

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

FILED  
FEB 21 1993  
N

Counsel for Pocatello Dental Group, P.C.

**UNITED STATES DISTRICT COURT  
DISTRICT OF IDAHO**

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

Case No. CIV 03-450-E-BLW

vs. )

**SUPPLEMENTAL  
AFFIDAVIT OF RON KERL**

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

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

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. )

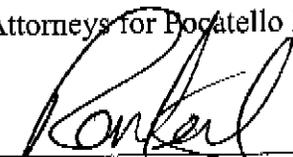


4. Attached hereto, marked Exhibit "C" and incorporated herein by this reference is a true and accurate copy of a PACER search of adversary proceedings filed in the Chapter 11 bankruptcy proceeding filed by InterDent Service Corporation in the Central District of California as case number 03-13594. Attention is drawn to the second page of the exhibit, the adversary listing for said bankruptcy proceeding. The United States Bankruptcy Court for the Central District of California has no record of any adversary proceeding filed in the InterDent Service Corporation case.

5. Attached hereto, marked Exhibit "D" and incorporated herein by this reference is a true and accurate copy of the objection Plaintiff filed in opposition to Defendant's bankruptcy court motion to assume the Management Agreement.

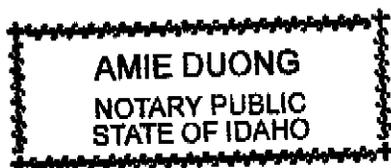
DATED this 21 day of April, 2004.

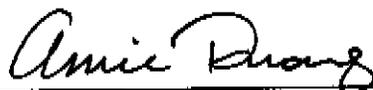
COOPER & LARSEN, CHTD.  
Attorneys for Pocatello Dental Group, P.C.

  
\_\_\_\_\_  
Ron Kerl

SUBSCRIBED AND SWORN to before me this 21 day of April, 2004.

(SEAL)



  
\_\_\_\_\_  
NOTARY PUBLIC for Idaho  
Residing at: Pocatello \_\_\_\_\_  
Commission Expires: 11/6/05

CERTIFICATE OF SERVICE

I HEREBY CERTIFY on the 2 day of April, 2004, I served a true and correct copy of the foregoing document as follows:

Erik F. Stidham  
G. Rey 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  
STOEL RIVES LLP  
900 SW Fifth Ave. Ste. 2600  
Portland, OR 97204-1268

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

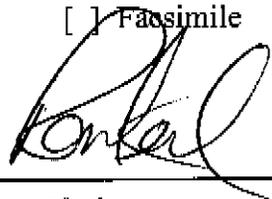
Lowell N. Hawks  
1322 East Center  
Pocatello, ID 83201

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

ORIGINAL

United States Bankruptcy Court

CENTRAL

District of

CALIFORNIA

In re: INTERDENT SERVICE CORPORATION  
Debtor

Case No. SA 03-13594 JR  
(if known)

Chapter: 11

**SUMMARY OF SCHEDULES**

Indicate as to each schedule whether that schedule is attached and state the number of pages in each. Report the totals from schedules A, B, D, E, F, I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amount from schedules D, E, and F to determine the total amount of the debtor's liabilities.

NAME OF SCHEDULE	ATTACHED (YES/NO)	NO. OF SHEETS	AMOUNTS SCHEDULED		
			ASSETS	LIABILITIES	OTHER
A Real Property	Yes	1	\$ 703,800.00		
B Personal Property	Yes	18	\$ 27,820,763.71		
C Property Claimed as Exempt	No	0			
D Creditor Holding Secured Claims	Yes	6		\$ 86,092,591.12	
E Creditors Holding Unsecured Priority Claims	Yes	1		\$ 0.00	
F Creditors Holding Unsecured Nonpriority Claims	Yes	24		\$ 91,625,642.49	
G Executory Contracts and Unexpired Leases	Yes	28			
H Codebtors	Yes	3			
I Current Income of Individual Debtor(s)	No	0			\$ 0.00
J Current Expenditures of Individual Debtor(s)	No	0			\$ 0.00
Total Number of Sheets in All Schedules		81			
Total Assets			\$28,524,563.71		
				Total Liabilities	\$177,718,233.61

FORM B6 (12/95)

EXHIBIT "A"

106-112  
85379

**SCHEDULE A - REAL PROPERTY**

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned by a co-tenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor's own benefit. If the debtor is married, state whether husband, wife, or both own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor holds no interest in real property, write "none" under "Description and Location of Property."

Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If any entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write "None" in the column labeled "Amount of Secured Claim."

If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C Property Claimed as Exempt.

DESCRIPTION AND LOCATION OF PROPERTY	NATURE OF DEBTOR'S INTEREST IN PROPERTY	Husband, Wife, Joint or Community	CURRENT MARKET VALUE OF DEBTOR'S INTEREST IN PROPERTY WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION	AMOUNT OF SECURED CLAIM
Lots 6, 7, 8, 9, and 10 in Block 8 of Second Addition to Harkness Township, Bannock County, Idaho, as the same appears on the official plat thereof, filed in the office of the County Recorder of Said County  Physical address: 608 Center Street, McCammon, ID 83250	Grant Deed  Value listed is from tax bill		\$62,300.00	\$0.00
Section 10 and the Northeast quarter of Section 11, Township 2 North, Range 1 East of the Willamette Meridian, County of Clark, State of Washington  Physical address: 7725 NW Highway 99, Vancouver, WA	Fee Simple Quit Claim Deed  Value listed is from tax bill		\$641,500.00	\$0.00
	Total		\$703,800.00	

### SCHEDULE B - PERSONAL PROPERTY

Except as directed below, list all personal property of the debtor of whatever kind. If the debtor has no property in one or more of the categories, place an "X" in the appropriate position in the column labeled "None." If additional space is needed in any category, attach a separate sheet properly identified with the case name, case number, and the number of the category. If the debtor is married, state whether husband, wife, or both own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor is an individual or a joint petition is filed, state the amount of any exemptions claimed only in Schedule C - Property Claimed as Exempt.

Do not list interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If the property is being held for the debtor by someone else, state that person's name and address under "Description and Location of Property."

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT, OR COMMUNITY	CURRENT MARKET VALUE OF DEBTOR'S INTEREST IN PROPERTY WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
1. Cash on hand.		All locations		\$38,153.26
2. Checking, savings or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage house, or cooperatives.		All locations		1,564,000.00
3. Security deposits with public utilities, telephone companies, landlords, and others.		All locations		600,770.91
4. Household goods and furnishings, including audio, video, and computer equipment.	X			
5. Books, pictures and other art objects, antiques, stamp, coin, record, tape, compact disc, and other collections or collectibles.	X			
6. Wearing apparel.	X			
7. Furs and jewelry.	X			
8. Firearms and sports, photographic, and other hobby equipment.	X			
9. Interests in insurance policies. Name insurance company of each policy and itemize surrender or refund value of each.	X			
10. Annuities. Itemize and name each issuer.	X			

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT, OR COMMUNITY	CURRENT MARKET VALUE OF DEBTOR'S INTEREST IN PROPERTY WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
11. Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Itemize.	X			
12. Stock and interests in incorporated and unincorporated businesses. Itemize.		Debtor is 100% shareholder of the following:  Capital Dental Care, Inc.  Managed Dental Care of Oregon, Inc.  Dedicated Dental Systems, Inc.		Minimal  Minimal  10,000,000.00 <sup>1</sup>
13. Interests in partnerships or joint ventures. Itemize.	X			
14. Government and corporate bonds and other negotiable and nonnegotiable instruments.	X			
15. Accounts receivable.	X	See footnote <sup>2</sup>		0.00
16. Alimony, maintenance, support, and property settlements to which the debtor is or may be entitled. Give particulars.	X			
17. Other liquidated debts owing debtor including tax refunds. Give particulars.	X			
18. Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule of Real Property.	X			
19. Contingent or non-contingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust.	X			

<sup>1</sup> The value for the Dedicated stock is arrived at based upon the following assumptions: EBITDA for 2002 x 4. EBITDA for 2002 was \$2,480,000.00. Houlihan, Lokey, Howard & Zukin, financial advisors to the Debtor, provided Debtor with the mathematical value of "4" times EBITDA for value of the stock.

<sup>2</sup> Pursuant to management agreements between the Debtor and the affiliated professional corporations ("APC's") on a daily basis the APC's turn over their collections of receivables to the Debtor, however, the APC collections are assets of the APC's and not the Debtor.

