

Gary L. Cooper (ISB No. 1814)
 Ron Kerl (ISB No. 1768)
 COOPER & LARSEN, CHTD.
 151 North 3rd Avenue, Suite 210
 P.O. Box 4229
 Pocatello, Idaho 83205-4229
 Telephone (208) 235-1145
 Facsimile (208) 235-1182

U.S. DISTRICT COURT
 DISTRICT OF IDAHO
 POCATELLO
 CLERK OF COURT
 [Signature]

Counsel for Pocatello Dental Group, P.C.

**UNITED STATES DISTRICT COURT
 DISTRICT OF IDAHO**

POCATELLO DENTAL GROUP, P.C.,)
 an Idaho professional corporation,)
)
 Plaintiff,)

vs.)

INTERDENT SERVICE CORPORATION,)
 a Washington corporation,)
)
 Defendant.)

Case No. CIV 03-450-E-BLW

INTERDENT SERVICE CORPORATION,)
 a Washington corporation,)
)
 Counterclaimant,)

**MOTION FOR ORDER
 COMPELLING DISCOVERY**

vs.)

POCATELLO DENTAL GROUP, P.C., an)
 Idaho professional corporation; DWIGHT G.)
 ROMRIELL, individually; LARRY R.)
 MISNER, JR., individually; PORTER)
 SUTTON, individually; ERNEST SUTTON,)
 individually; GREGORY ROMRIELL,)
 individually; ERROL ORMOND, individually;)
 and ARNOLD GOODLIFFE, individually;)

Counterdefendants.)

COMES NOW the Plaintiff, by and through its attorneys of record, and pursuant to F.R.C.P. 37(a) and Local Rule 37.1 and 37.2 respectfully moves the Court for its Order compelling the Defendant InterDent Service Corporation ("ISC") to respond to the Plaintiff's discovery requests.

In support of this Motion, the Plaintiff makes the following representations:

1. Attached hereto as Exhibit "A" is a true and accurate copy of ISC's May 16, 2004 response to Plaintiff's First Set of Discovery.
2. Attached hereto as Exhibit "B" is a true and accurate copy of ISC's June 3, 2004 response to Plaintiff's Requests for Admissions.
3. Attached hereto as Exhibit "C" is Plaintiff's good faith effort, pursuant to Local Rule 37.1, to reach agreement with ISC on matters related to this Motion.
4. Attached hereto as Exhibit "D" is ISC's response to Plaintiff's good faith effort, pursuant to Local Rule 37.1, to reach agreement with ISC on matters related to this Motion. ISC did not accept any of Plaintiff's reasons for requesting additional information withheld by ISC in its original discovery responses.

Summary of Discovery Disputes

- A. **INTERROGATORY NO. 1.:** Identify any person with knowledge of the terms and conditions of any merger between Gentle Dental Management, Inc. and Gentle Dental Service Corporation.

RESPONSE: ISC objects that the terms of merger documents speak for themselves and that the interrogatory is overbroad and seeks information neither admissible in this action or reasonably calculated to lead to the discovery of admissible evidence. Moreover, plaintiff's stipulation in U.S. Bankruptcy Court that ISC would assume the Management Agreement precludes plaintiff from challenging the existence of ISC's rights under that agreement.

Group's Good Faith Attempt to Resolve: Paragraph 19. of ISC's Counterclaim

alleges that ISC is the successor in interest to the rights of GMS under the Management Agreement. The identity of those persons with knowledge of the merger is relevant and likely to lead to the discovery of admissible evidence relating to ISC's claim that it has rights under the management agreement, including its right to seek rescission of the agreement and restitution of any consideration paid by GMS. Please answer this interrogatory.

ISC's Response: ISC's assumption of the Management Agreement as ordered by the bankruptcy court conclusively established that ISC is the successor to GMS Dental's rights. If PDG objected to ISC's rights under the agreement, it should have made those objections in bankruptcy court. It may not re-litigate the issue now; therefore the discovery is not relevant to any issue in the case.

Group's Reply: PDG is entitled to know the identity of those parties having knowledge of the terms and conditions of the subject merger. PDG is willing to limit the disclosure to the identity of management personnel directly involved in negotiating the terms of the merger and in reducing those terms to the written agreements signed by the parties thereto.

- B. **INTERROGATORY NO. 2.:** Identify any person with knowledge of any "2028" report or other list of dental patients who, at any time, were refused the right to obtain or continue to receive dental care from the Plaintiff or its dentists.

RESPONSE: ***Barbara Henderson, Bruce Call and the individual dentists who requested or approved such discontinuance of treatment at the Pocatello office.

Group's Good Faith Attempt to Resolve: Describe the "individual dentists who requested or approved such discontinuance of treatment at the Pocatello office." Your attempt to refer to such dentists generically is inappropriate when the discovery request asks for the person to be "identified." Please provide the requested information.

ISC's Response: The identity of the individual dentists who approved discontinuance of treatment will be apparent from the business records produced in this case. See Fed. R.Civ.P. 33 (d).

Group's Reply: ISC has not produced any business records which consist of a "2028" report or similar list of patients who were refused the right to obtain or continue to receive dental care, nor has it produced any business record which identifies any "individual dentists who requested or approved such discontinuance of treatment at the Pocatello office."

- C. **INTERROGATORY NO. 3.:** Describe any consideration paid by Gentle Dental Service Corporation to Gentle Dental or any other person or entity when it merged

with Gentle Dental and acquired its contract rights, including those evidenced by the management agreement.

RESPONSE: ISC objects that the terms of merger documents speak for themselves and that the interrogatory is overbroad and seeks information neither admissible in this action or reasonably calculated to lead to the discovery of admissible evidence. Moreover, plaintiff's stipulation in U.S. Bankruptcy Court that ISC would assume the Management Agreement precludes plaintiff from challenging the existence of ISC's rights under that agreement.

Group's Good Faith Attempt to Resolve: ISC's counterclaim is seeking restitution of \$2.8 Million dollars. That \$2.8 Million was paid by Gentle Dental, not ISC. If ISC is seeking "restitution" for the consideration paid by Gentle Dental, it is certainly relevant to the defense of such an equitable claim to ask ISC to describe the consideration it has paid to Gentle Dental. Please provide the requested information.

ISC's Response: ISC's assumption of the Management Agreement as ordered by the bankruptcy court conclusively established that ISC is the successor to GMS Dental's rights. If PDG objected to ISC's rights under the agreement, it should have made those objections in bankruptcy court. It may not re-litigate the issue now; therefore the discovery is not relevant to any issue in the case.

PDG's Further Reply: This information is needed to defend ISC's counterclaim. Without this information PDG has been unable to have its forensic accountant review ISC's records and provide an opinion on the issues related to ISC's damage claims

- D. **INTERROGATORY NO. 4:** Describe any requests for new or additional equipment, supplies, or staff made to the Defendant by the Plaintiff or any of its dentists.

RESPONSE: ISC objects to this request to the extent that such information is obviously in plaintiff's possession. ISC further objects that plaintiff has conceded that ISC is entitled to partial summary judgment for any claims for damages before the confirmation of ISC's Plan of Reorganization on October 3, 2004. Without waiving its objections, ISC is unaware of any such request after October 3, 2003. ISC's investigation is continuing. ISC will not supplement this response for information manufactured by plaintiff for the purpose of this litigation and/or to avoid summary judgment.

Group's Good Faith Attempt to Resolve: PDG disagrees with ISC's use of the bankruptcy proceedings as an excuse for not performing the contract *after* confirmation of its chapter 11 plan. If equipment was inadequate before confirmation and needed to be replaced, confirmation of ISC's plan did not excuse

it [ISC] from performing its duties under the Management Agreement *after* confirmation by providing adequate equipment. To the extent equipment requests were made to ISC prior to October 3 and they have not been honored by ISC since October 3, a new breach has occurred. Please provide the requested information.

ISC's Response: No response was given by ISC. Group's good faith attempt to resolve the discovery dispute was ignored by ISC.

- E. **INTERROGATORY NO. 6.:** With respect to the period of time commencing on October 11, 1996 and continuing up through the date you answer these discovery requests, state the dollar amount of revenues, as that term is defined in paragraph 2.4 of the management agreement, which Defendant or its predecessors in interest have retained for their own use, rather than the payment of any obligations Defendant is required to pay under the Management Agreement.

RESPONSE: ISC objects to this interrogatory as unduly burdensome, vague and assuming a legal conclusion (what ISC is or is not required to pay under the Management Agreement) as part of the interrogatory. ISC further objects that under the Management Agreement, *all* of the revenues as defined in that Agreement belong to ISC. ISC further objects that plaintiffs have conceded that ISC is entitled to partial summary judgment for any claims for damages before the confirmation of ISC's Plan of Reorganization on October 3, 2003. Without waiving its objections, ISC states that for the discoverable time period, after October 3, 2003, for expenses that it approved, it is not aware of an account due or overdue that is unpaid. ISC does not intend to supplement this response with information manufactured by plaintiff for the purpose of this litigation and/or to avoid summary judgment.

Group's Good Faith Attempt to Resolve: ISC's counterclaim is seeking restitution of \$2.8 Million dollars. This interrogatory seeks to determine the amount of PDG's revenues, between October 11, 1996 and the date of ISC's discovery response, which ISC has retained as its management fee. It is certainly relevant to the defense of such an equitable claim to ask ISC to describe the money it has retained as a management fee over the term of the Agreement. Please provide the requested information.

ISC's Response: No response was given by ISC. Group's good faith attempt to resolve the discovery dispute was ignored by ISC.

PDG's Further Reply: This information is needed to defend ISC's counterclaim. Without this information PDG has been unable to have its forensic accountant review ISC's records and provide an opinion on the issues related to ISC's damage claims

- F. **INTERROGATORY NO. 10.:** Has the Defendant, since January 1, 2000, been sued by any other dental group with which it has a management contract or performs

management services? **INTERROGATORY NO. 11.:** Identify any person having knowledge of the facts stated in your answer to Interrogatory No. 10.

RESPONSE (10): ISC objects that this interrogatory is not reasonably calculated to lead to the discovery of admissible evidence and propounded solely for the purpose of harassment and undue expense. (10).

Group's Good Faith Attempt to Resolve: ISC's course of dealing with other dental groups, and the fact that it has or has not been engaged in litigation with other dental groups, may lead to the discovery of admissible evidence bearing on PDG's claims, *i.e.* a systematic refusal to honor terms of its Management Agreements. Likewise, the "clean hands" doctrine is a defense to ISC's request for equitable relief and litigation between ISC and other dental groups may lead to the discovery of admissible evidence supporting that defense. Your objections are insufficient. Please provide the requested information.

ISC's Response: The questions in this case relate to the particular contract documents, the conduct of the parties vis-a-vis each other and their rights and obligations determined by the orders of the bankruptcy court. Events involving third parties provide no discoverable information on these issues.

- G. **INTERROGATORY NO. 12.:** Identify the operational and accounting documents upon which you rely to establish your damage claim, as disclosed by you in your Initial Disclosures dated February 25, 2004. **INTERROGATORY NO. 15.:** Provide a detailed itemization of the damages you are claiming in your counterclaim.

RESPONSE: Pursuant to Fed. R. Civ. P. 33 (d), ISC will produce responsive business records upon entry of an acceptable protective order for confidential and proprietary business information.

Group's Good Faith Attempt to Resolve: PDG has executed the stipulation re: protective order. Please produce the accounting and damage calculation records. The stipulation will be honored by PDG even in the absence of an order. Please provide the requested information.

ISC's Response: When the Protective Order is entered, we will provide the remaining documents. Due to the delay in getting Lowell's signature, I do not believe it has not (sic) yet been entered. If I am wrong about this, please let me know. Obviously, protected information cannot be produced until there is a protective order binding on all parties.

Group's Reply: PDG has executed the stipulation and the order should be entered with respect to it, and the documents produced to it.

PDG's Further Reply: This information is needed to defend ISC's counterclaim. Without this information PDG has been unable to have its forensic accountant review ISC's records and provide an opinion on the issues related to ISC's damage claims.

- H. **INTERROGATORY NO. 16.:** Provide a detailed list of any new or used equipment you have purchased and placed upon the premises for the Plaintiff's or its dentists' use between January 1, 2000 and the date of your response to this interrogatory. **INTERROGATORY NO. 17.:** Provide a detailed list of any equipment located in the premises which you have replaced because it had fallen into disrepair and/or become obsolete between January 1, 2000 and the date of your response to this interrogatory.

RESPONSE: ISC objects that this interrogatory is overbroad and calls for information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it calls for documents before the conformation (sic) of ISC's Plan of Reorganization on October 3, 2003. Pursuant to Fed. R. Civ. P. 33 (d), ISC will produce responsive documents for the permissible time period, after October 3, 2003.

Group's Good Faith Attempt to Resolve: PDG disagrees with ISC's use of the bankruptcy proceedings as an excuse for not performing the contract *after* confirmation of its chapter 11 plan. If equipment was inadequate before confirmation and needed to be replaced, confirmation of ISC's plan did not excuse it from performing its duties under the Management Agreement *after* confirmation by providing adequate equipment. ISC's purchase and replacement of equipment between January 1, 2000 and the date of ISC's response can be considered, or will lead to admissible evidence which will allow the Court and parties to evaluate ISC's post-confirmation performance under the Management Agreement. Please provide the requested information dating back to January 1, 2000.

ISC's Response: No response was given by ISC. Group's good faith attempt to resolve the discovery dispute was ignored by ISC.

- I. **INTERROGATORY NO. 18.:** Identify all staff you have hired to work in the premises between January 1, 2000 and the date of your response to this interrogatory. **INTERROGATORY NO. 19.:** With respect to each such staff member identified in your answer to Interrogatory No. 18, describe their training and experience at the time they were hired to work on the premises.

RESPONSE: (18)ISC objects that this interrogatory is overbroad and calls for information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it calls for documents before the conformation of ISC's Plan of Reorganization on October 3, 2003. Without waiving

its objections, pursuant to Fed. R. Civ. P. 33(d), ISC will produce responsive documents. (19)ISC objects to this request as unduly broad and overly burdensome and incorporates its objections to Interrogatory No. 18. Without waiving its objections, ISC states that, pursuant to Fed. R. Civ. P. 33(d), it is producing training materials

Group's Good Faith Attempt to Resolve: PDG disagrees with ISC's use of the bankruptcy proceedings as an excuse for not performing the contract *after* confirmation of its chapter 11 plan. If staffing was inadequate before confirmation and needed to be trained or supplemented, confirmation of ISC's plan did not excuse it from performing its duties under the Management Agreement *after* confirmation by providing adequately trained staff. ISC's hiring of staff between January 1, 2000 and the date of ISC's response can be considered, or will lead to admissible evidence which will allow the Court and parties to evaluate ISC's post-confirmation performance under the Management Agreement. Please provide the requested information dating back to January 1, 2000.

ISC's Response: No response was given by ISC. Group's good faith attempt to resolve the discovery dispute was ignored by ISC.

Group's Further Reply: Only documents for the period commencing after October 3, 2003 were produced. Documents preceding that date will show the level of training for staff on ISC's payroll on and after October 3, 2004. Further, simply providing training materials (which were provided by ISC) does not identify the training actually received by ISC's employees hired to assist the dentists of PDG. This case places in issue the adequacy of the trained staff ISC has provided PDG pursuant to the Management Agreement. This information will likely lead to evidence which is relevant to PDG's claims of breach.

- J. **INTERROGATORY NO. 20.** Identify all attorneys you have hired to represent the Plaintiff in any legal matter. **INTERROGATORY NO. 21.** Identify the amount and source of any payment for legal fees or costs you paid to any attorney or law firm identified in your answer to Interrogatory No. 20. **INTERROGATORY NO. 22.** Describe the nature of the representation provided by any lawyer or law firm identified in your answer to Interrogatory No. 20.

