: Max W. McCord, Jr.
Max W. McCord, Jr., M.D.

EXHIBIT "A"

In the event of termination of employment of the Employee for any reason whatsoever, the termination benefit pursuant to Section 18 shall be determined as follows:

(a) Definitions:

(1) "Accounts Receivable" shall mean gross charges for professional or other medical services on the books of Employer as of the Applicable Date, reduced by the portion of the gross charges which the Employer is unable to receive by contract from patients, insurance companies, federal or state governments or other third party payors.

(2) "Applicable Date," in the event of termination pursuant to Sections 16.1, 16.2 or 16.4 of this Agreement, shall mean the date of termination of employment. In the event of termination of employment pursuant to Section 16.3, or in the event of death during a period of Disability, "Applicable Date" shall mean the date Employee's Disability commenced, as hereinabove defined.

(3) "Applicable Period" shall mean the twelve month period immediately preceding the applicable Date.

(4) "Collectible Accounts Receivable" shall mean 90% of Accounts Receivable of the Employer as of the Applicable Date.

(5) "Employee's Production Percentage" shall mean a fraction, the numerator of which shall be the product of the Employee's vested percentage in his termination benefit times gross charges attributable to the services of the Employee for the Applicable Period, and the denominator of which shall be the total amount of Employer's gross charges attributable to the services of all Senior Physician Employees plus the sum of the product(s) of the following formula for each physician employee of Employer, including the Employee, who is not a Senior Physician Employee: the physician employee's vested percentage in his termination benefit times the gross charges attributable to the services of the physician employee.

(6) "Senior Physician Employees" shall mean James E. Shotts, Jr., M.D., James H. Walburn, M.D., and Max W. McCord, Jr., M.D.

(b) Termination Benefit Formula:

(1) An amount equal to the Employee's Production Percentage times the excess of Collectible Accounts Receivable over \$450,000; less

(2) Any Disability Payments as hereinabove defined paid to Employee by the Employer pursuant to this Agreement.

(c) Calculation: The result of the foregoing calculations shall be the amount of the Termination Benefit. The amount of the Termination Benefit shall be determined by the accountant or accounting firm then servicing the Employer, from the financial records of the Employer and such determination, when made and delivered to the Employer, shall be binding upon all interested parties.

(d) Vesting: All termination benefits payable to the Employee pursuant to Section 18 of this Agreement are contingent upon the percentage of the Termination Benefit in which the Employee is vested on the Applicable Date, determined by the number of full consecutive years of employment completed by the Employee with the Employer as follows:

<u>Years of Employment Completed</u>	<u>Vested Percentage</u>
1	0%
2	0%
3	10%
4	20%
5	30%
6	50%
7	60%
8	80%
9	90%
10	100%

Dated effective June 29, 1992.

Employer: _____

James E. Shotts, Jr.
James E. Shotts, Jr.,
M.D., President

Employee: _____

Lee Loftin
Lee Loftin, M.D.

EXHIBIT "A"

In the event of termination of employment of the Employee for any reason whatsoever pursuant to Section 16 of this Agreement, the termination benefit pursuant to Section 17 shall be determined as follows:

(a) Definitions:

(1) "Accounts Receivable" shall mean gross charges for professional or other medical services on the books of Employer as of the Applicable Date, reduced by the portion of the gross charges which the Employer is unable to receive by contract from patients, insurance companies, federal or state governments or other third party payors.

(2) "Applicable Date," in the event of termination pursuant to Sections 16.1, 16.2 or 16.4 of this Agreement, shall mean the date of termination of employment. In the event of termination of employment pursuant to Section 16.3, or in the event of death during a period of Disability, "Applicable Date" shall mean the date Employee's Disability commenced, as hereinabove defined.

(3) "Applicable Period" shall mean the twelve month period immediately preceding the applicable Date.

(4) "Collectible Accounts Receivable" shall mean 90% of Accounts Receivable of the Employer as of the Applicable Date.

(5) "Employee's Production Percentage" shall mean a fraction, the numerator of which shall be the gross charges attributable to the services of the Employee for the Applicable Period, and the denominator of which shall be the total amount of Employer's gross charges attributable to the services of all Senior Physician Employees plus the sum of the product(s) of the following formula for each physician employee, who is not a Senior Physician Employee: the physician employee's vested percentage in his termination benefit times the gross charges attributable to the services of the physician employee.

(6) "Senior Physician Employees" shall mean James E. Shotts, Jr., M.D., James H. Walburn, M.D., and Max W. McCord, Jr., M.D.

(b) Termination Benefit Formula:

(1) An amount equal to 33-1/3% of the first \$450,000 Collectible Accounts Receivable of the Employer as of the Applicable Date; plus

(2) An amount equal to the Employee's Production Percentage times the excess of Collectible Accounts Receivable over \$450,000; less

(3) Any Disability Payments as hereinabove defined paid to Employee by the Employer pursuant to this Agreement.

(c) Calculation: The result of the foregoing calculations shall be the amount of the Termination Benefit. The amount of the Termination Benefit shall be determined by the accountant or accounting firm then servicing the Employer, from the financial records of the Employer and such determination, when made and delivered to the Employer, shall be binding upon all interested parties.

(d) Vesting: All termination benefits payable to the Employee pursuant to Section 17 hereof are contingent upon the percentage of the Termination Benefit in which the Employee is vested on the Applicable Date, determined by the number of full consecutive years of employment completed by the Employee with the Employer as follows:

<u>Years of Employment Completed</u>	<u>Vested Percentage</u>
1	20%
2	40%
3	60%
4	80%
5	100%

Dated effective June 29, 1992.

Employer:

James E. Shotts, Jr.
James E. Shotts, Jr., M.D.
President

Employee:

James E. Shotts, Jr.
James E. Shotts, Jr., M.D.