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT, OR COMMUNITY	CURRENT MARKET VALUE OF DEBTOR'S INTEREST IN PROPERTY WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
20. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.		The Debtor is a party to lawsuits in which the Debtor has filed counterclaims. At this time, the Debtor is unable to place a value on such contingent, unliquidated claims.		0.00
21. Patents, copyrights, and other intellectual property. Give particulars.	X			
22. Licenses, franchises, and other general intangibles. Give particulars.	X			
23. Automobiles, trucks, trailers, and other vehicles and accessories.	X			
24. Boats, motors, and accessories.	X			
25. Aircraft and accessories.	X			
26. Office equipment, furnishings, and supplies.		All locations - see attached <sup>3</sup>		1,911,159.52
27. Machinery, fixtures, equipment and supplies used in business.		All locations - see attached <sup>3</sup>		9,237,700.15
28. Inventory.		All locations - see attached as of 4/21/03 <sup>3</sup>		4,468,979.87
29. Animals.	X			
30. Crop - growing or harvested. Give particulars.	X			
31. Farming equipment and implements.	X			
32. Farm supplies, chemicals, and food.	X			
33. Other personal property of any kind not already listed. Itemize.		Management agreements with Affiliated Professional Corporations. The Debtor is unable to place a value with respect to the amount of this asset therefore the value is unknown.		0.00
<b>Total:</b>			<b>\$</b>	<b>27,820,763.71</b>

<sup>3</sup> Based upon asset value on financial statements.

✓

	Type of Property		
	Line 26 Office Equip Furnishings & Supplies	Line 27 Machinery, fixtures, equip, & supplies used in business	Line 33 Other personal prop
Dental Equipment		6,609,265.07	
Dental Equipment M & A		91,387.07	
Air Compressor		140,015.81	
X-ray viewer, Camera		353,835.01	
Dental, Dr. & Assistant Chair		324,345.31	
Small Tools		347,617.42	
Office Equipment	496,185.63		
Office Equipment	94,002.83		
Computers & Software	824,627.46		
Software	271,712.84		
QSI Conversion-Software	45,769.30		
QSI Conversion-Hardware	91,097.90		
QSI Conversion-Additions	7,213.61		
QSI Additions-Software	39,418.31		
QSI Additions-Hardware	41,131.64		
Furniture		1,150,546.11	
Furniture M&A		58,318.19	
Furniture		144,057.95	
Furniture		18,312.21	
Automobiles			
Management agreements with affiliated professional corporations			Unknown
Totals	1,911,159.52	9,237,700.15	0.00

Attachment for B26, 27 & 33 86640  
6

Pages: From: 4/21/03  
 Date: 4/21/03  
 Account: .1400.

To: 4/21/03  
 .1499.

28

Sorted By: Location/Dept  
 Include: Posting, Inactive

Subtotal By: No Subtotals

Inactive Account

Description		Beginning Balance		Reference				
Account	Yrx Date Transaction For	Jrnl No.	Source Doc Document Number	Debit Document Date	Credit	Net Change	Ending Balance	
Dental Supplies Inventory 00000.1400.1000			(\$1,100,000.00)					
*No transactions for this account* Totals:				\$0.00	\$0.00	\$0.00	(\$1,100,000.00)	
Dental Supplies Inventory 01050.1400.1000			\$41,040.85					
*No transactions for this account* Totals:				\$0.00	\$0.00	\$0.00	\$41,040.85	
Dental Supplies Inventory 01051.1400.1000			\$43,116.41					
*No transactions for this account* Totals:				\$0.00	\$0.00	\$0.00	\$43,116.41	
Dental Supplies Inventory 01052.1400.1000			\$40,924.13					
*No transactions for this account* Totals:				\$0.00	\$0.00	\$0.00	\$40,924.13	
Dental Supplies Inventory 01053.1400.1000			\$24,132.40					
*No transactions for this account* Totals:				\$0.00	\$0.00	\$0.00	\$24,132.40	
Dental Supplies Inventory 01054.1400.1000			\$41,005.40					
*No transactions for this account* Totals:				\$0.00	\$0.00	\$0.00	\$41,005.40	
Dental Supplies Inventory 01150.1400.1000			\$76,242.61					
*No transactions for this account* Totals:				\$0.00	\$0.00	\$0.00	\$76,242.61	
Dental Supplies Inventory 01151.1400.1000			\$74,488.49					
*No transactions for this account* Totals:				\$0.00	\$0.00	\$0.00	\$74,488.49	
Handpiece Inventory 01151.1405.1000			\$1,684.31					
*No transactions for this account* Totals:				\$0.00	\$0.00	\$0.00	\$1,684.31	
Dental Supplies Inventory 02050.1400.1000			\$54,561.25					
*No transactions for this account* Totals:				\$0.00	\$0.00	\$0.00	\$54,561.25	
Dental Supplies Inventory 02051.1400.1000			\$35,272.83					