RESPONSE: (20) ISC objects that this interrogatory is neither relevant nor calculated to lead to the discovery of admissible evidence on any claim or defense in this action and that it is not limited in time to events after October 3, 2003. Without waiving its objections, ISC states that it has not hired any attorneys to represent plaintiff since October 3, 2003. (21) Not applicable. See response to Interrogatory No. 20. (22) Not applicable. See response to Interrogatory No. 20.

Group's Good Faith Attempt to Resolve: ISC has refused to defend the claims of Misner and Bybee against PDG, and has refused to get involved in defending the claim of the State of Idaho for Medicare over billings performed by ISC. If in the past ISC has hired and paid counsel to defend PDG against the claims of dentists and others with which it has contracted, or otherwise acted to defend against claims made against PDG, ISC's refusal to hire and pay counsel to defend these post confirmation claims can be considered evidence of its post-confirmation breach, or will lead to other admissible evidence which can be used to evaluate ISC's post-confirmation performance under the Management Agreement. Please provide the requested information.

ISC's Response: No response was given by ISC. Group's good faith attempt to resolve the discovery dispute was ignored by ISC.

- K. **REQUEST FOR PRODUCTION NO. 1.:** Produce the agenda for, and minutes of all JOC meetings for the three year period preceding the date you respond to this request.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. Without waiving its objections, ISC will produce documents for the discoverable time period.

Group's Good Faith Attempt to Resolve: In PDG's amended complaint it alleges that ISC is not using the Joint Operations Committee to make "joint operating decisions." Minutes from past meetings will provide a platform from which to compare ISC's pre-confirmation conduct in that regard, with the post-confirmation conduct of the ISC controlled JOC. Please provide the requested information.

ISC's Response: No response was given by ISC. Group's good faith attempt to resolve the discovery dispute was ignored by ISC.

Group's Further Reply: ISC claims that PDG violated the Management Agreement by entering into an employment contract with Dwight Romriell without the approval of the JOC [Joint Operations Committee]. Greg Romriell in his deposition stated that prior contracts with dentists were not presented to the JOC for approval. JOC minutes would help establish the procedures followed by ISC prior to the group's 2003 contract with Dwight Romriell, and therefore all JOC meeting minutes should be produced by ISC, regardless of when the meetings occurred.

- L. **REQUEST FOR PRODUCTION NO. 2.:** Produce the monthly, quarterly and annual profit and loss statements generated by Defendant with respect to the Plaintiff's dental practice for the period beginning on October 11, 1996 and

continuing up through the date you respond to these requests.

RESPONSE: ISC will produce responsive documents for a reasonable time period, since January 1, 2002, upon the entry of an acceptable protective order covering confidential and proprietary business information.

Group's Good Faith Attempt to Resolve: ISC's counterclaim is seeking restitution of \$2.8 Million dollars. Evidence of ISC and its predecessors' PDG related profits over the years since the Management Agreement was entered into is relevant to determine if ISC is entitled to the equitable relief it seeks, or if PDG is entitled to be returned money so that each party is returned to the *status quo ante*. PDG has executed the stipulation re: protective order. The stipulation will be honored by PDG even in the absence of an order. Please provide the requested information.

ISC's Response: See Interrogatory Nos. 1 and 3, *supra*.

PDG's Further Reply: This information is needed to defend ISC's counterclaim. Without this information PDG has been unable to have its forensic accountant review ISC's records and provide an opinion on the issues related to ISC's damage claims.

- M. **REQUEST FOR PRODUCTION NO. 5.:** Produce the "2028" list or or any other document prepared by the Defendant which identifies dental patients who, at any time, were not called back for dental care, or were refused, for any reason, the right to obtain or continue to receive dental care from the Plaintiff or its dentists.

RESPONSE: ISC objects that this request calls for the productions of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. Without waiving its objections, ISC has no discoverable documents it can confirm were generated during the discoverable time period.

Group's Good Faith Attempt to Resolve: PDG disagrees with ISC's use of the bankruptcy proceedings as an excuse for not performing the contract *after* confirmation of its chapter 11 plan. If ISC was unilaterally refusing to recall or schedule patients before confirmation, confirmation of ISC's bankruptcy plan did not give it the right to continue to do so *after* confirmation. ISC's use of 2028 or similar lists in the past can be considered, or will lead to admissible evidence which will allow the trier of fact to evaluate ISC's post-confirmation performance under the Management Agreement. Please provide the requested information.

ISC's Response: No response was given by ISC. Group's good faith attempt to resolve the discovery dispute was ignored by ISC.

- N. **REQUEST FOR PRODUCTION NO. 8.** Produce any document which evidences Defendant's claim, as set out in paragraph 8. of the October 31, 2003 affidavit of Ivar Chhina, that the Plaintiff wrote off over \$76,000 in dentistry as "professional" or "courtesy" discounts in the first quarter of 2003.

RESPONSE: Without waiving its objections, ISC will produce documents for the discoverable time period, if any, upon the entry of an acceptable protective order.

Group's Good Faith Attempt to Resolve: PDG has executed the stipulation re: protective order. The stipulation will be honored by PDG even in the absence of an order. Please provide the requested information.

ISC's Response: No response was given by ISC. Group's good faith attempt to resolve the discovery dispute was ignored by ISC.

PDG's Further Reply: This information is needed to defend ISC's counterclaim. Without this information PDG has been unable to have its forensic accountant review ISC's records and provide an opinion on the issues related to ISC's damage claims

- O. **REQUEST FOR PRODUCTION NO. 10.:** Produce any document evidencing the Plaintiff or its dentists' request to the Defendant for equipment, supplies, staff or other support for their dental practice.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. ISC further objects that responsive documents are the possession, custody or control of plaintiff. Without waiving its objections, ISC will produce documents for the discoverable time period, if any.

Group's Good Faith Attempt to Resolve: PDG disagrees with ISC's use of the bankruptcy proceedings as an excuse for not performing the contract *after* confirmation of its chapter 11 plan. If equipment was inadequate before confirmation and needed to be replaced, confirmation of ISC's plan did not excuse it from performing its duties under the Management Agreement *after* confirmation by providing adequate equipment. To the extent equipment requests were made to ISC prior to October 3 and they have not been honored by ISC since October 3, a new breach has occurred. Please provide the requested information.

ISC'S Response: No response was given by ISC. Group's good faith attempt to resolve the discovery dispute was ignored by ISC.

- P. **REQUEST FOR PRODUCTION NO. 11.:** Produce any document containing information identifying the name and address of any of the Plaintiff's, or of its dentists' patients for the period commencing on January 1, 2000 up through the date of your response to these discovery requests.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. ISC further objects that such documents are equally available to plaintiff in the Pocatello office. ISC further objects that this request is calculated for the purpose of undue expense and harassment and/or using the requested information to compete in violation of the agreements signed by plaintiff's shareholders.

Group's Good Faith Attempt to Resolve: The patient lists are needed to compare with the "2028" and similar no-recall lists used by ISC, so that those patients can be identified as fact witnesses. That information is probably contained in computer records maintained by ISC and could be easily re-produced by ISC. Such records are not readily accessible by PDG at the Pocatello office because access to those records has been restricted by ISC personnel. Please provide the requested information.

ISC's Response: PDG dentists have access to patient charts. ISC will not give its computer database to dentists who are in the process of preparing to compete with ISC and who have aided and abetted dentists who are already competing.

PDG's Further Reply: This information is needed. ISC has patient's names on computer records and can be extracted easily and economically. ISC wants the group to manually handle each patient chart to extract identifying information, at a cost which is burdensome to the Group.

- Q. **REQUEST FOR PRODUCTION NO. 12.:** Produce any document containing Defendant's past and present policies or procedures relating to the billing and collection of patient accounts pursuant to the management agreement.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. Without waiving its objections, ISC will produce documents for the discoverable time period, if any.

Group's Good Faith Attempt to Resolve: PDG disagrees with ISC's use of the bankruptcy proceedings as an excuse for not performing the contract *after* confirmation of its chapter 11 plan. If ISC's billing and collection practices and procedures have evolved over the years PDG is entitled to compare those practices

and procedures as it may lead to the discovery admissible evidence regarding ISC's breach of the Management Agreement post confirmation of its bankruptcy plan. Please provide the requested information.

ISC's Response: No response was given by ISC. Group's good faith attempt to resolve the discovery dispute was ignored by ISC.

- R. **REQUEST FOR PRODUCTION NO. 13.:** Produce any document containing information describing and/or quantifying any of the Plaintiff's revenues, including accounts receivable, for each month during the period commencing on October 11, 1996 and continuing through the date of your response to these discovery requests.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. ISC further objects that the request contains an erroneous legal conclusion in using the term "Plaintiff's Revenues." Without waiving its objections, ISC will produce documents for the discoverable time period, if any, upon the entry of an acceptable protective order.

Group's Good Faith Attempt to Resolve: ISC's counterclaim is seeking restitution of \$2.8 Million dollars. Evidence of Group's revenues over the years since the Management Agreement was entered into is relevant to determine if ISC is entitled to the equitable relief it seeks, or if PDG is entitled to be returned money so that each party is returned to the *status quo ante*. PDG has executed the stipulation re: protective order. The stipulation will be honored by PDG even in the absence of an order. Please provide the requested information.

ISC's Response: No response was given by ISC. Group's good faith attempt to resolve the discovery dispute was ignored by ISC.

PDG's Further Reply: This information is needed to defend ISC's counterclaim. Without this information PDG has been unable to have its forensic accountant review ISC's records and provide an opinion on the issues related to ISC's damage claims.

- S. **REQUEST FOR PRODUCTION NO. 14.:** Produce any document containing information describing and/or quantifying any of the Plaintiff's accounts payable or any other expense and liability of the Plaintiff for each month during the period commencing on October 11, 1996 up through the date of your response to these discovery requests.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003.

Without waiving its objections, ISC will produce documents for the discoverable time period, if any, upon the entry of an acceptable protective order.

Group's Good Faith Attempt to Resolve: ISC's counterclaim is seeking restitution of \$2.8 Million dollars. Evidence of Group's expenses and accounts payable over the years since the Management Agreement was entered into is relevant to determine if ISC is entitled to the equitable relief it seeks, or if PDG is entitled to be returned money so that each party is returned to the *status quo ante*. PDG has executed the stipulation re: protective order. The stipulation will be honored by PDG even in the absence of an order. Please provide the requested information.

ISC's Response: No response was given by ISC. Group's good faith attempt to resolve the discovery dispute was ignored by ISC.

PDG's Further Reply: This information is needed to defend ISC's counterclaim. Without this information PDG has been unable to have its forensic accountant review ISC's records and provide an opinion on the issues related to ISC's damage claims.

- T. **REQUEST FOR PRODUCTION NO. 15.:** Produce any document containing the agenda for, or minutes of any meeting of the Dental Advisory Board during the period commencing on January 1, 2000 up through the date of your response to these discovery requests.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence.

Group's Good Faith Attempt to Resolve: Dental Advisory Board minutes need to be produced, as your stated objection is inadequate. These minutes may relate to ISC's interference with PDG's dentists practice of dentistry.

ISC's Response: No response was given by ISC. Group's good faith attempt to resolve the discovery dispute was ignored by ISC.

- U. **REQUEST FOR PRODUCTION NO. 16.:** Produce any document containing a description of any equipment, fixture, or furniture purchase or leasehold improvement relating to the premises during the period commencing on October 11, 1996 and continuing up through the date of your response to these discovery requests.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003.

Without waiving its objections, ISC will produce documents for the discoverable time period.

Group's Good Faith Attempt to Resolve: ISC's counterclaim is seeking restitution of \$2.8 Million dollars. Evidence of ISC's expenses for equipment, fixtures and leasehold improvements over the years since the Management Agreement was entered into is relevant to determine if ISC is entitled to the equitable relief it seeks, or if PDG is entitled to be returned money so that each party is returned to the *status quo ante*. It also provides evidence of ISC's compliance with its affirmative obligation to maintain PDG's status as the preeminent group dental practice in South East Idaho. Please provide the requested information.

ISC's Response: No response was given by ISC. Group's good faith attempt to resolve the discovery dispute was ignored by ISC.

- V. **REQUEST FOR PRODUCTION NO. 17:** Produce any document reflecting any adjustments to any accounts receivable of the Plaintiff which were made by Defendant during the period commencing on January 1, 2000 up through the date of your response to these discovery requests.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. Without waiving its objections, ISC will produce documents for the discoverable time period, if any, upon the entry of an acceptable protective order complying with HIPAA protecting patient health information.

Group's Good Faith Attempt to Resolve: ISC claims that PDG has made unauthorized adjustments to patient bills. To evaluate that claim a historical review of the adjustment policies of, and actual adjustments made by ISC is necessary and will lead to admissible evidence to refute ISC's claim. Please provide the requested information.

ISC's Response: No response was given by ISC. Group's good faith attempt to resolve the discovery dispute was ignored by ISC.

Group's Further Reply: Group has executed the confidentiality stipulation required by ISC and the order could be entered with respect to Group. ISC should be required to produce the documents requested by Group.

- W. **REQUEST FOR PRODUCTION NO. 18:** Produce any document reflecting any interest charged to, and/or collected by Defendant as a part of Plaintiff's revenues, including interest charged to Plaintiff's accounts receivable, during the period

commencing on January 1, 2000 up through the date of your response to these discovery requests.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. ISC further objects that the request contains an erroneous legal conclusion in using the term "Plaintiff's Revenues." Without waiving its objections, ISC states that in the Management Agreement plaintiff assigned the practice revenues to ISC. Therefore interest earned on the revenues, if any, belongs to ISC. Without waiving its objections, ISC will produce responsive documents generated after October 3, 2003 subject to a protective order.

Group's Good Faith Attempt to Resolve: ISC's counterclaim is seeking restitution of \$2.8 Million dollars. Evidence of interest earned by ISC over the years since the Management Agreement was entered into is relevant to determine if ISC is entitled to the equitable relief it seeks, or if PDG is entitled to be returned money so that each party is returned to the *status quo ante*. PDG also reminds ISC that the revenues do not belong to ISC and that ISC, under oath, has made that very representation to the U.S. Bankruptcy Court in California and its many creditors. Please provide the requested information.

ISC's Response: Most of the arguments you make with regard to this request have already been addressed. Under the unambiguous language of the Management Agreement, PDG assigned all practice revenues to ISC. Ignoring this language will not make it go away. We disagree with your spin on the footnote to the bankruptcy filing that did not address the plain language of the Management Agreement between PDG and ISC.

Group's Further Reply: Under the employment agreements Group has with its dentists, the dentists are to receive a fixed percentage of their revenues. The word "revenues" is defined in the Management Agreement and does not exclude "interest" earned on revenues, therefore interest is an element of revenues to be included in the formula for compensating Group's dentists. This is a direct claim of the Plaintiff in its Amended Complaint and evidence of "interest" collected by ISC during the term of the Management Agreement is relevant.

- X. **REQUEST FOR PRODUCTION NO. 19:** Produce any document consisting of the Defendant's state and federal income tax returns for the period commencing on October 11, 1996 up through the date of your response to these discovery requests.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of

admissible evidence. ISC further objects that this request is propounded solely for the purpose of harassment and undue expense.

Group's Good Faith Attempt to Resolve: ISC's counterclaim is seeking restitution of \$2.8 Million dollars. Evidence of income earned by ISC over the years since the Management Agreement was entered into is relevant to determine if ISC is entitled to the equitable relief it seeks, or if PDG is entitled to be returned money so that each party is returned to the *status quo ante*. The tax returns, for eight years, have already been prepared and are easy to reproduce for PDG, and therefore not "burdensome." Please provide the requested information.