attach me at Schedule B-28

7

*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$35,272.83
Dental Supplies Inventory 02052.1400.1000	\$50,179.97				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$50,119.97
Dental Supplies Inventory 02053.1400.1000	\$60,019.58				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$60,019.58
Handpieces Inventory 02053.1405.1000	\$563.99				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$563.99
Dental Supplies Inventory 02054.1400.1000	\$31,626.91				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$31,626.91
Handpieces Inventory 02054.1405.1000	\$1,280.00				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$1,280.00
Dental Supplies Inventory 02056.1400.1000	\$51,812.46				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$51,812.46
Handpiece Inventory 02056.1405.1000	\$505.18				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$505.18
Dental Supplies Inventory 02057.1400.1000	\$42,559.91				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$42,559.91
Dental Supplies Inventory 02058.1400.1000	\$99,499.52				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$99,499.52
Handpiece Inventory 02058.1405.1000	\$4,774.96				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$4,774.96
Dental Supplies Inventory 02059.1400.1000	\$31,506.30				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$31,506.30
Handpieces Inventory 02059.1405.1000	\$681.99				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$681.99
Dental Supplies Inventory 02060.1400.1000	\$42,117.59				

*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$42,117.59
Dental Supplies Inventory 02061.1400.1000	\$26,118.47				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$26,118.47
Dental Supplies Inventory 02062.1400.1000	\$23,727.96				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$23,727.96
Handpieces Inventory 02062.1405.1000	\$1,087.98				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$1,087.98
Dental Supplies Inventory 02063.1400.1000	\$29,650.51				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$29,650.51
Dental Supplies Inventory 02065.1400.1000	\$33,644.11				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$33,644.11
Hand Pieces Inventory 02065.1405.1000	\$746.60				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$746.60
Dental Supplies Inventory 03050.1400.1000	\$63,093.56				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$63,093.56
Dental Supplies Inventory 03051.1400.1000	\$31,660.55				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$31,660.55
Dental Supplies Inventory 04150.1400.1000	\$31,117.58				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$31,117.58
Dental Supplies Inventory 04151.1400.1000	\$35,665.68				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$35,665.68
Handpiece Inventory 04151.1405.1000	\$800.00				
4/21/03 778,770 PMTRX HENRY SCHEIN 7024802-01 4/21/03 HEN002	\$3,471.88				
Totals:	\$3,471.88	\$0.00	\$3,471.88		\$4,271.88
Dental Supplies Inventory 04152.1400.1000	\$50,320.13				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$50,320.13
Dental Supplies Inventory 04154.1400.1000	\$38,764.33				

9

*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$38,764.53
Handpiece Inventory 04154.1400.1000	\$1,320.00				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$1,320.00
Dental Supplies Inventory 04155.1400.1000	\$25,896.97				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$25,896.97
Dental Supplies Inventory 04156.1400.1000	\$36,150.30				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$36,150.30
Dental Supplies Inventory 04157.1400.1000	\$32,154.20				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$32,154.20
Dental Supplies Inventory 04158.1400.1000	\$37,632.89				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$37,632.89
Dental Supplies Inventory 04250.1400.1000	\$33,430.43				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$33,430.43
Dental Supplies Inventory 04251.1400.1000	\$48,578.84				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$48,578.84
Dental Supplies Inventory 04252.1400.1000	\$25,156.26				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$25,156.26
Dental Supplies Inventory 04253.1400.1000	\$25,074.94				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$25,074.94
Dental Supplies Inventory 04255.1400.1000	\$81,129.07				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$81,129.07
Dental Supplies Inventory 04256.1400.1000	\$66,397.13				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$66,397.13
Dental Supplies Inventory 04258.1400.1000	\$17,489.45				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$17,489.45
Dental Supplies Inventory 04260.1400.1000	\$45,895.13				

10

*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$45,895.13
Dental Supplies Inventory 04350.1400.1000	\$47,941.72				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$47,941.72
Dental Supplies Inventory 04351.1400.1000	\$30,266.07				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$30,266.07
Handpiece Inventory 04351.1405.1000	\$770.00				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$770.00
Dental Supplies Inventory 10150.1400.1000	\$74,702.28				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$74,702.28
Sonicare Supply Inventory 10150.1401.1000	\$336.00				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$336.00
Dental Supplies Inventory 10151.1400.1000	\$28,077.82				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$28,077.82
Handpieces Inventory 10151.1405.1000	\$160.48				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$160.48
Dental Supplies Inventory 10152.1400.1000	\$45,427.63				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$45,427.63
Handpieces Inventory 10152.1405.1000	\$375.99				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$375.99
Dental Supplies Inventory 10153.1400.1000	\$27,954.02				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$27,954.02
Dental Supplies Inventory 10154.1400.1000	\$48,869.96				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$48,869.96
Dental Supplies Inventory 10250.1400.1000	\$80,214.81				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$80,214.81
Prepaid 10250.1401.1000	\$504.00				

11

*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$504.00
Handpiece Inventory 10250.1400.1000	\$937.40				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$937.40
Dental Supplies Inventory 10251.1400.1000	\$20,629.03				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$20,629.03
Dental Supplies Inventory 11150.1400.1000	\$132,568.47				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$132,568.47
Dental Supplies Inventory 11155.1400.1000	\$38,154.11				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$38,154.11
Dental Supplies Inventory 11156.1400.1000	\$29,611.67				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$29,611.67
Dental Supplies Inventory 11250.1400.1000	\$28,962.36				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$28,962.36
Dental Supplies Inventory 11350.1400.1000	\$49,503.34				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$49,503.34
Dental Supplies Inventory 11351.1400.1000	\$19,996.93				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$19,996.93
Dental Supplies Inventory 11352.1400.1000	\$34,434.84				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$34,434.84
Dental Supplies Inventory 11353.1400.1000	\$17,027.05				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$17,027.05
Dental Supplies Inventory 11354.1400.1000	\$35,967.55				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$35,967.55
Dental Supplies Inventory - P 11355.1400.1000	\$21,173.05				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$21,173.05
Dental Supplies Inventory 11356.1400.1000	\$43,803.54				

12

*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$43,803.54
Dental Supplies Inventory 11358.1400.1000		\$34,370.84			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$34,370.84
Dental Supplies Inventory 11359.1400.1000		\$32,119.84			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$32,119.84
Dental Supplies Inventory 11360.1400.1000		\$42,377.01			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$42,377.01
Dental Supplies Inventory 11361.1400.1000		\$14,179.88			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$14,179.88
Dental Supplies Inventory 11362.1400.1000		\$10,193.43			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$10,193.43
Handpiece Inventory 11362.1405.1000		\$653.67			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$653.67
Dental Supplies Inventory 11363.1400.1000		\$26,493.79			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$26,493.79
Dental Supplies Inventory 11364.1400.1000		\$21,422.02			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$21,422.02
Dental Supplies Inventory 11365.1400.1000		\$17,942.29			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$17,942.29
Dental Supplies Inventory 11450.1400.1000		\$24,884.22			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$24,884.22
Dental Supplies Inventory 11451.1400.1000		\$23,908.49			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$23,908.49
Dental Supplies Inventory 11453.1400.1000		\$12,617.13			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$12,617.13
Dental Supplies Inventory 11454.1400.1000		\$17,037.27			

*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$17,037.27
Dental Supplies Inventory 11455.1400.1000	\$28,001.67				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$28,001.67
Handpieces Inventory 11455.1405.1000 HENRY SCHEIN	\$0.00 4/21/03 778,961 PNTRX 4437231-01 4/21/03 1HEND2	\$291.99		Niles Point Family-APRO3	
Totals:	\$291.99	\$0.00	\$291.99	\$291.99	
Dental Supplies Inventory 11456.1400.1000	\$18,387.09				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$18,387.09
Dental Supplies Inventory 11457.1400.1000	\$33,574.31				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$33,574.31
Dental Supplies Inventory 11458.1400.1000	\$22,248.32				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$22,248.32
Dental Supplies Inventory 11459.1400.1000	\$18,593.66				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$18,593.66
Dental Supplies Inventory 11460.1400.1000	\$20,568.36				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$20,568.36
Dental Supplies Inventory 11550.1400.1000	\$44,557.20				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$44,557.20
Dental Supplies Inventory 11551.1400.1000	\$21,733.79				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$21,733.79
Dental Supplies Inventory 11552.1400.1000	\$25,877.59				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$25,877.59
Dental Supplies Inventory 11553.1400.1000	\$9,230.66				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$9,230.66
Dental Supply Inventory 11650.1400.1000	\$38,196.96				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$38,196.96
Handpieces Inventory 11650.1405.1000	\$400.00				