ISC's Response: Most of the arguments you make are already addressed. With regard to tax returns, tax returns are not discoverable unless there are no other, less intrusive means of obtaining information. *Premium Service Corp. v. Sperry & Hutchison Co.*, 511 F2d 225, 229 (9th Cir 1975). Obviously, PDG's shareholders (the ones who actually file returns) would object if ISC sought their tax returns.

PDG's Further Reply: This information is needed to defend ISC's counterclaim. Without this information PDG has been unable to have its forensic accountant review ISC's records and provide an opinion on the issues related to ISC's damage claims. ISC has refused to provide other "less intrusive means of obtaining information" by refusing to provide financial information requested by Group.

- Y. **REQUEST FOR PRODUCTION NO. 21:** Produce any documents relating to the land lease at 4155 Yellowstone Ave, Pocatello, Idaho, including a copy of the lease and any amendments, renewals and any correspondence relating thereto.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence.

Group's Good Faith Attempt to Resolve: ISC is obligated to provide PDG with a business location. The existing facility lease expires this coming Fall. Documents relating to its renewal (which requires advance notice to the landlord) would be evidence of ISC's post confirmation performance or its anticipatory breach of this aspect of the Management Agreement. Please provide the requested information.

ISC's Response: Please identify the allegation in the pleadings to which the lease documents relate. I am aware of no complaint in the pleadings related to the leased premises. Moreover, ISC has no obligation to disclose information related to lease issues to its current or future competitors to assist them in locating space from which to compete.

- Z. **REQUEST FOR PRODUCTION NO. 22:** Produce any documents relating to any training given to any employee of Defendant as it relates to their duties to be performed at the premises during the period commencing on October 11, 1996 up through the date of your response to these discovery requests.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. Without waiving its objections, ISC will produce documents for the discoverable time period.

Group's Good Faith Attempt to Resolve: PDG disagrees with ISC's use of the bankruptcy proceedings as an excuse for not performing the contract *after* confirmation of its chapter 11 plan. Information relating to ISC's employee training practices over the years since the Management Agreement was executed is necessary to compare to ISC's post confirmation practices and procedures, and may lead to the further discovery admissible evidence regarding ISC's breach of the Management Agreement post confirmation of its plan. Please provide the requested information.

ISC's Response: No response was given by ISC. Group's good faith attempt to resolve the discovery dispute was ignored by ISC.

- AA. **REQUEST FOR PRODUCTION NO. 23:** Produce any documents containing information relating to any civil complaint or lawsuit prosecuted for or against the Plaintiff and for or against the Defendant, other than the instant action, during the period commencing on October 11, 1996 up through the date of your response to these discovery requests.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence. ISC further objects that this request is propounded solely for the purpose of harassment and undue expense.

Group's Good Faith Attempt to Resolve: ISC has refused to defend the claims of Misner and Bybee against PDG, and has refused to get involved in defending the claim of the State of Idaho for Medicare over billings performed by ISC. If in the past ISC has hired and paid counsel to defend PDG against the claims of others, or otherwise acted to defend PDG against claims made against it. ISC's refusal to hire and pay counsel to defend these post confirmation claims of Misner, Bybee and the State of Idaho can be considered as evidence, or will lead to other admissible evidence which can be used to establish ISC's post-confirmation breach of the Management Agreement. Please provide the requested information.

ISC's Response: No response was given by ISC. Group's good faith attempt to resolve the discovery dispute was ignored by ISC.

- BB. REQUEST FOR PRODUCTION NO. 25:** Produce any document which contains the terms or conditions of any employment agreement between the Defendant and any of its employees whose duties, in whole or in part, relate to Defendant's obligations under the management agreement.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence. ISC further objects that this request is propounded solely for the purpose of harassment and undue expense and the invasion of employee privacy rights.

Group's Good Faith Attempt to Resolve: If those ISC employees charged with managing PDG are compensated based upon their ability to reduce ISC expenditures for equipment, staff and staff training, leasehold space, and related expenses associated with PDG, that fact may lead to evidence relating to ISC's motives for breaching the Management Agreement. The employment contracts with those ISC employees charged with supervision or action on the PDG Management Agreement is clearly relevant. Please provide the requested information.

ISC's Response: The only conceivable reason for requesting ISC employee employment contracts is for the purpose of harassment and invasion of privacy. Under your theory, ISC could conduct detailed discovery into the finances of PDG shareholders to investigate their motives for breaching the Management Agreement.

- CC. REQUEST FOR PRODUCTION NO. 31:** Produce any operational or accounting records related to Defendant's damage claim, as disclosed by you in your Initial Disclosures dated February 25, 2004.

RESPONSE: ISC will produce responsive documents upon the entry of an acceptable protective order covering proprietary and confidential business information.

Group's Good Faith Attempt to Resolve: PDG has executed the stipulation re: protective order. The stipulation will be honored by PDG even in the absence of an order. Please provide the requested information.

ISC's Response: No response was given by ISC. Group's good faith attempt to resolve the discovery dispute was ignored by ISC.

PDG's Further Reply: This information is needed to defend ISC's counterclaim. Without this information PDG has been unable to have its forensic accountant review ISC's records and provide an opinion on the issues related to ISC's damage claims.

- DD. **REQUEST FOR ADMISSION NO. 2.:** Admit that Defendant, without the consent of the Plaintiff or its dentists, has (1) refused to recall some of Plaintiff's or its dentists' patients for treatment, and/or (2) denied such patients the opportunity to obtain or continue to receive dental care from the Plaintiff or its dentists.

RESPONSE: ISC objects that this request is compound, vague and ambiguous. Without waiving its objections, ISC states that it is unaware of any patient plaintiff requested to receive care who was denied. ISC will not supplement this response for information manufactured by plaintiff for the purpose of this litigation and/or to avoid summary judgment.

Group's Good Faith Attempt to ResolveISC's response is "non-responsive." The request for admission asked ISC to admit that it (1) refused to recall or (2) denied patients the opportunity to obtain or continue to obtain dental care "without the consent of the Plaintiff or its dentists." Please directly respond to the request.

ISC's Response: No direct response was given by ISC. ISC's response, addressed to all Requests for admission stated:

"Most of the arguments you make are addressed above. With regard to the qualifications made by ISC in its responses to PDG's poorly drafted requests, I would draw your attention to Rule 36(a), which provides that in response to a request for admission to a party "when good faith requires that a party qualify an answer or deny only a part of the matter of which an admission is requested, the party shall specify so much of it as is true and qualify or deny the remainder." This is precisely what ISC has done. You also seem to contend that requests for admission are not subject to a relevance objection or the other objections that may be made to written discovery. This is not my understanding of the Federal Rules. If there is some issue regarding ISC's responses to the requests for admission not covered by the above, please let me know."

- EE. **REQUEST FOR ADMISSION NO. 3.:** Admit that some of those patients you have not recalled for dental care, and/or those patients you have denied the opportunity to obtain or continue to receive dental care from the Plaintiff or its dentists, have terminated their dentist/patient relationship with the Plaintiff and its dentists.

RESPONSE: ISC objects that this request assumes facts not in evidence and is argumentative.

Group's Good Faith Attempt to Resolve: ISC's response is "non-responsive." Rule 36 F.R.C.P. does not allow ISC to object on the basis stated. It must either admit or deny, or give the reasons why it cannot admit or deny. Please directly respond to the request.

ISC's Response: No direct response was given by ISC.

FF. **REQUEST FOR ADMISSION NO. 4.:** Admit that Defendant did not pay \$2.8 million in cash and stock to the shareholders of Plaintiff, but that any such payment was made by Defendant's predecessor in interest, GMS.

RESPONSE: Plaintiff's stipulation in U.S. Bankruptcy Court that ISC would assume the Management Agreement precludes plaintiff from challenging the existence of ISC's rights as successor to GMS. Consequently, this request calls for information not relevant to this action nor reasonably calculated to lead to the discovery of admissible evidence.

Group's Good Faith Attempt to Resolve: ISC's counterclaim is seeking restitution of \$2.8 Million dollars, and ISC has alleged that it paid the equivalent of this sum to PDG's shareholders. In fact it did not do so. It is believed by PDG that any such payment of money and issuance of stock was given by GMS and not ISC. This request addresses ISC's counterclaim, so please directly respond to the request.

ISC's Response: No direct response was given by ISC.

GG. **REQUEST FOR ADMISSION NO. 6.:** Admit that you have refused the Plaintiff and its dentists' requests for equipment, supplies, staff or other support for their dental practice without presenting the request to the JOC for consideration.

RESPONSE: ISC objects that this request calls for information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. Without waiving its objections, ISC states that, to the best of its knowledge and information, denied. ISC's investigation is continuing. ISC will not supplement this response for information manufactured by plaintiff for the purpose of this litigation and/or to avoid summary judgment.

Group's Good Faith Attempt to Resolve: ISC's response is "non-responsive." Rule 36 F.R.C.P. does not allow ISC to object on the basis given in its response. It must either admit or deny, or give the reasons why it cannot admit or deny. Please directly respond to the request.

ISC's Response: No direct response was given by ISC.

HH. **REQUEST FOR ADMISSION NO. 8:** Admit that during the period of time commencing on October 11, 1996 and continuing through the date you answer these discovery requests, Defendant has not distributed to Plaintiff or its dentists any revenues (as that term is defined in paragraph 2.4 of the management agreement) which Defendant or its predecessors have collected as interest on Plaintiff's revenues or accounts receivable.

RESPONSE: ISC objects that this request calls for information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. ISC further objects that the request contains an erroneous legal conclusion in using the term "Plaintiff's revenues." Without waiving its objections, ISC states that in the Management Agreement, plaintiff assigned the practice revenues to ISC. Therefore, interest earned on the revenues, if any, belongs to ISC.

Group's Good Faith Attempt to Resolve: ISC's response is "non-responsive." Rule 36 F.R.C.P. does not allow ISC to object on the basis given in its response. It must either admit or deny, or give the reasons why it cannot admit or deny. Please directly respond to the request. The request does not presuppose ownership of the "interest" component of any revenues received by ISC in collecting PDG's revenues. It simply asks ISC to admit that it has not distributed any aspect of "interest" to PDG's dentists. PDG also reminds ISC that the PDG revenues do not belong to ISC and that ISC, under oath, has made that very representation to the U.S. Bankruptcy Court in California and its many creditors. Please directly respond to the request.

ISC's Response: No direct response was given by ISC.

II. **REQUEST FOR ADMISSION NO. 9:** Admit that you have hired lawyers to represent the Plaintiff without the Plaintiff's knowledge or consent.

RESPONSE: ISC objects that this request calls for information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. For the discoverable time period, ISC states: denied.

Group's Good Faith Attempt to Resolve: ISC's response is "non-responsive." Rule 36 F.R.C.P. does not allow ISC to limit the period of inquiry. It must admit or deny the request as written, or give a valid objection. ISC has refused to defend the claims of Misner and Bybee against PDG, and has refused to get involved in defending the claim of the State of Idaho for Medicare over billings performed by ISC. If in the past ISC has hired and paid counsel to defend PDG against the claims of others, or otherwise acted to defend PDG against claims made against it, ISC's refusal to hire and pay counsel to defend these post confirmation claims can be considered as

evidence, or will lead to other admissible evidence which can be used to prove ISC's post-confirmation breach of the Management Agreement. Please directly respond to the request.

ISC's Response: No direct response was given by ISC.

- JJ. **REQUEST FOR ADMISSION NO. 10.:** Admit that you have paid, from Plaintiff's revenues, the fees charged and costs incurred by lawyers you have hired to represent the Plaintiff.

RESPONSE: ISC objects that this request is not reasonably calculated to lead to the discovery of admissible evidence and propounded solely for the purpose of harassment.

Group's Good Faith Attempt to Resolve: ISC's counterclaim is seeking restitution of \$2.8 Million dollars. Evidence of the current value of the stock received from ISC and/or its predecessor is relevant to determine if ISC is entitled to the equitable relief it seeks, or if PDG is entitled to be returned money so that each party is returned to the *status quo ante*. Please directly respond to the request.

ISC's Response: No direct response was given by ISC.

- KK. **REQUEST FOR ADMISSION NO. 2 (Second Set dated 4/26/04):** Admit that Exhibit "A" attached hereto makes demand upon Misner for the return of \$20,384 in over billings previously paid by State of Idaho Department of Health & Welfare in connection with dental services Misner performed for Group.

RESPONSE: Denied. The demand is for allegedly fraudulent practices that are outside the scope of Misner's duties for Group and were not authorized by ISC.

Group's Good Faith Attempt to Resolve: ISC's response is "non-responsive." Rule 36 F.R.C.P. does not allow ISC to object on the basis given in its response. It must either admit or deny, or give the reasons why it cannot admit or deny. Please directly respond to the request. Does the identified Medicaid claim relate to billings processed by ISC and do the billings relate to dental services provided by Misner? If you claim that Misner committed fraud, then ISC must provide the factual basis on which it claims that fraud exists (in Idaho the elements of fraud are: (1) a statement or a representation of fact; (2) its falsity; (3) its materiality; (4) the speaker's knowledge of its falsity; (5) the speaker's intent that there be reliance; (6) the hearer's ignorance of the falsity of the statement; (7) reliance by the hearer; (8) justifiable reliance; and (9) resultant injury. To be responsive you cannot simply allege fraud without providing the factual basis for the claim of fraud. Please directly respond to the request.

ISC's Response: No direct response was given by ISC.

- LL. **REQUEST FOR ADMISSION NO. 4 (Second Set dated 4/26/04):** Admit that pursuant to paragraph 2.6(b) and 4.6(d) of the Management Agreement ISC is responsible for paying all claims and obligations associated with the operation of Group and ISC is charged with settling and compromising claims.

RESPONSE: Denied. In particular, ISC has no responsibility for allegedly fraudulent practices by Group employees.

Group's Good Faith Attempt to Resolve: ISC's response is "non-responsive." Rule 36 F.R.C.P. does not allow ISC to object on the basis given in its response. It must either admit or deny, or give the reasons why it cannot admit or deny. Please directly respond to the request. If you claim that PDG dentists committed fraud, then ISC must provide the factual basis on which it claims that fraud exists (in Idaho the elements of fraud are: (1) a statement or a representation of fact; (2) its falsity; (3) its materiality; (4) the speaker's knowledge of its falsity; (5) the speaker's intent that there be reliance; (6) the hearer's ignorance of the falsity of the statement; (7) reliance by the hearer; (8) justifiable reliance; and (9) resultant injury. To be responsive you cannot simply allege fraud without providing the factual basis for the claim of fraud. Please directly respond to the request.

ISC's Response: No direct response was given by ISC.

- MM. **REQUEST FOR ADMISSION NO. 9 (Second Set dated 4/26/04):** Admit that the L. R. Misner claims, as set forth in his counterclaim on file herein and as set out in Exhibit "B", arise out of a "provider subcontract" as that term is used in paragraphs 5.1 and 5.2 of the Management Agreement.

RESPONSE: Admit that L. R. Misner was a "provider" as that term is used in paragraphs 5.1 and 5.2 of the Management Agreement.

Group's Good Faith Attempt to Resolve: ISC's response is "non-responsive."

ISC's Response: No direct response was given by ISC.

- NN. **REQUEST FOR ADMISSION NO. 16:(Second Set dated 4/26/04)** Admit that the Bybec claims, as set forth in Exhibit "C," arise out of a "provider subcontract" as that term is used in paragraphs 5.1 and 5.2 of the Management Agreement.

RESPONSE: Denied. The claim arises out of alleged fraudulent practices by Group employees.

Group's Good Faith Attempt to Resolve ISC's response is "non-responsive." Rule 36 F.R.C.P. does not allow ISC to object on the basis given in its response. It must either admit or deny, or give the reasons why it cannot admit or deny. Please directly respond to the request. If you claim that PDG or its employees committed fraud, then ISC must provide the factual basis on which it claims that fraud exists (in Idaho the elements of fraud are: (1) a statement or a representation of fact; (2) its falsity; (3) its materiality; (4) the speaker's knowledge of its falsity; (5) the speaker's intent that there be reliance; (6) the hearer's ignorance of the falsity of the statement; (7) reliance by the hearer; (8) justifiable reliance; and (9) resultant injury. To be responsive you cannot simply allege fraud without providing the factual basis for the claim of fraud. Please directly respond to the request.

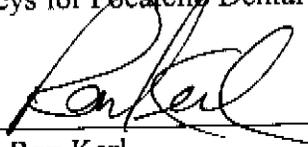
ISC's Response: No direct response was given by ISC.

RELIEF REQUESTED

The Defendant InterDent Service Corporation should be ordered to promptly reply to the requested discovery.

Dated this 12 day of July, 2004.

COOPER & LARSEN, CHTD.
Attorneys for Pocatello Dental Group

By 
Ron Kerl

CERTIFICATE OF SERVICE

I HEREBY CERTIFY on the 12 day of July, 2004, I served a true and correct copy of the foregoing document as follows:

Erik F. Stidham
G. Rcy Reinhardt
STOEL RIVES LLP
101 S. Capitol Blvd., Ste.1900
Boise, ID 83702-5958

U.S. Mail, postage prepaid
 Hand Delivery
 Overnight Mail
 Facsimile

Scott J. Kaplan

U.S. Mail, postage prepaid

STOEL RIVES LLP
900 SW Fifth Ave. Ste. 2600
Portland, OR 97204-1268

Hand Delivery
 Overnight Mail
 Facsimile

Lowell N. Hawkes
1322 East Center
Pocatello, ID 83201

U.S. Mail, postage prepaid
 Hand Delivery
 Overnight Mail
 Facsimile

Richard A. Hearn
RACINE, OLSON, NYE, BUDGE
& BAILEY, CHTD.
P.O. Box 1391
Pocatello, ID 83204

U.S. Mail, postage prepaid
 Hand Delivery
 Overnight Mail
 Facsimile

By: 
Ron Kerl

Erik F. Stidham, ISB #5483
efstidham@stoel.com
G. Rey Reinhardt, ISB #6209
grreinhardt@stoel.com
STOEL RIVES LLP
101 South Capitol Boulevard, Suite 1900
Boise, ID 83702-5958
Telephone: (208) 389-9000
Facsimile: (208) 389-9040

Scott J. Kaplan, Pro Hac Vice
sjkaplan@stoel.com
Darian A. Stanford, Pro Hac Vice
dastanford@stoel.com
STOEL RIVES LLP
900 SW Fifth Avenue, Suite 2600
Portland, OR 97204-1268
Telephone: (503) 224-3380
Facsimile: (503) 220-2480

Attorneys for Defendant/Third-Party Plaintiff
InterDent Service Corporation

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF IDAHO

POCATELLO DENTAL GROUP, P.C., an
Idaho professional corporation,

Plaintiff,

v.

INTERDENT SERVICE CORPORATION, a
Washington corporation,

Defendant.

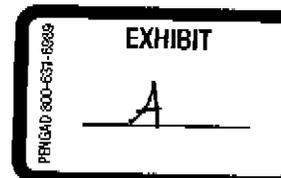
Case No. CV-03-450-E-LMB

RESPONSE TO PLAINTIFF'S FIRST
SET OF DISCOVERY REQUESTS TO
THE DEFENDANT INTERDENT
SERVICE CORPORATION

INTERDENT SERVICE CORPORATION, a
Washington corporation,

RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS TO THE
DEFENDANT INTERDENT SERVICE CORPORATION - 1

PortInd3-1476644.1 0021164-00081



Third-Party Plaintiff,

v.

POCATELLO DENTAL GROUP, P.C., an Idaho professional corporation; DWIGHT G. ROMRIELL, individually; LARRY R. MISNER, JR., individually; PORTER SUTTON, individually; ERNEST SUTTON, individually; GREGORY ROMRIELL, individually; ERROL ORMOND, individually; and ARNOLD GOODLIFFE, individually,

Third-Party Defendants.

Defendant/third-party plaintiff InterDent Service Corporation ("ISC") responds as follows to Plaintiff's First Set of Discovery Requests (the "Requests") as follows.

GENERAL OBJECTIONS

1. ISC objects to each request for production to the extent it seeks documents in the possession and control of plaintiffs.
2. ISC objects to the disclosure of personal and private information and reserves the right to withhold and/or redact all such information.
3. To the extent that the interrogatories seek information outside its custody or control, ISC objects to them as unreasonable and unduly burdensome.
4. In responding to the interrogatories, ISC does not waive and expressly reserves (a) any objections as to competency, relevancy, materiality, privilege or admissibility with respect to any of the information provided; (b) the right to object to other discovery procedures involving or related to the subject matter of the information provided; and (c) the right at any time to revise, correct, add to or clarify any of the information provided.

RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS TO THE
DEFENDANT INTERDENT SERVICE CORPORATION - 2

5. ISC objects generally to the Requests to the extent they seek work product, trial preparation materials or material protected by the attorney-client privilege. ISC does not intend to produce any information or documents that contain such materials and does not waive any objections to such information or documents that are inadvertently produced.

6. ISC objects to the production of documents or disclosure of information generated before the confirmation of ISC's Plan of Reorganization in October 2003 as not reasonably calculated to lead to the discovery of admissible evidence. Plaintiff concedes that ISC is entitled to partial summary judgment against plaintiff's claims for damages before October 3, 2003.

7. ISC objects that plaintiff's interrogatories include subparts. Plaintiffs have more than exceeded the number of interrogatories permitted by Fed. R. Civ. P. 33(a) and are precluded from propounding any additional interrogatories.

8. ISC objects to the discovery requests to the extent they call for disclosure of confidential business or proprietary information or confidential patient information protected by the Health Insurance Portability and Accountability Act ("HIPAA"). ISC will not produce documents until a protective order meeting the requirements of HIPAA governing the production and handling of such information is entered in this case.

Without waiving its general objections, ISC responds to the individual requests as follows:

RESPONSES TO INTERROGATORIES

INTERROGATORY NO. 1:

Identify any person with knowledge of the terms and conditions of any merger between Gentle Dental Management, Inc. and Gentle Dental Service Corporation.

**RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS TO THE
DEFENDANT INTERDENT SERVICE CORPORATION - 3**

RESPONSE: ISC objects that the terms of the merger documents speak for themselves and that the interrogatory is overbroad and seeks information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence. Moreover, plaintiff's stipulation in U.S. Bankruptcy Court that ISC would assume the Management Agreement precludes plaintiff from challenging the existence ISC's rights under that agreement.

INTERROGATORY NO. 2:

Identify any person with knowledge of any "2028" report or other list of dental patients who, at any time, were refused the right to obtain or continue to receive dental care from the Plaintiff or its dentists.

RESPONSE: ISC objects that the terms of the documents speak for themselves and that the interrogatory is overbroad and seeks information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited to events after October 3, 2003. ISC further objects that this interrogatory assumes facts not in evidence. Without waiving its objections, ISC states that the following persons are most knowledgeable on this subject: Barbara Henderson, Bruce Call and the individual dentists who requested or approved such discontinuance of treatment at the Pocatello office.

INTERROGATORY NO. 3:

Describe any consideration paid by Gentle Dental Service Corporation to Gentle Dental or any other person or entity when it merged with Gentle Dental and acquired its contract rights, including those evidenced by the management agreement.

RESPONSE: ISC objects that the terms of the merger documents speak for themselves and that the interrogatory is overbroad and seeks information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence. Moreover, plaintiff's

stipulation in U.S. Bankruptcy Court that ISC would assume the Management Agreement precludes plaintiff from challenging the existence ISC's rights under that agreement.

INTERROGATORY NO. 4:

Describe any requests for new or additional equipment, supplies, or staff made to the Defendant by the Plaintiff or any of its dentists.

RESPONSE: ISC objects to this request to the extent that such information is obviously in plaintiff's possession. ISC further objects that plaintiff has conceded that ISC is entitled to partial summary judgment for any claims for damages before the confirmation of ISC's Plan of Reorganization on October 3, 2004. Without waiving its objections, ISC is unaware of any such request after October 3, 2003. ISC's investigation is continuing. ISC will not supplement this response for information manufactured by plaintiff for the purpose of this litigation and/or to avoid summary judgment.

INTERROGATORY NO. 5:

Identify any person having knowledge of the facts stated in your answer to Interrogatory No. 4.

RESPONSE: ISC objects to this request to the extent that such information is obviously in plaintiff's possession. ISC further objects that the interrogatory is overbroad in calling for "any" person with knowledge. Without waiving its objections, ISC states: Bruce Call, Kevin Webb, Barbara Henderson, dentists employed by plaintiff.

INTERROGATORY NO. 6:

With respect to the period of time commencing on October 11, 1996 and continuing up through the date you answer these discovery requests, state the dollar amount of revenues, as that term is defined in paragraph 2.4 of the management agreement, which Defendant or its predecessors in interest have

RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS TO THE
DEFENDANT INTERDENT SERVICE CORPORATION - 5

retained for their own use, rather than the payment of any obligations Defendant is required to pay under the Management Agreement.

RESPONSE: ISC objects to this interrogatory as unduly burdensome, vague and assuming a legal conclusion (what ISC is or is not required to pay under the Management Agreement) as part of the interrogatory. ISC further objects that under the Management Agreement, *all* of the revenues as defined in that Agreement belong to ISC. ISC further objects that plaintiffs have conceded that ISC is entitled to partial summary judgment for any claims for damages before the confirmation of ISC's Plan of Reorganization on October 3, 2003. Without waiving its objections, ISC states that for the discoverable time period, after October 3, 2003, for expenses that it approved, it is not aware of an account due or overdue that is unpaid. ISC does not intend to supplement this response with information manufactured by plaintiff for the purpose of this litigation and/or to avoid summary judgment.

INTERROGATORY NO. 7:

Identify any person having knowledge of the facts stated in your answer to Interrogatory No. 6.

RESPONSE: ISC incorporates by reference its objections to Interrogatory No. 6. ISC further objects that Interrogatory No. 7 is overbroad in calling for ISC to name every person with knowledge. Without waiving its objections, ISC states that Kevin Webb and Bruce Call are most knowledgeable on this subject.

INTERROGATORY NO. 8:

With respect to the period of time commencing on October 11, 1996 and continuing up through the date you answer these discovery requests, state the dollar amount of revenues, as that term is defined in paragraph 2.4 of the management agreement, which Defendant or its predecessors have collected,

including any item identified as interest on Plaintiff's accounts receivable.

RESPONSE: ISC objects to this interrogatory as unduly burdensome, vague and assuming an erroneous legal conclusion ("Plaintiff's accounts receivable"). ISC further objects that under the Management Agreement, *all* of the revenues as defined in that Agreement belong to ISC. ISC further objects that plaintiff has conceded that ISC is entitled to partial summary judgment for any claims for damages before the confirmation of ISC's Plan of Reorganization on October 3, 2003. Without waiving its objections, ISC states that for the discoverable time period, after October 3, 2003, pursuant to Fed. R. Civ. P. 33(d), ISC will produce accounting records showing interest since October 3, 2003.

INTERROGATORY NO. 9:

Identify any person having knowledge of the facts stated in your answer to Interrogatory No. 8.

RESPONSE: ISC incorporates by reference its objections to Interrogatory No. 8. ISC further objects that Interrogatory No. 9 is overbroad in calling for ISC to name every person with knowledge. Without waiving its objections, ISC states that Barbara Henderson is most knowledgeable on this subject.

INTERROGATORY NO. 10:

Has the Defendant, since January 1, 2000, been sued by any other dental group with which it has a management contract or performs management services?

RESPONSE: ISC objects that this interrogatory is not reasonably calculated to lead to the discovery of admissible evidence and propounded solely for the purpose of harassment and undue expense.

INTERROGATORY NO. 11:

Identify any person having knowledge of the facts stated in your answer to Interrogatory No. 10.

RESPONSE: ISC incorporates its objections to Interrogatory No. 10 herein.

INTERROGATORY NO. 12:

Identify the operational and accounting documents upon which you rely to establish your damage claim, as disclosed by you in your Initial Disclosures dated February 25, 2004.

RESPONSE: Pursuant to Fed. R. Civ. P. 33(d), ISC will produce responsive business records upon entry of an acceptable protective order for confidential and proprietary business information.

INTERROGATORY NO. 13:

Identify any of the documents related to the 1996 acquisition by GMS Dental Management, as disclosed by you in your Initial Disclosures dated February 25, 2004.

RESPONSE: ISC objects that the interrogatory is overbroad and seeks information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence because plaintiff's stipulation in U.S. Bankruptcy Court that ISC would assume the Management Agreement precludes plaintiff from challenging the existence of ISC's rights under that Agreement. Without waiving its objections, pursuant to Fed. R. Civ. P. 33(d), ISC will produce the merger documents.

INTERROGATORY NO. 14:

Describe with specificity any alleged breach of the management agreement by Plaintiff, including but not limited to:

- a. The substance of such alleged breach;
- b. The date on which the alleged breach occurred; and

RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS TO THE
DEFENDANT INTERDENT SERVICE CORPORATION - 8

c. The damages you allege to have suffered as a result of the alleged breach[.]

RESPONSE: ISC objects that this interrogatory contains subparts and that therefore the number of plaintiff's interrogatories exceeds that permitted by Fed. R. Civ. P. 33(a). Without waiving its objections, ISC states that plaintiff materially breached the Management Agreement in various respects, including but not limited to:

a. Plaintiff's failure to enforce its right to prevent its members and/or its employees from competing with, diverting revenue away from and/or otherwise damaging ISC. Since the fall of 2003, plaintiff has failed to enforce noncompete agreements with Dwight Romriell, Larry R. Misner, Jr. and Larry Bybee in violation of its duties to ISC. Plaintiff has conspired with them to take business from the practice.

b. ISC is informed and believes that plaintiff has failed to pay, or make available, certain revenues owed to ISC; in particular, ISC is informed and believes that plaintiff has aided, abetted and conspired with Dwight Romriell in withholding sums belonging to the Pocatello practice, including but not limited to compromising sums due on accounts without ISC's approval.

c. Plaintiff's material impairment of ISC's right to hire and terminate nonprofessionals under Article 3.8(b). Plaintiff obtained an ex parte temporary restraining order in October 2003 requiring ISC to maintain on staff five of Dwight Romriell's cronies for the few patients he was seeing.

d. Plaintiff's material impairment of ISC's right to hire and terminate nonprofessionals under Article 4.4(b). Plaintiff obtained an ex parte temporary restraining order

in October 2003 requiring ISC to maintain on staff five of Dwight Romriell's cronies for the few patients he was seeing.

c. Plaintiff's purported execution of the 2003 Employment Agreement with Romriell in violation of Article 5.2(a). This occurred in August 2003.

f. Plaintiff's purported execution of the 2003 Employment Agreement with Romriell in violation of Article 5.2(b). This occurred in August 2003.

g. Plaintiff's use of goods and services provided by ISC under the Management Agreement for purposes other than the provision and management of dental services as contemplated by the Management Agreement and the purposes incidental thereto, in violation of Article 5.6. At about the time plaintiff began its pretextual litigation in Idaho state court and the time Dwight Romriell was setting up an office in Pocatello to compete with the practice, there was an unexplained increase in the use of supplies at the office. Romriell left the office with briefcases full of materials.

h. Plaintiff's commission and allowance of acts that have materially impaired plaintiff's ability to carry on the business of the practice or to fulfill its obligations under the Management Agreement. These acts demonstrating "seller's remorse" are detailed in the Wintergreen report by the consultant hired by plaintiff to evaluate the practice (attached hereto as Exhibit 1). Plaintiff has further failed to enforce noncompete agreements with departing dentists and have stated publicly that the office will be closing, to the detriment of, at a minimum, employee morale. Plaintiff's failure to consider the profitability of the practice in any of its acts and omissions has resulted in a declining revenue and profit trend.

i. Plaintiff's diversion of the mail from the practice in violation of Article 4 of the Management Agreement. This breach is detailed in the pleadings already on file in this case. The diversion of the mail in January 2004 was plaintiff's shareholders' second attempt to divert the mail. In the summer of 2003, Dwight Romricll tried a similar scheme but was caught before it was consummated.