14

*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$400.00
Dental Supply Inventory 11651.1400.1000	\$23,790.46				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$23,790.46
Dental Supply Inventory 11652.1400.1000	\$24,920.59				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$24,920.59
Dental Supplies Inventory 11653.1400.1000	\$23,708.02				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$23,708.02
Dental Supplies Inventory 11750.1400.1000	\$50,482.46				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$50,482.46
Dental Supplies Inventory 11751.1400.1000	\$17,045.62				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$17,045.62
Dental Supplies Inventory 11752.1400.1000	\$14,438.64				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$14,438.64
Dental Supplies Inventory 11753.1400.1000	\$18,290.73				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$18,290.73
Dental Supplies Inventory 11754.1400.1000	\$24,049.12				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$24,049.12
Dental Supplies Inventory 12150.1400.1000	\$280,364.98				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$280,364.98
Hand Pieces Inventory 12150.1405.1000	\$1,142.36				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$1,142.36
Dental Supplies Inventory 12250.1400.1000	\$64,197.13				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$64,197.13
Handpieces Inventory 12250.1405.1000	\$1,381.09				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$1,381.09
Dental Supplies Inventory 13150.1400.1000	\$38,034.56				

15

*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$58,034.56
Dental Supplies Inventory 13250.1400.1000	\$21,877.73				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$21,877.73
Dental Supplies Inventory 13251.1400.1000	\$83,547.01				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$83,547.01
Dental Supplies Inventory 13252.1400.1000	\$59,037.83				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$59,037.83
Dental Supplies Inventory 13261.1400.1000	\$50,829.81				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$50,829.81
Dental Supplies Inventory 13262.1400.1000	\$38,399.54				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$38,399.54
Dental Supplies Inventory 13264.1400.1000	\$42,218.08				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$42,218.08
Dental Supplies Inventory 13265.1400.1000	\$49,992.02				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$49,992.02
Dental Supplies Inventory 13267.1400.1000	\$97,853.57				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$97,853.57
Dental Supplies Inventory 13268.1400.1000	\$44,958.95				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$44,958.95
Dental Supplies Inventory 14151.1400.1000	\$48,040.22				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$48,040.22
Hand Pieces Inventory 14151.1405.1000	\$2,733.97				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$2,733.97
Dental Supplies Inventory 14250.1400.1000	\$49,294.27				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$49,294.27
Handpiece Inventory 14250.1405.1000	\$2,511.21				

16

*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$2,511.21
Dental Supplies Inventory 14251.1400.1000	\$33,038.12				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$33,038.12
Dental Supplies Inventory 14350.1400.1000	\$40,921.96				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$40,921.96
Dental Supplies Inventory 14352.1400.1000	\$36,015.40				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$36,015.40
Dental Supplies Inventory 14353.1400.1000	\$69,905.65				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$69,905.65
Dental Supplies Inventory 14450.1400.1000	\$136,680.52				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$136,680.52
Dental Supplies Inventory 14452.1400.1000	\$44,728.58				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$44,728.58
Dental Supplies Inventory 14550.1400.1000	\$31,601.27				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$31,601.27
Dental Supplies Inventory 14551.1400.1000	\$34,420.88				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$34,420.88
Dental Supplies Inventory 14650.1400.1000	\$51,142.09				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$51,142.09
Dental Supplies Inventory 14750.1400.1000	\$47,851.46				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$47,851.46
Dental Supplies Inventory Imp 14800.1400.3000	(\$16,945.64)				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	(\$16,945.64)
Dental Supplies Inventory 14850.1400.1000	\$35,741.52				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$35,741.52
Dental Supplies Inventory 14851.1400.1000	\$38,889.87				

17

*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$38,889.87
Dental Supplies Inventory 14852.1400.1000	\$18,661.86				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$18,661.86
Handpiece Inventory 14852.1405.1000	\$5,066.13				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$5,066.13
Dental Supplies Inventory 14854.1400.1000	\$29,165.82				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$29,165.82
Dental Supplies Inventory 14855.1400.1000	\$35,340.88				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$35,340.88
Dental Supplies Inventory 14860.1400.1000	\$56,419.37				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$56,419.37
Handpiece Inventory 14860.1405.1000	\$432.97				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$432.97
Dental Supply Inventory 14951.1400.1000	\$28,479.57				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$28,479.57
Handpiece Inventory 14951.1405.1000	\$580.18				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$580.18
Dental Supplies Inventory 21151.1400.1000	\$38,687.27				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$38,687.27
Handpieces Inventory 21151.1405.1000	\$1,876.83				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$1,876.83
Dental Supplies Inventory 21152.1400.1000	\$27,430.35				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$27,430.35
Dental Supplies Inventory 21153.1400.1000	\$35,044.48				
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$0.00	\$35,044.48
Handpiece Inventory 21153.1405.1000	\$0.00				