INTERROGATORY NO. 15:

Provide a detailed itemization of the damages you are claiming in your counterclaim.

RESPONSE: ISC objects to this request as vague to the extent "detailed itemization" is undefined. Notwithstanding this objection, pursuant to Fed. R. Civ. P. 33(d), see response to Request for Production No. 31 upon the entry of an acceptable protective order.

INTERROGATORY NO. 16:

Provide a detailed list of any new or used equipment you have purchased and placed upon the premises for the Plaintiffs or its dentists' use between January 1, 2000 and the date of your response to this interrogatory.

RESPONSE: ISC objects that this interrogatory is overbroad and calls for information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it calls for documents before the conformation of ISC's Plan of Reorganization on October 3, 2003. Pursuant to Fed. R. Civ. P. 33(d), ISC will produce responsive documents.

INTERROGATORY NO. 17:

Provide a detailed list of any equipment located in the premises which you have replaced because it had fallen into disrepair and/or become obsolete between January 1, 2000 and the date of your response to this interrogatory.

RESPONSE: ISC objects that the Interrogatory is overbroad and calls for information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it calls for documents before the conformation of ISC's Plan of Reorganization on October 3, 2003. Without waiving its objections, ISC states, pursuant to Fed. R. Civ. P. 33(d), see response to Request for Production No. 16 for the permissible time period, after October 3, 2003.

INTERROGATORY NO. 18:

Identify all staff you have hired to work in the premises between January 1, 2000 and the date of your response to this interrogatory.

RESPONSE: ISC objects that this interrogatory is overbroad and calls for information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it calls for documents before the conformation of ISC's Plan of Reorganization on October 3, 2003. Without waiving its objections, pursuant to Fed. R. Civ. P. 33(d), ISC will produce responsive documents.

INTERROGATORY NO. 19:

With respect to each such staff member identified in your answer to Interrogatory No. 18, describe their training and experience at the time they were hired to work on the premises.

RESPONSE: ISC objects to this request as unduly broad and overly burdensome and incorporates its objections to Interrogatory No. 18. Without waiving its objections, ISC states that, pursuant to Fed. R. Civ. P. 33(d), it is producing training materials.

INTERROGATORY NO. 20:

Identify all attorneys you have hired to represent the Plaintiff in any legal matter.

RESPONSE: ISC objects that this interrogatory is neither relevant nor calculated to lead to the discovery of admissible evidence on any claim or defense in this action and that it is not limited in time to events after October 3, 2003. Without waiving its objections, ISC states that it has not hired any attorneys to represent plaintiff since October 3, 2003.

INTERROGATORY NO. 21:

Identify the amount and source of any payment for legal fees or costs you paid to any attorney or law firm identified in your answer to Interrogatory No. 20.

RESPONSE: Not applicable. See response to Interrogatory No. 20.

INTERROGATORY NO. 22:

Describe the nature of the representation provided by any lawyer or law firm identified in your answer to Interrogatory No. 20[.]

RESPONSE: Not applicable. See response to Interrogatory No. 20.

RESPONSES TO REQUESTS FOR PRODUCTION

REQUEST FOR PRODUCTION NO. 1:

Produce the agenda for, and minutes of all JOC meetings for the three year period preceding the date you respond to this request.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. Without waiving its objections, ISC will produce documents for the discoverable time period.

REQUEST FOR PRODUCTION NO. 2:

Produce the monthly, quarterly and annual profit and loss statements generated by Defendant with respect to the Plaintiff's

dental practice for the period beginning on October 11, 1996 and continuing up through the date you respond to these requests.

RESPONSE: ISC will produce responsive documents for a reasonable time period, since January 1, 2002, upon the entry of an acceptable protective order covering confidential and proprietary business information.

REQUEST FOR PRODUCTION NO. 3:

Produce any document which contains any of the terms and conditions of Gentle Dental Management, Inc.'s merger with Gentle Dental Service Corporation.

RESPONSE: ISC objects that this interrogatory is overbroad and seeks information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence because plaintiff's stipulation in U.S. Bankruptcy Court that ISC would assume the Management Agreement precludes plaintiff from challenging the existence ISC's rights under that agreement. Without waiving its objections, ISC will produce the merger documents.

REQUEST FOR PRODUCTION NO. 4:

Produce any document which evidences Defendant's succession to, or ability to enforce the rights of GMS in and to the management agreement.

RESPONSE: ISC objects that this interrogatory is overbroad and seeks information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence because plaintiff's stipulation in U.S. Bankruptcy Court that ISC would assume the Management Agreement precludes plaintiff from challenging the existence ISC's rights under that agreement. Without waiving its objections, ISC will produce the merger documents.

/////

/////

REQUEST FOR PRODUCTION NO. 5:

Produce the "2028" list or [*sic*] any other document prepared by the Defendant which identifies dental patients who, at any time, were not called back for dental care, or were refused, for any reason, the right to obtain or continue to receive dental care from the Plaintiff or its dentists.

RESPONSE: ISC objects that this request calls for the productions of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. Without waiving its objections, ISC has no discoverable documents it can confirm were generated during the discoverable time period.

REQUEST FOR PRODUCTION NO. 6:

Produce any document which evidences GMS's change of name to Gentle Dental Management, Inc.

RESPONSE: ISC objects that this interrogatory is overbroad and seeks information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence because plaintiff's stipulation in U.S. Bankruptcy Court that ISC would assume the Management Agreement precludes plaintiff from challenging the existence ISC's rights under that agreement. ISC further objects that this request is unduly burdensome and oppressive in seeking "any document." Without waiving its objections, ISC will produce responsive documents.

REQUEST FOR PRODUCTION NO. 7:

Produce any document which evidences Gentle Dental Service Corporation's change of name to InterDent Service Corporation.

RESPONSE: ISC objects that this interrogatory is overbroad and seeks information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence because plaintiff's stipulation in U.S. Bankruptcy Court that ISC would assume the Management Agreement precludes plaintiff from challenging the existence of ISC's rights under that agreement. ISC further objects that this request is unduly burdensome and oppressive in seeking "any document." Without waiving its objections, ISC will produce responsive documents.

REQUEST FOR PRODUCTION NO. 8:

Produce any document which evidences Defendant's claim, as set out in paragraph 8 of the October 31, 2003 affidavit of Ivar Chhina, that the Plaintiff wrote off over \$76,000 in dentistry as "professional" or "courtesy" discounts in the first quarter of 2003.

RESPONSE: Without waiving its objections, ISC will produce documents for the discoverable time period, if any, upon the entry of an acceptable protective order.

REQUEST FOR PRODUCTION NO. 9:

Produce any document which evidences Defendant's claim, as set out in paragraph 2 of the October 31, 2003 affidavit of Ivar Chhina, that Defendant or its predecessors in interest paid \$2.8 million in cash and stock to the shareholders of Plaintiff.

RESPONSE: ISC objects that this request calls for information in the possession of plaintiff and equally available to it. Without waiving its objections, ISC states that the relevant documents are already in the record in this case.

REQUEST FOR PRODUCTION NO. 10:

Produce any document evidencing the Plaintiff or its dentists' request to the Defendant for equipment, supplies, staff or other support for their dental practice.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. ISC further objects that responsive documents are the possession, custody or control of plaintiff. Without waiving its objections, ISC will produce documents for the discoverable time period, if any.

REQUEST FOR PRODUCTION NO. 11:

Produce any document containing information identifying the name and address of any of the Plaintiffs, or of its dentists' patients for the period commencing on January 1, 2000 up through the date of your response to these discovery requests.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. ISC further objects that such documents are equally available to plaintiff in the Pocatello office. ISC further objects that this request is calculated for the purpose of undue expense and harassment and/or using the requested information to compete in violation of the agreements signed by plaintiff's shareholders.

REQUEST FOR PRODUCTION NO. 12:

Produce any document containing Defendant's past and present policies or procedures relating to the billing and collection of patient accounts pursuant to the management agreement.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. Without waiving its objections, ISC will produce documents for the discoverable time period, if any.

RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS TO THE
DEFENDANT INTERDENT SERVICE CORPORATION - 17

REQUEST FOR PRODUCTION NO. 13:

Produce any document containing information describing and/or quantifying any of the Plaintiff's revenues, including accounts receivable, for each month during the period commencing on October 11, 1996 and continuing through the date of your response to these discovery requests.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. ISC further objects that the request contains an erroneous legal conclusion in using the term "Plaintiff's Revenues." Without waiving its objections, ISC will produce documents for the discoverable time period, if any, upon the entry of an acceptable protective order.

REQUEST FOR PRODUCTION NO. 14:

Produce any document containing information describing and/or quantifying any of the Plaintiffs accounts payable or any other expense and liability of the Plaintiff for each month during the period commencing on October 11, 1996 up through the date of your response to these discovery requests.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. Without waiving its objections, ISC will produce documents for the discoverable time period, if any, upon the entry of an acceptable protective order.

REQUEST FOR PRODUCTION NO. 15:

Produce any document containing the agenda for, or minutes of any meeting of the Dental Advisory Board during the period commencing on January 1, 2000 up through the date of your response to these discovery requests.

RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS TO THE
DEFENDANT INTERDENT SERVICE CORPORATION - 18

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence.

REQUEST FOR PRODUCTION NO. 16:

Produce any document containing a description of any equipment, fixture, or furniture purchase or leasehold improvement relating to the premises during the period commencing on October 11, 1996 and continuing up through the date of your response to these discovery requests.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. Without waiving its objections, ISC will produce documents for the discoverable time period.

REQUEST FOR PRODUCTION NO. 17:

Produce any document reflecting any adjustments to any accounts receivable of the Plaintiff which were made by Defendant during the period commencing on January 1, 2000 up through the date of your response to these discovery requests.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. Without waiving its objections, ISC will produce documents for the discoverable time period, if any, upon the entry of an acceptable protective order complying with HIPAA protecting patient health information.

REQUEST FOR PRODUCTION NO. 18:

Produce any document reflecting any interest charged to, and/or collected by Defendant as a part of Plaintiff's revenues, including interest charged to Plaintiff's accounts receivable, during

the period commencing on January 1, 2000 up through the date of your response to these discovery requests.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. ISC further objects that the request contains an erroneous legal conclusion in using the term "Plaintiff's Revenues." Without waiving its objections, ISC states that in the Management Agreement plaintiff assigned the practice revenues to ISC. Therefore interest earned on the revenues, if any, belongs to ISC. Without waiving its objections, ISC will produce responsive documents generated after October 3, 2003 subject to a protective order.

REQUEST FOR PRODUCTION NO. 19:

Produce any document consisting of the Defendant's state and federal income tax returns for the period commencing on October 11, 1996 up through the date of your response to these discovery requests.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence. ISC further objects that this request is propounded solely for the purpose of harassment and undue expense.

REQUEST FOR PRODUCTION NO. 20:

Produce any document which identifies and/or quantifies any vacation pay, paid time off, or other employee costs or benefits which you have charged back to or collected from the Plaintiff or its dentists during the period commencing on January 1, 2000 up through the date of your response to these discovery requests.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving its objections, ISC will produce responsive documents.

REQUEST FOR PRODUCTION NO. 21:

Produce any documents relating to the land lease at 4155 Yellowstone Ave, Pocatello, Idaho, including a copy of the lease and any amendments, renewals and any correspondence relating thereto.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence.

REQUEST FOR PRODUCTION NO. 22:

Produce any documents relating to any training given to any employee of Defendant as it relates to their duties to be performed at the premises during the period commencing on October 11, 1996 up through the date of your response to these discovery requests.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. Without waiving its objections, ISC will produce documents for the discoverable time period.

REQUEST FOR PRODUCTION NO. 23:

Produce any documents containing information relating to any civil complaint or lawsuit prosecuted for or against the Plaintiff and for or against the Defendant, other than the instant action, during the period commencing on October 11, 1996 up through the date of your response to these discovery requests.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence. ISC further objects that this request is propounded solely for the purpose of harassment and undue expense.

REQUEST FOR PRODUCTION NO. 24:

Produce any document containing Plaintiff's letterhead which has been authored and/or executed by any employee of Defendant.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence. ISC further objects that this request is propounded solely for the purpose of harassment and undue expense and calls for information in plaintiff's possession or equally available to plaintiff.

REQUEST FOR PRODUCTION NO. 25:

Produce any document which contains the terms or conditions of any employment agreement between the Defendant and any of its employees whose duties, in whole or in part, relate to Defendant's obligations under the management agreement.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence. ISC further objects that this request is propounded solely for the purpose of harassment and undue expense and the invasion of employee privacy rights.

REQUEST FOR PRODUCTION NO. 26:

Produce any document which contains the terms or conditions of any employment agreement between the Defendant

and any of its employees whose duties, in whole or in part, require them to work at the premises.

RESPONSE: Defendant has no responsive documents.

REQUEST FOR PRODUCTION NO. 27:

Produce any document which constitutes a "mail log" as ordered by Judge Lodge on February 9, 2004.

RESPONSE: ISC will produce responsive documents.

REQUEST FOR PRODUCTION NO. 28:

Produce any document evidencing any HIPPA [sic] violations on the part of the Plaintiff or its dentists.

RESPONSE: ISC objects that these documents are in the possession, custody or control of plaintiff and its current and former employees, in particular the patient files stolen from the premises by Greg and Dwight Romriell. The removal of any files from the premises without written patient authorization constitutes a HIPAA violation.

REQUEST FOR PRODUCTION NO. 29:

Produce any document evidencing any contract between Plaintiff and any insurance carrier or governmental entity, or any of Plaintiff's dentists and any such third party.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence. ISC further objects that this request is propounded solely for the purpose of harassment and undue expense. Without waiving its objections, ISC will produce responsive documents.

/////

/////

REQUEST FOR PRODUCTION NO. 30:

Produce any document which records the hours worked, or services performed by Holli Bauer and Elyse Harper for the period of their employment.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving its objections, ISC will produce responsive documents.

REQUEST NO. 30 [sic]:

Produce any written or oral statement taken by you of any of the persons disclosed by you in your Initial Disclosures dated February 25, 2004, as having information related to this litigation.

RESPONSE: ISC objects that this request calls for information protected by the attorney-client and work-product privileges.

REQUEST FOR PRODUCTION NO. 31:

Produce any operational or accounting records related to Defendant's damage claim, as disclosed by you in your Initial Disclosures dated February 25, 2004.

RESPONSE: ISC will produce responsive documents upon the entry of an acceptable protective order covering proprietary and confidential business information.

REQUEST FOR PRODUCTION NO. 32:

Produce any documents related to any authorization or approval from Plaintiff for you to employ any lawyer or law firm to represent the Plaintiff.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible

evidence in that it is not limited in time to events after October 3, 2003. Without waiving its objections, ISC states that it has no responsive documents.

REQUEST FOR PRODUCTION NO. 33:

Produce any documents related to your claim that you paid \$2.8 Million in cash and stock to the Plaintiff's shareholders.

RESPONSE: Such documents are already in the record in this case.

REQUEST FOR PRODUCTION NO. 34:

Produce any document which identifies any person having custody or control of any of the Plaintiff or its dentists' patient records.

RESPONSE: ISC objects that this request is vague, ambiguous and unintelligible. To the extent it is intelligible, it calls for the production of documents neither relevant to this case nor reasonably calculated to lead to the discovery of admissible evidence.

REQUESTS FOR ADMISSION

REQUEST FOR ADMISSION NO. 1:

Admit that prior to February 9, 2004, cash, revenues, and other forms of payment for the Plaintiff's dental related activities were not deposited to an account or accounts in the name of Plaintiff at a banking institution selected by Plaintiff and approved by Defendant.

RESPONSE: ISC objects that this request is neither relevant to this action nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving its objections, ISC states: admitted.

REQUEST FOR ADMISSION NO. 2:

Admit that Defendant, without the consent of the Plaintiff or its dentists, has (1) refused to recall some of Plaintiff's or its dentists' patients for treatment, and/or (2) denied such patients the

opportunity to obtain or continue to receive dental care from the Plaintiff or its dentists.

RESPONSE: ISC objects that this request is compound, vague and ambiguous. Without waiving its objections, ISC states that it is unaware of any patient plaintiff requested to receive care who was denied. ISC will not supplement this response for information manufactured by plaintiff for the purpose of this litigation and/or to avoid summary judgment.

REQUEST FOR ADMISSION NO. 3:

Admit that some of those patients you have not recalled for dental care, and/or those patients you have denied the opportunity to obtain or continue to receive dental care from the Plaintiff or its dentists, have terminated their dentist/patient relationship with the Plaintiff and its dentists.

RESPONSE: ISC objects that this request assumes facts not in evidence and is argumentative.

REQUEST FOR ADMISSION NO. 4:

Admit that Defendant did not pay \$2.8 million in cash and stock to the shareholders of Plaintiff, but that any such payment was made by Defendant's predecessor in interest, GMS.

RESPONSE: Plaintiff's stipulation in U.S. Bankruptcy Court that ISC would assume the Management Agreement precludes plaintiff from challenging the existence of ISC's rights as successor to GMS. Consequently, this request calls for information not relevant to this action nor reasonably calculated to lead to the discovery of admissible evidence.

REQUEST FOR ADMISSION NO. 5:

Admit that from time to time the Plaintiff or its dentists have requested you to obtain equipment, supplies, staff or other support for their dental practice.

RESPONSE: ISC objects that this request calls for information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. Without waiving its objections, ISC states: admitted.

REQUEST FOR ADMISSION NO. 6:

Admit that you have refused the Plaintiff and its dentists' requests for equipment, supplies, staff or other support for their dental practice without presenting the request to the JOC for consideration.

RESPONSE: ISC objects that this request calls for information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. Without waiving its objections, ISC states that, to the best of its knowledge and information, denied. ISC's investigation is continuing. ISC will not supplement this response for information manufactured by plaintiff for the purpose of this litigation and/or to avoid summary judgment.

REQUEST FOR ADMISSION NO. 7:

Admit that Defendant has not made timely payment of, or delivered to the Plaintiff revenues sufficient to timely pay and discharge Plaintiff's obligations and liabilities, including its obligation to pay its attorney fees and costs incurred in responding to Defendant's chapter 11 bankruptcy proceeding and to the Defendant's counterclaim filed in this action.

RESPONSE: ISC objects that this request is argumentative and assumes facts not in evidence and makes legal conclusions. For the reasons stated in ISC's Opposition to Plaintiff's Motion for Attorneys' Fees and Costs, plaintiff is solely responsible for fees incurred in making

and then abandoning a bankruptcy proceeding and for the pretextual and unsupported claims asserted by plaintiff in this litigation.

REQUEST FOR ADMISSION NO. 8:

Admit that during the period of time commencing on October 11, 1996 and continuing through the date you answer these discovery requests, Defendant has not distributed to Plaintiff or its dentists any revenues (as that term is defined in paragraph 2.4 of the management agreement) which Defendant or its predecessors have collected as interest on Plaintiff's revenues or accounts receivable.

RESPONSE: ISC objects that this request calls for information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. ISC further objects that the request contains an erroneous legal conclusion in using the term "Plaintiff's revenues." Without waiving its objections, ISC states that in the Management Agreement, plaintiff assigned the practice revenues to ISC. Therefore, interest earned on the revenues, if any, belongs to ISC.

REQUEST FOR ADMISSION NO. 9:

Admit that you have hired lawyers to represent the Plaintiff without the Plaintiff's knowledge or consent.

RESPONSE: ISC objects that this request calls for information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. For the discoverable time period, ISC states: denied.

REQUEST FOR ADMISSION NO. 10:

Admit that you have paid, from Plaintiff's revenues, the fees charged and costs incurred by lawyers you have hired to represent the Plaintiff.

RESPONSE: ISC objects that this request calls for information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. For the discoverable time period, ISC states: denied.

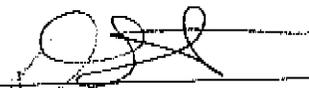
REQUEST FOR ADMISSION NO. 10 [sic]:

Admit that your stock has no value.

RESPONSE: ISC objects that this request is not reasonably calculated to lead to the discovery of admissible evidence and propounded solely for the purpose of harassment.

DATED: May 16, 2004.

STOEL RIVES LLP



Erik F. Stidham, ISB #5483
G. Roy Reinhardt, ISB #6209
Scott J. Kaplan, pro hac vice
Darian A. Stanford, pro hac vice

Attorneys for Defendant/Third-Party Plaintiff
InterDent Service Corporation

VERIFICATION

I declare under penalty of perjury under the laws of Washington that the foregoing Response to Plaintiff's First Set of Discovery Requests to the Defendant InterDent Service Corporation is true and correct to the best of my knowledge, information and belief.

Name:
Title:

RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS TO THE
DEFENDANT INTERDENT SERVICE CORPORATION - 29

CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing **REPLY TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS TO THE DEFENDANT INTERDENT SERVICE CORPORATION** on the following named persons on the date indicated below by

- mailing with postage prepaid
- hand delivery
- facsimile transmission
- overnight delivery

to said persons a true copy thereof, contained in a sealed envelope, addressed to said persons at his or her last-known addresses indicated below.

Mr. Richard A. Hearn
Racine, Olson, Nye, et al.
PO Box 1391 / Center Plaza
Pocatello, ID 83204-1391
Fax: (208) 232-6109

Of Attorneys for Dr. Larry Misner, Jr.
Porter Sutton, and Ernest Sutton

Mr. Ron Kerl
Cooper & Larsen
PO Box 4229
Pocatello, ID 83201
Fax: 208-235-1145

Of Attorneys for Plaintiff Pocatello
Dental Group

Mr. Lowell N. Hawkes
1322 E. Center Street
Pocatello, ID 83201
Fax: 208-235-4200

Of Attorneys for Defendants Romriell,
Ormond, and Goodliffe

DATED: May 17, 2004.



Darlan A. Stanford, OSB No. 99449

Of Attorneys for Defendant Interdent Service
Corporation

Erik F. Stidham, ISB #5483
efstidham@stoel.com
G. Rey Reinhardt, ISB #6209
grreinhardt@stoel.com
STOEL RIVES LLP
101 South Capitol Boulevard, Suite 1900
Boise, ID 83702-5958
Telephone: (208) 389-9000
Facsimile: (208) 389-9040

Scott J. Kaplan, Pro Hac Vice
sjkaplan@stoel.com
Darian A. Stanford, Pro Hac Vice
dastanford@stoel.com
STOEL RIVES LLP
900 SW Fifth Avenue, Suite 2600
Portland, OR 97204-1268
Telephone: (503) 224-3380
Facsimile: (503) 220-2480

Attorneys for Defendant/Third-Party Plaintiff
InterDent Service Corporation

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF IDAHO

POCATELLO DENTAL GROUP, P.C., an
Idaho professional corporation,

Plaintiff,

v.

INTERDENT SERVICE CORPORATION, a
Washington corporation,

Defendant.

INTERDENT SERVICE CORPORATION, a
Washington corporation,

Case No. CV-03-450-E-LMB

RESPONSE TO PLAINTIFF'S
REQUESTS FOR ADMISSIONS
DIRECTED TO INTERDENT SERVICE
CORPORATION

RESPONSE TO PLAINTIFF'S REQUESTS FOR ADMISSIONS DIRECTED TO INTERDENT
SERVICE CORPORATION - 1

PortInd3-1482638.1 0021164-00081

PERKINS BIRI-631-6883

EXHIBIT

B

Third-Party Plaintiff,

v.

POCATELLO DENTAL GROUP, P.C., an Idaho professional corporation; DWIGHT G. ROMRIELL, individually; LARRY R. MISNER, JR., individually; PORTER SUTTON, individually; ERNEST SUTTON, individually; GREGORY ROMRIELL, individually; ERROL ORMOND, individually; and ARNOLD GOODLIFFE, individually,

Third-Party Defendants.

Defendant/third-party plaintiff InterDent Service Corporation ("ISC") responds as follows to plaintiff's Requests for Admissions (the "Requests") as follows.

GENERAL OBJECTIONS

1. In responding to the requests, ISC does not waive and expressly reserves (a) any objections as to competency, relevancy, materiality, privilege or admissibility with respect to any of the requests; (b) the right to object to other discovery procedures involving or related to the subject matter of the requests; and (c) the right at any time to revise, correct, add to or clarify any of the information provided.

2. ISC objects generally to plaintiff's requests to the extent they seek work product, trial preparation materials or material protected by the attorney-client privilege. ISC does not intend to produce any information that contains such materials and does not waive any objections to such information that is inadvertently produced.

Without waiving its general objections, ISC responds to the individual requests as follows:

RESPONSE TO PLAINTIFF'S REQUESTS FOR ADMISSIONS DIRECTED TO INTERDENT SERVICE CORPORATION - 2

PorlInd3-1482638.1 0021164-00081

RESPONSES TO SPECIFIC REQUESTS FOR ADMISSION

REQUEST FOR ADMISSION NO. 1:

Admit that Exhibit "A" attached hereto is a true and accurate copy of a letter from the State of Idaho Department of Health & Welfare, dated March 29, 2004, and addressed to Leroy Misner, D.D.S.

RESPONSE: Admitted.

REQUEST FOR ADMISSION NO. 2:

Admit that Exhibit "A" attached hereto makes demand upon Misner for the return of \$20,384 in over billings previously paid by State of Idaho Department of Health & Welfare in connection with dental services Misner performed for Group.

RESPONSE: Denied. The demand is for allegedly fraudulent practices that are outside the scope of Misner's duties for Group and were not authorized by ISC.

REQUEST FOR ADMISSION NO. 3:

Admit that pursuant to paragraph 4.6 of the Management Agreement between Group and ISC, ISC is responsible for billing and collection of professional fees related to dental services performed by Group and the dentists it has employed, including Dr. Misner.

RESPONSE: Admitted.

REQUEST FOR ADMISSION NO. 4:

Admit that pursuant to paragraph 2.6(b) and 4.6(d) of the Management Agreement ISC is responsible for paying all claims and obligations associated with the operation of Group and ISC is charged with settling and compromising claims.

RESPONSE: Denied. In particular, ISC has no responsibility for allegedly fraudulent practices by Group employees.

REQUEST FOR ADMISSION NO. 5:

Admit that on April 7, 2004, Group made demand upon ISC, through its counsel Scott J. Kaplan, to pay and satisfy the claim of the State of Idaho Department of Health and Welfare, as contained in Exhibit "A."

RESPONSE: Admitted.

REQUEST FOR ADMISSION NO. 5 [sic]:

Admit that on April 20, 2004, through its counsel Scott J. Kaplan, ISC declined to become involved in paying, satisfying, settling or compromising the claim of the State of Idaho Department of Health and Welfare, as contained in Exhibit "A."

RESPONSE: Admitted.

REQUEST FOR ADMISSION NO. 6:

Admit that Exhibit "B" attached hereto is a true and accurate copy of a letter from Richard A. Hearn, attorney for L. R. Misner, dated April 6, 2004, and addressed to Ron Kerl, attorney for Group.

RESPONSE: Admitted.

REQUEST FOR ADMISSION NO. 7:

Admit that Exhibit "B" attached hereto makes demand upon Group to settle Misner's counter-claim on file in this action, and other claims he has against Group, as set forth in Exhibit "B."

RESPONSE: Admitted.

REQUEST FOR ADMISSION NO. 8:

Admit that L. R. Misner was a "provider" as that term is used in paragraphs 5.1 and 5.2 of the Management Agreement.

RESPONSE: Admitted.

//////

//////

REQUEST FOR ADMISSION NO. 9:

Admit that L. R. Misner claims, as set forth in his counterclaim on file herein and as set out in Exhibit "B", arise out of a "provider subcontract" as that term is used in paragraphs 5.1 and 5.2 of the Management Agreement.

RESPONSE: Denied. The claims result from alleged fraudulent practices by Misner.

REQUEST FOR ADMISSION NO. 10:

Admit that pursuant to paragraph 2.6(b) and 4.6(d) of the Management Agreement ISC is responsible for paying all claims and obligations associated with the operation of Group, including those under provider subcontracts and employment agreements with providers, and ISC is charged with settling and compromising such claims.

RESPONSE: Denied.

REQUEST FOR ADMISSION NO. 11:

Admit that on April 7, 2004, Group made demand upon ISC, through its counsel Scott J. Kaplan, to pay and satisfy the claim of L. R. Misner, as contained in Exhibit "B."

RESPONSE: Admitted.

REQUEST FOR ADMISSION NO. 12:

Admit that ISC has declined to become involved in paying, satisfying, settling or compromising the claim of L. R. Misner, as contained in his counter-claim and in Exhibit "B."

RESPONSE: Admitted.

REQUEST FOR ADMISSION NO. 13:

Admit that Exhibit "C" attached hereto is a true and accurate copy of a letter from Richard A. Hearn, attorney for Larry Bybee, dated April 6, 2004, and addressed to Ron Kerl, attorney for Group.

RESPONSE: Admitted.

REQUEST FOR ADMISSION NO. 14:

Admit that Exhibit "C" attached hereto makes demand upon Group to settle the claims of Bybee, as set forth in Exhibit "C."

RESPONSE: Admitted.

REQUEST FOR ADMISSION NO. 15:

Admit that Bybee was a "provider" as that term is used in paragraphs 5.1 and 5.2 of the Management Agreement.

RESPONSE: Admitted.

REQUEST FOR ADMISSION NO. 16:

Admit that Bybee claims, set forth in Exhibit "C," arise out of a "provider subcontract" as that term is used in paragraphs 5.1 and 5.2 of the Management Agreement.

RESPONSE: Denied. The claim arises out of alleged fraudulent practices by Group employees.

REQUEST FOR ADMISSION NO. 17:

Admit that pursuant to paragraph 2.6(b) and 4.6(d) of the Management Agreement ISC is responsible for paying all claims and obligations associated with the operation of Group, including those under provider subcontracts and employment agreements with providers, and ISC is charged with settling and compromising such claims.