4/21/03 778,790 PHTRX  
HENRY SCHEIN 4510444-01 4/21/03

\$1,176.93

Metra Center - ERX200150231.82

HEN002

Totals:	\$1,116.93	\$0.00	\$1,116.93	\$1,116.93
Dental Supplies Inventory 21154.1400.1000	\$55,065.16			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$55,065.16
Dental Supplies Inventory 21155.1400.1000	\$24,795.88			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$24,795.88
Dental Supplies Inventory 21250.1400.1000	\$36,444.29			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$36,444.29
Dental Supplies Inventory 21251.1400.1000	\$31,216.92			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$31,216.92
Handpieces Inventory 21251.1405.1000	\$5,175.41			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$5,175.41
Dental Supplies Inventory 21252.1400.1000	\$27,169.91			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$27,169.91
Dental Supplies Inventory 27030.1400.1000	\$7,090.60			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$7,090.60
Handpiece Inventory 27030.1405.1000	\$79.31			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$79.31
Dental Supplies Inventory 27150.1400.1000	\$37,789.20			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$37,789.20
Dental Supplies Inventory 27151.1400.1000	\$41,603.95			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$41,603.95
Dental Supplies Inventory 27152.1400.1000	\$48,783.65			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$48,783.65
Dental Supplies Inventory 27153.1400.1000	\$35,369.07			
*No transactions for this account*	Totals:	\$0.00	\$0.00	\$35,369.07
Dental Supplies Inventory 27154.1400.1000	\$34,097.36			

19

*No transactions for this account*		Totals:	\$0.00	\$0.00	\$0.00	\$34,097.36
Handpiece Inventory 27154.1405.1000		\$1,048.25				
*No transactions for this account*		Totals:	\$0.00	\$0.00	\$0.00	\$1,048.25
Dental Supplies Inventory 27155.1400.1000		\$32,728.97				
*No transactions for this account*		Totals:	\$0.00	\$0.00	\$0.00	\$32,728.97
Handpieces Inventory 27155.1405.1000		\$0.00				
MOUNTAIN MEDICO, INC.	4/21/03 778,850 PHTRX 982815 4/21/03 M00005	\$1,144.06				
				Advantage: CFRXY1001-5022B		
Totals:		\$1,144.06	\$0.00	\$1,144.06	\$1,144.06	
Grand Totals:	\$4,462,955.01	\$6,024.86	\$0.00	\$6,024.86	\$4,468,979.87	
Total Accounts:	170					

20

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF A CORPORATION

I, Robert W. Hill, the President of InterDent Service Corporation, a Washington corporation, named as debtor in this case, declare under penalty of perjury, declare that I have read the foregoing summary and schedules, consisting of 82 sheets, and that they are true and correct to the best of my knowledge, information and belief.

Dated: June 8, 2003

By: Robert W. Hill  
Robert W. Hill  
President

[SEARCH](#)

[LOGIN](#)

[SUGGESTIONS](#)

[USER PREF'S](#)

[HELP](#)

[HOME →](#)

[webPACER Bankruptcy Case Search - Click here to view the Cover Sheet Creditor Listing Claims Register](#)