RESPONSE: Denied.

REQUEST FOR ADMISSION NO. 18:

Admit that on April 7, 2004, Group made demand upon ISC, through its counsel Scott J. Kaplan, to pay and satisfy the claim of Bybee, as contained in Exhibit "C."

RESPONSE: Admitted.

REQUEST FOR ADMISSION NO. 19:

Admit that ISC declined to become involved in paying, satisfying, settling or compromising the claim of Bybee, as contained in Exhibit "C."

RESPONSE: Admitted.

REQUEST FOR ADMISSION NO. 20:

Admit that the claims of the State of Idaho, L. R. Misner and Larry Bybee (as set out in Exhibits "A," "B," and "C" attached hereto, and Misner's counterclaim on file herein) were not included in Group's proof of claim filed in ISC's chapter 11 bankruptcy proceeding.

RESPONSE: Admitted. ISC denies that the documents set forth claims against ISC.

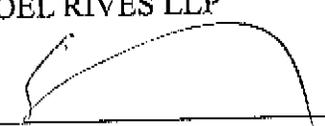
REQUEST FOR ADMISSION NO. 21:

Admit that the claims of the State of Idaho, L. R. Misner and Larry Bybee (as set out in Exhibit "A," "B," and "C" attached hereto, and Misner's counterclaim on file herein) were not raised in the objection Group filed in response to ISC's motion to assume the Management Agreement in its chapter 11 bankruptcy proceeding.

RESPONSE: Admitted. ISC denies that the documents relate to its responsibilities under the Management Agreement.

DATED: June 3, 2004.

STOEL RIVES LLP



Erik F. Stidham, ISB #5483
G. Rey Reinhardt, ISB #6209
Scott J. Kaplan, pro hac vice
Darian A. Stanford, pro hac vice

Attorneys for Defendant/Third-Party Plaintiff
InterDent Service Corporation

RESPONSE TO PLAINTIFF'S REQUESTS FOR ADMISSIONS DIRECTED TO INTERDENT
SERVICE CORPORATION - 7

CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing **Response to Plaintiff's Requests for Admissions Directed to Interdent Service Corporation** on the following named persons on the date indicated below by

- mailing with postage prepaid
- hand delivery
- facsimile transmission
- overnight delivery

to said persons a true copy thereof, contained in a sealed envelope, addressed to said persons at his or her last-known addresses indicated below.

Gary L. Cooper
Ron Kerl
James P. Price
COOPER & LARSEN
151 North Third Avenue, Suite 210
PO Box 4229
Pocatello, ID 83205-4229
Telephone: (208) 235-1145
Fax: (208) 235-1182
gary@cooper-larsen.com
ron@cooper-larsen.com
jim@cooper-larsen.com

Attorneys for Plaintiff/Third-Party
Defendant Pocatello Dental Group, P.C.

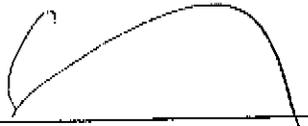
Lowell N. Hawkes
LOWELL N. HAWKES, CHARTERED
1322 East Center
Pocatello, ID 83201
Telephone: (208) 235-1600
Fax: (208) 235-4200
hox@nicoh.com

Attorney for Third-Party Defendants
Dwight G. Romriell, Gregory Romriell,
Errol Ormond and Arnold Goodliffe

DATED: June 3, 2004.

Richard A. Hearn
Stephen J. Muhonen
RACINE, OLSON, NYE,
BUDGE & BAILEY, CHARTERED
PO Box 1391/Center Plaza
Pocatello, ID 83204-1391
Telephone: (208) 232-6101
Fax: (208) 232-6109
rah@racinelaw.net
sjm@racinelaw.net

Attorneys for Third-Party Defendant
Dr. Larry R. Misner, Jr., Dr. Ernest
Sutton and Dr. Porter Sutton



Scott J. Kaplan, OSB No. 91335
Attorneys for Defendant/Third-Party Plaintiff
InterDent Service Corporation

COOPER & LARSEN

GARY L. COOPER
REED W. LARSEN
RON KERL
M. ANTHONY SASSER
E. W. "SKIP" CARTER
JAMES D. RUCHTI

151 NORTH 3rd AVE. - 2nd FLOOR
P.O. BOX 4229
POCATELLO, ID 83205-4229

TELEPHONE (208) 235-1145
FAX (208) 235-1182

Attorneys at Law

June 15, 2004

Scott J. Kaplan, Esq.
Stoel Rives, LLP
900 SW Fifth Avenue, Suite 2600
Portland, OR 97204-1268

Re: *Pocatello Dental Group v InterDent Service Corporation*

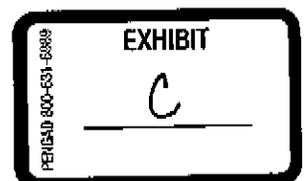
Dear Scott:

This letter is written pursuant to Local Rule 37.1. This letter is PDG's attempt to reach agreement on discovery disputes hereinafter identified before it takes the matter to the Court for its intervention.

With respect to ISC's May 16 Response to PDG's First Set of Discovery Requests, PDG requests ISC either withdraw its objection(s) and/or supplement its responses.

RESPONSE TO INTERROGATORY NO. 1: Paragraph 19. of ISC's Counterclaim alleges that ISC is the successor in interest to the rights of GMS under the Management Agreement. The identity of those persons with knowledge of the merger is relevant and likely to lead to the discovery of admissible evidence relating to ISC's claim that it has rights under the management agreement, including its right to seek rescission of the agreement and restitution of any consideration paid by GMS. Please answer this interrogatory.

RESPONSE TO INTERROGATORY NO. 2: Describe the "individual dentists who requested or approved such discontinuance of treatment at the Pocatello office." Your attempt to refer to such dentists generically is inappropriate when the discovery request asks for the person to be "identified." Please provide the requested information.



RESPONSE TO INTERROGATORY NO. 3: ISC's counterclaim is seeking restitution of \$2.8 Million dollars. That \$2.8 Million was paid by Gentle Dental, not ISC. If ISC is seeking "restitution" for the consideration paid by Gentle Dental, it is certainly relevant to the defense of such an equitable claim to ask ISC to describe the consideration it has paid to Gentle Dental. Please provide the requested information.

RESPONSE TO INTERROGATORY NO. 4: PDG disagrees with ISC's use of the bankruptcy proceedings as an excuse for not performing the contract *after* confirmation of its chapter 11 plan. If equipment was inadequate before confirmation and needed to be replaced, confirmation of ISC's plan did not excuse it from performing its duties under the Management Agreement *after* confirmation by providing adequate equipment. To the extent equipment requests were made to ISC prior to October 3 and they have not been honored by ISC since October 3, a new breach has occurred. Please provide the requested information.

RESPONSE TO INTERROGATORY NO. 6: ISC's counterclaim is seeking restitution of \$2.8 Million dollars. This interrogatory seeks to determine the amount of PDG's revenues, between October 11, 2003 and the date of ISC's discovery response, which ISC has retained as its management fee. It is certainly relevant to the defense of such an equitable claim to ask ISC to describe the money it has retained as a management fee over the term of the Agreement. Please provide the requested information.

RESPONSE TO INTERROGATORY NO. 10, 11: ISC's course of dealing with other dental groups, and the fact that it has or has not been engaged in litigation with other dental groups, may lead to the discovery of admissible evidence bearing on PDG's claims, *i.e.* a systematic refusal to honor terms of its Management Agreements. Likewise, the "clean hands" doctrine is a defense to ISC's request for equitable relief and litigation between ISC and other dental groups may lead to the discovery of admissible evidence supporting that defense. Your objections are insufficient. Please provide the requested information.

RESPONSE TO INTERROGATORY NO. 12, 15: PDG has executed the stipulation re: protective order. Please produce the accounting and damage calculation records. The stipulation will be honored by PDG even in the absence of an order. Please provide the requested information.

RESPONSE TO INTERROGATORY NO. 16, 17: PDG disagrees with ISC's use of the bankruptcy proceedings as an excuse for not performing the contract *after* confirmation of its chapter 11 plan. If equipment was inadequate before confirmation and needed to be replaced, confirmation of ISC's plan did not excuse it from performing its duties under the Management Agreement *after* confirmation by providing adequate equipment. ISC's purchase and replacement of equipment between January 1, 2000 and the date of ISC's response can be considered, or will lead to admissible evidence which will allow the Court and parties to evaluate ISC's post-confirmation performance under the Management Agreement. Please provide the requested information dating back to January 1, 2000.

June 15, 2004

Page 3

RESPONSE TO INTERROGATORY NO. 18, 19: PDG disagrees with ISC's use of the bankruptcy proceedings as an excuse for not performing the contract *after* confirmation of its chapter 11 plan. If staffing was inadequate before confirmation and needed to be trained or supplemented, confirmation of ISC's plan did not excuse it from performing its duties under the Management Agreement *after* confirmation by providing adequately trained staff. ISC's hiring of staff between January 1, 2000 and the date of ISC's response can be considered, or will lead to admissible evidence which will allow the Court and parties to evaluate ISC's post-confirmation performance under the Management Agreement. Please provide the requested information dating back to January 1, 2000.

RESPONSE TO INTERROGATORY NO. 20, 21, 22: ISC has refused to defend the claims of Misner and Bybee against PDG, and has refused to get involved in defending the claim of the State of Idaho for Medicare over billings performed by ISC. If in the past ISC has hired and paid counsel to defend PDG against the claims of dentists and others with which it has contracted, or otherwise acted to defend against claims made against PDG, ISC's refusal to hire and pay counsel to defend these post confirmation claims can be considered evidence of its post-confirmation breach, or will lead to other admissible evidence which can be used to evaluate ISC's post-confirmation performance under the Management Agreement. Please provide the requested information.

RESPONSE TO REQUEST FOR PRODUCTION NO. 1: In PDG's amended complaint it alleges that ISC is not using the Joint Operations Committee to make "joint operating decisions." Minutes from past meetings will provide a platform from which to compare ISC's pre-confirmation conduct in that regard, with the post-confirmation conduct of the ISC controlled JOC. Please provide the requested information.

RESPONSE TO REQUEST FOR PRODUCTION NO. 2: ISC's counterclaim is seeking restitution of \$2.8 Million dollars. Evidence of ISC and its predecessors' PDG related profits over the years since the Management Agreement was entered into is relevant to determine if ISC is entitled to the equitable relief it seeks, or if PDG is entitled to be returned money so that each party is returned to the *status quo ante*. PDG has executed the stipulation re: protective order. The stipulation will be honored by PDG even in the absence of an order. Please provide the requested information.

RESPONSE TO REQUEST FOR PRODUCTION NO. 5: PDG disagrees with ISC's use of the bankruptcy proceedings as an excuse for not performing the contract *after* confirmation of its chapter 11 plan. If ISC was unilaterally refusing to recall or schedule patients before confirmation, confirmation of ISC's bankruptcy plan did not give it the right to continue to do so *after* confirmation. ISC's use of 2028 or similar lists in the past can be considered, or will lead to admissible evidence which will allow the trier of fact to evaluate ISC's post-confirmation performance under the Management Agreement. Please provide the requested information.

June 15, 2004

Page 4

RESPONSE TO REQUEST FOR PRODUCTION NO. 8: PDG has executed the stipulation re: protective order. The stipulation will be honored by PDG even in the absence of an order. Please provide the requested information.

RESPONSE TO REQUEST FOR PRODUCTION NO. 10: PDG disagrees with ISC's use of the bankruptcy proceedings as an excuse for not performing the contract *after* confirmation of its chapter 11 plan. If equipment was inadequate before confirmation and needed to be replaced, confirmation of ISC's plan did not excuse it from performing its duties under the Management Agreement *after* confirmation by providing adequate equipment. To the extent equipment requests were made to ISC prior to October 3 and they have not been honored by ISC since October 3, a new breach has occurred. Please provide the requested information.

RESPONSE TO REQUEST FOR PRODUCTION NO. 11: The patient lists are needed to compare with the "2028" and similar no-recall lists used by ISC, so that those patients can be identified as fact witnesses. That information is probably contained in computer records maintained by ISC and could be easily re-produced by ISC. Such records are not readily accessible by PDG at the Pocatello office because access to those records has been restricted by ISC personnel. Please provide the requested information.

RESPONSE TO REQUEST FOR PRODUCTION NO. 12: PDG disagrees with ISC's use of the bankruptcy proceedings as an excuse for not performing the contract *after* confirmation of its chapter 11 plan. If ISC's billing and collection practices and procedures have evolved over the years PDG is entitled to compare those practices and procedures as it may lead to the discovery of admissible evidence regarding ISC's breach of the Management Agreement post confirmation of its bankruptcy plan. Please provide the requested information.

RESPONSE TO REQUEST FOR PRODUCTION NO. 13: ISC's counterclaim is seeking restitution of \$2.8 Million dollars. Evidence of Group's revenues over the years since the Management Agreement was entered into is relevant to determine if ISC is entitled to the equitable relief it seeks, or if PDG is entitled to be returned money so that each party is returned to the *status quo ante*. PDG has executed the stipulation re: protective order. The stipulation will be honored by PDG even in the absence of an order. Please provide the requested information.

RESPONSE TO REQUEST FOR PRODUCTION NO. 14: ISC's counterclaim is seeking restitution of \$2.8 Million dollars. Evidence of Group's expenses and accounts payable over the years since the Management Agreement was entered into is relevant to determine if ISC is entitled to the equitable relief it seeks, or if PDG is entitled to be returned money so that each party is returned to the *status quo ante*. PDG has executed the stipulation re: protective order. The stipulation will be honored by PDG even in the absence of an order. Please provide the requested information.

June 15, 2004

Page 5

RESPONSE TO REQUEST FOR PRODUCTION NO. 15: Dental Advisory Board minutes need to be produced, as your stated objection is inadequate. These minutes may relate to ISC's interference with PDG's dentists practice of dentistry.

RESPONSE TO REQUEST FOR PRODUCTION NO. 16: ISC's counterclaim is seeking restitution of \$2.8 Million dollars. Evidence of ISC's expenses for equipment, fixtures and leasehold improvements over the years since the Management Agreement was entered into is relevant to determine if ISC is entitled to the equitable relief it seeks, or if PDG is entitled to be returned money so that each party is returned to the *status quo ante*. It also provides evidence of ISC's compliance with its affirmative obligation to maintain PDG's status as the preeminent group dental practice in South East Idaho. Please provide the requested information.

RESPONSE TO REQUEST FOR PRODUCTION NO. 17: ISC claims that PDG has made unauthorized adjustments to patient bills. To evaluate that claim a historical review of the adjustment policies of, and actual adjustments made by ISC is necessary and will lead to admissible evidence to refute ISC's claim. Please provide the requested information.

RESPONSE TO REQUEST FOR PRODUCTION NO. 18: ISC's counterclaim is seeking restitution of \$2.8 Million dollars. Evidence of interest earned by ISC over the years since the Management Agreement was entered into is relevant to determine if ISC is entitled to the equitable relief it seeks, or if PDG is entitled to be returned money so that each party is returned to the *status quo ante*. PDG also reminds ISC that the revenues do not belong to ISC and that ISC, under oath, has made that very representation to the U.S. Bankruptcy Court in California and its many creditors. Please provide the requested information.

RESPONSE TO REQUEST FOR PRODUCTION NO. 19: ISC's counterclaim is seeking restitution of \$2.8 Million dollars. Evidence of income earned by ISC over the years since the Management Agreement was entered into is relevant to determine if ISC is entitled to the equitable relief it seeks, or if PDG is entitled to be returned money so that each party is returned to the *status quo ante*. The tax returns, for eight years, have already been prepared and are easy to reproduce for PDG, and therefore not "burdensome." Please provide the requested information.

RESPONSE TO REQUEST FOR PRODUCTION NO. 21: ISC is obligated to provide PDG with a business location. The existing facility lease expires this coming Fall. Documents relating to its renewal (which requires advance notice to the landlord) would be evidence of ISC's post confirmation performance or its anticipatory breach of this aspect of the Management Agreement. Please provide the requested information.

RESPONSE TO REQUEST FOR PRODUCTION NO. 22: PDG disagrees with ISC's use of the bankruptcy proceedings as an excuse for not performing the contract *after* confirmation of its chapter 11 plan. Information relating to ISC's employee training practices over the years since the Management Agreement was executed is necessary to compare to ISC's post confirmation

June 15, 2004

Page 6

practices and procedures, and may lead to the further discovery admissible evidence regarding ISC's breach of the Management Agreement post confirmation of its plan. Please provide the requested information.

RESPONSE TO REQUEST FOR PRODUCTION NO. 23: ISC has refused to defend the claims of Misner and Bybee against PDG, and has refused to get involved in defending the claim of the State of Idaho for Medicare over billings performed by ISC. If in the past ISC has hired and paid counsel to defend PDG against the claims of others, or otherwise acted to defend PDG against claims made against it. ISC's refusal to hire and pay counsel to defend these post confirmation claims of Misner, Bybee and the State of Idaho can be considered as evidence, or will lead to other admissible evidence which can be used to establish ISC's post-confirmation breach of the Management Agreement. Please provide the requested information.

RESPONSE TO REQUEST FOR PRODUCTION NO. 25: If those ISC employees charged with managing PDG are compensated based upon their ability to reduce ISC expenditures for equipment, staff and staff training, leasehold space, and related expenses associated with PDG, that fact may lead to evidence relating to ISC's motives for breaching the Management Agreement. The employment contracts with those ISC employees charged with supervision or action on the PDG Management Agreement is clearly relevant. Please provide the requested information.

RESPONSE TO REQUEST FOR PRODUCTION NO. 31: PDG has executed the stipulation re: protective order. The stipulation will be honored by PDG even in the absence of an order. Please provide the requested information.

RESPONSE TO REQUEST FOR ADMISSION NO. 2: ISC's response is "non-responsive." The request for admission asked ISC to admit that it (1) refused to recall or (2) denied patients the opportunity to obtain or continue to obtain dental care "without the consent of the Plaintiff or its dentists." Please directly respond to the request.

RESPONSE TO REQUEST FOR ADMISSION NO. 3: ISC's response is "non-responsive." Rule 36 F.R.C.P. does not allow ISC to object on the basis stated. It must either admit or deny, or give the reasons why it cannot admit or deny. Please directly respond to the request.

RESPONSE TO REQUEST FOR ADMISSION NO. 4: ISC's counterclaim is seeking restitution of \$2.8 Million dollars, and ISC has alleged that it paid the equivalent of this sum to PDG's shareholders. In fact it did not do so. It is believed by PDG that any such payment of money and issuance of stock was given by GMS and not ISC. This request addresses ISC's counterclaim, so please directly respond to the request.

RESPONSE TO REQUEST FOR ADMISSION NO. 6: ISC's response is "non-responsive." Rule 36 F.R.C.P. does not allow ISC to object on the basis given in its response. It must either admit or deny, or give the reasons why it cannot admit or deny. Please directly respond to the request.

RESPONSE TO REQUEST FOR ADMISSION NO. 8: ISC's response is "non-responsive." Rule 36 F.R.C.P. does not allow ISC to object on the basis given in its response. It must either admit or deny, or give the reasons why it cannot admit or deny. Please directly respond to the request. The request does not presuppose ownership of the "interest" component of any revenues received by ISC in collecting PDG's revenues. It simply asks ISC to admit that it has not distributed any aspect of "interest" to PDG's dentists. PDG also reminds ISC that the PDG revenues do not belong to ISC and that ISC, under oath, has made that very representation to the U.S. Bankruptcy Court in California and its many creditors. Please directly respond to the request.

RESPONSE TO REQUEST FOR ADMISSION NO. 9: ISC's response is "non-responsive." Rule 36 F.R.C.P. does not allow ISC to limit the period of inquiry. It must admit or deny the request as written, or give a valid objection. ISC has refused to defend the claims of Misner and Bybee against PDG, and has refused to get involved in defending the claim of the State of Idaho for Medicare over billings performed by ISC. If in the past ISC has hired and paid counsel to defend PDG against the claims of others, or otherwise acted to defend PDG against claims made against it, ISC's refusal to hire and pay counsel to defend these post confirmation claims can be considered as evidence, or will lead to other admissible evidence which can be used to prove ISC's post-confirmation breach of the Management Agreement. Please directly respond to the request.

RESPONSE TO REQUEST FOR ADMISSION NO. 10 (sic): ISC's counterclaim is seeking restitution of \$2.8 Million dollars. Evidence of the current value of the stock received from ISC and/or its predecessor is relevant to determine if ISC is entitled to the equitable relief it seeks, or if PDG is entitled to be returned money so that each party is returned to the *status quo ante*. Please directly respond to the request.

RESPONSE TO REQUEST FOR ADMISSION NO. 2 (Second Set dated 4/26/04): ISC's response is "non-responsive." Rule 36 F.R.C.P. does not allow ISC to object on the basis given in its response. It must either admit or deny, or give the reasons why it cannot admit or deny. Please directly respond to the request. Does the identified Medicaid claim relate to billings processed by ISC and do the billings relate to dental services provided by Misner? If you claim that Misner committed fraud, then ISC must provide the factual basis on which it claims that fraud exists (in Idaho the elements of fraud are: (1) a statement or a representation of fact; (2) its falsity; (3) its materiality; (4) the speaker's knowledge of its falsity; (5) the speaker's intent that there be reliance; (6) the hearer's ignorance of the falsity of the statement; (7) reliance by the hearer; (8) justifiable reliance; and (9) resultant injury. To be responsive you cannot simply allege fraud without providing the factual basis for the claim of fraud. Please directly respond to the request.

RESPONSE TO REQUEST FOR ADMISSION NO. 4 (Second Set dated 4/26/04):

ISC's response is "non-responsive." Rule 36 F.R.C.P. does not allow ISC to object on the basis given in its response. It must either admit or deny, or give the reasons why it cannot admit or deny. Please directly respond to the request. If you claim that PDG dentists committed fraud, then ISC must provide the factual basis on which it claims that fraud exists (in Idaho the elements of fraud are: (1) a statement or a representation of fact; (2) its falsity; (3) its materiality; (4) the speaker's knowledge of its falsity; (5) the speaker's intent that there be reliance; (6) the hearer's ignorance of the falsity of the statement; (7) reliance by the hearer; (8) justifiable reliance; and (9) resultant injury. To be responsive you cannot simply allege fraud without providing the factual basis for the claim of fraud. Please directly respond to the request.

RESPONSE TO REQUEST FOR ADMISSION NO. 9 (Second Set dated 4/26/04):

ISC's response is "non-responsive." Rule 36 F.R.C.P. does not allow ISC to object on the basis given in its response. It must either admit or deny, or give the reasons why it cannot admit or deny. Please directly respond to the request. If you claim that Misner committed fraud, then ISC must provide the factual basis on which it claims that fraud exists (in Idaho the elements of fraud are: (1) a statement or a representation of fact; (2) its falsity; (3) its materiality; (4) the speaker's knowledge of its falsity; (5) the speaker's intent that there be reliance; (6) the hearer's ignorance of the falsity of the statement; (7) reliance by the hearer; (8) justifiable reliance; and (9) resultant injury. To be responsive you cannot simply allege fraud without providing the factual basis for the claim of fraud. Please directly respond to the request.

RESPONSE TO REQUEST FOR ADMISSION NO. 16 (Second Set dated 4/26/04):

ISC's response is "non-responsive." Rule 36 F.R.C.P. does not allow ISC to object on the basis given in its response. It must either admit or deny, or give the reasons why it cannot admit or deny. Please directly respond to the request. If you claim that PDG or its employees committed fraud, then ISC must provide the factual basis on which it claims that fraud exists (in Idaho the elements of fraud are: (1) a statement or a representation of fact; (2) its falsity; (3) its materiality; (4) the speaker's knowledge of its falsity; (5) the speaker's intent that there be reliance; (6) the hearer's ignorance of the falsity of the statement; (7) reliance by the hearer; (8) justifiable reliance; and (9) resultant injury. To be responsive you cannot simply allege fraud without providing the factual basis for the claim of fraud. Please directly respond to the request.

Scott, ISC's delay in properly responding to PDG's discovery requests has impaired its ability to defend ISC's counterclaim, and, with respect to the patient, equipment, accounting, tax and financial records, has impaired its ability to consult with and prepare its practice management and accounting expert witnesses in a timely fashion, especially since PDG's initial expert witness disclosures are a month away. I may have to move for an extension with respect to these initial disclosures as a result of ISC's comprehensive evasion of PDG's discovery requests.

June 15, 2004

Page 9

Sincerely,

COOPER & LARSEN, CHTD.

A handwritten signature in cursive script, appearing to read "Ron Kerl", written in black ink. The signature is positioned above the printed name "Ron Kerl".

Ron Kerl

RK/ajd

cc: Pocatello Dental Group, P.C.



200 S.W. Fifth Avenue, Suite 2600
Portland, Oregon 97204
phone 503.224.3380
fax 503.220.2180
toll 503.221.1045
www.stoel.com

SCOTT J. KAPLAN
Direct (503) 294-9186
sjkaplan@stoel.com

June 23, 2004

VIA FACSIMILE TRANSMISSION ONLY

Mr. Ron Kerl
Cooper & Larsen
Second Floor
151 North Third Avenue
Pocatello, ID 83205-4229

Re: **Pocatello Dental Group, P.C. v. InterDent Service Corporation, etc., U.S. District Court (Idaho) Case No. CV-03-450-E-LMB**

Dear Ron:

This is in response to your letter of June 15, 2004. This is also to discuss a defect in PDG's discovery responses upon which ISC may have to move to compel.

ISC's Discovery Responses

The parties obviously have a fundamental disagreement about whether PDG is entitled to relitigate matters that either were or could have been resolved in the bankruptcy proceedings. ISC continues to maintain that PDG should not be rewarded for its forum-shopping in the context of discovery or otherwise. Nor does your argument that the pre-confirmation discovery requested might throw light on either ISC's construction of the Management Agreement or on the parties' course of performance alter this conclusion. ISC's course of performance and construction of the document prior to October 3, 2003 are irrelevant as a matter of law. In any event, you do not identify any particular term of the Management Agreement that is ambiguous and so might require extrinsic evidence in aid of its interpretation. This resolves most of the matters raised in your letter. A discussion of the remaining issues follows:

Interrogatory Nos. 1 and 3

ISC's assumption of the Management Agreement as ordered by the bankruptcy court conclusively established that ISC is the successor to GMS Dental's rights. If PDG objected to ISC's rights under the agreement, it should have made those objections in bankruptcy court. It may not relitigate the issue now; therefore, the discovery is not relevant to any issue in the case.

Oregon
Washington
California
Utah

PERIOD 800-631-6888

EXHIBIT

D

Mr. Ron Kerl
June 23, 2004
Page 2

Interrogatory No. 2

The identity of the individual dentists who approved discontinuance of treatment will be apparent from the business records produced in this case. See Fed. R. Civ. P. 33(d).

Interrogatory No. 6, Request for Production No. 13

ISC is not seeking restitution in the amount of \$2.8 million. It is seeking restitution in the alternative in the amount of \$2.8 million *plus* prejudgment interest, an amount of approximately \$4.5 million. ISC's profits are not pertinent to this claim. The question is the amount by which PDG's shareholders were unjustly enriched in the 1996 transaction if, as they contend, the transaction was illegal. Neither ISC's management fee nor PDG's fees received for providing dental services after the 1996 transaction are pertinent to this question. In any event, the restitution claim is not against PDG, so your client would seem to have no standing to debate the issue.

Interrogatory Nos. 10 and 11

The questions in this case relate to the particular contract documents, the conduct of the parties vis-à-vis each other and their rights and obligations determined by the orders of the bankruptcy court. Events involving third parties provide no discoverable information on these issues.

Interrogatory Nos. 12 and 15, Request for Production No. 8

When the Protective Order is entered, we will provide the remaining documents. Due to the delay in getting Lowell's signature, I do not believe it has not yet been entered. If I am wrong about this, please let me know. Obviously, protected information cannot be produced until there is a protective order binding upon all parties.

Request for Production No. 2

See Interrogatory Nos. 1 and 3, *supra*.



Mr. Ron Kerl
June 23, 2004
Page 3

Request for Production No. 11

PDG dentists have access to patient charts. ISC will not give its computer database to dentists who are in the process of preparing to compete with ISC and who have aided and abetted dentists who are already competing.

Request for Production No. 18

Most of the arguments you make with regard to this request have already been addressed. Under the unambiguous language of the Management Agreement, PDG assigned all practice revenues to ISC. Ignoring this language will not make it go away. We disagree with your spin on the footnote to the bankruptcy filing that did not address the plain language of the Management Agreement between PDG and ISC.

Request for Production No. 19

Most of the arguments you make are already addressed. With regard to tax returns, tax returns are not discoverable unless there are no other, less intrusive means of obtaining information. *Premium Service Corp. v. Sperry & Hutchison Co.*, 511 F2d 225, 229 (9th Cir 1975). Obviously, PDG's shareholders (the ones who actually file returns) would object if ISC sought their tax returns.

Request No. 21

Please identify the allegation in the pleadings to which the lease documents relate. I am aware of no complaint in the pleadings related to the leased premises. Moreover, ISC has no obligation to disclose information related to lease issues to its current or future competitors to assist them in locating space from which to compete.

Request No. 25

The only conceivable reason for requesting ISC employee employment contracts is for the purpose of harassment and invasion of privacy. Under your theory, ISC could conduct detailed discovery into the finances of PDG shareholders to investigate their motives for breaching the Management Agreement.

Mr. Ron Kerl
June 23, 2004
Page 4

Requests for Admissions

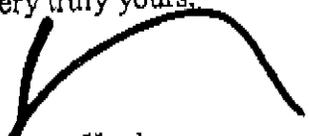
Most of the arguments you make are addressed above. With regard to the qualifications made by ISC in its responses to PDG's poorly drafted requests, I would draw your attention to Rule 36(a), which provides that in response to a request for admission to a party "when good faith requires that a party qualify an answer or deny only a part of the matter of which an admission is requested, the party shall specify so much of it as is true and qualify or deny the remainder." This is precisely what ISC has done. You also seem to contend that requests for admission are not subject to a relevance objection or the other objections that may be made to written discovery. This is not my understanding of the Federal Rules. If there is some issue regarding ISC's responses to the requests for admission not covered by the above, please let me know.

PDG's Discovery Responses

PDG objected to a number of ISC's discovery requests seeking communications between its president, Dr. G. Romriell and its competitor, Dr. D. Romriell, on the basis that the communications are "personal" because they are brothers. *E.g.*, Interrogatory No. 16. There is no "brotherly privilege" against discovery. Communications between the two in furtherance of, for example, the conspiracy to obtain an ex parte temporary restraining order by making misrepresentations to the state court, the misappropriation of the mail and ISC's revenues, and D. Romriell's competition with ISC and PDG are highly relevant to this case and must be disclosed. Please let me know if a motion to compel will be necessary.

Please also let me know if you have any questions.

Very truly yours,


Scott J. Kaplan

SJK:jaw

cc: Mr. Kevin Webb (via e-mail)