## Docket for Case 03-13594 INTERDENT SERVICE CORPORATION

Filing Date	Entry No.	Image	Entry
09/03/03	292 <a href="#">Related Docs</a>	<a href="#">Image: 122 Pages; 4,314 KB; PDF</a>	ORDER re: (FINAL ORDER) (1) Approving Post-Petition Credit Facility; (2) Authorizing Senior Lien to Secure Post-Petition Credit Pursuant to 11 U.S.C. 364(d)(1); (3) Authorizing Lien to Secure Post-Petition Credit Pursuant to U.S.C. 364(c)(2) and (c)(3); and (4) Approving Means of Providing Adequate Protection to Prepetition Secured Creditors; with Notice of Entry RE: Item #25 [EOD 09/04/03] [DAN]
09/03/03	293 <a href="#">Related Docs</a>	<a href="#">Image: 91 Pages; 3,720 KB; PDF</a>	Plan of reorganization (REDLINE VERSION OF DEBTOR'S SECOND AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION) [As Modified on July 22, 2003 and as Further Modified on August __, 2003]; filed by Debtors-in-Possession RE: Item #19 [EOD 09/04/03][DAN]
09/03/03	294 <a href="#">Related Docs</a>	<a href="#">Image: 88 Pages; 4,077 KB; PDF</a>	Plan of reorganization (SECOND AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION) [As Modified on July 22, 2003 and as Further Modified on August 15, 2003 and Further Modified on September 3, 2003]; filed by Debtors-in-Possession [Disposed] RE: Item #19 [EOD 09/04/03] [DAN]
09/03/03	295 <a href="#">Related Docs</a>	No 	Document: Class 9 Ballot Cast in Acceptance of Joint Chapter 11 Plan of Reorganization; filed by Debtor and Debtor-in-Possession RE: Item

			#19 [EOD 09/04/03][DAN]
09/03/03	296 <u>Related Docs</u>	No	Affidavit of ADP Investor Communications Services Regarding Service of "Plan Packages"; filed by Debtor and Debtor-in-Possession RE: Item #19 [EOD 09/04/03][DAN]
09/03/03	297 <u>Related Docs</u>	No	Declaration of Service Regarding Ballot; filed by Attorneys for VanDerschelden RE: Item #19 [EOD 09/04/03][DAN]
09/03/03	298 <u>Related Docs</u>	No	Motion to strike RE Creditor Steven Travis' First Amended Objection and Supplement to Debtors' Second Amended Joint Chapter 11 Plan of Reorganization; filed by Official Committee of Creditors Holding Unsecured Claims RE: Item #19 [EOD 09/04/03][DAN]
09/03/03	299 <u>Related Docs</u>	No	Motion to strike RE Objections Filed by Alleged Creditor Steven Travis' to Debtors' Second Amended Joint Chapter 11 Plan of Reorganization; filed by Official Committee of Creditors Holding Unsecured Claims RE: Item #19 [EOD 09/04/03][DAN]
09/03/03	300 <u>Related Docs</u>	No	Hearing held on Confirmation of Plan - PLAN CONFIRMED (cr:stei) RE: Item #19 [EOD 09/04/03][MCA]
09/04/03	301	No	Request for special notice filed by creditor Sky Financial Solutions Inc [EOD 09/04/03][EEE]
09/04/03	302 <u>Related Docs</u>	<u>Image: 38 Pages; 1,539 KB; PDF</u>	Stipulation and ORDER thereon re final use of cash collateral; notice of entry attached RE: Item #23 [EOD 09/05/03][STE]
09/09/03	303	No	Statement /Professional Fee Statement Number One for the Month of June 2003 for Deloitte & Touche LLP [EOD 09/10/03][MCA]
			Hearing held on Debtors' motion

09/16/03	304 <u>Related Docs</u>	No	filed 7-8-03 for an extension of time to assume or reject unexpired lease of non-residential real property - OFF CALENDAR (cr:stei) (DISPOSED) RE: Item #165 RE: Item #165 [EOD 09/17/03][DUA]
09/19/03	305	No	Notice of May 2003 Fees and Expenses of Steel Rives LLP; filed by Special Corporate Counsel for Debtor and Debtor-in-Possession [EOD 09/22/03][DAN]
09/19/03	306 <u>Related Docs</u>	No	Objection to Proposed Order; filed by Amerident RE: Item #19 [EOD 09/22/03][DAN]
09/23/03	307	No	Statement of professional fee no. Two for month of July 2003 for Deloitte & Touche LLP; filed by Deloitte & Touche [EOD 09/23/03] [STE]
09/23/03	308	No	Statement of professional fee no. three for month of August 2003 for Deloitte & Touche LLP; filed by Deloitte & Touche [EOD 09/23/03] [STE]
09/23/03	309 <u>Related Docs</u>	No	Reply Brief; filed by VanDerschelden RE: Item #19 [EOD 09/24/03][MCA]
09/26/03	310	No	Statement /Professional Fee Statement Number 3, Month of August 2003, for Rutan & Tucker, LLP [EOD 09/29/03][MCA]
09/30/03	311	No	Withdrawal re: Request for Special Notice and Notice of Appearance; filed by Miller & Clark, LLP [EOD 10/01/03][DAN]
09/30/03	312 <u>Related Docs</u>	No	Hearing held regarding issue of Vanderschelden's claim for assumption of his contracts with the debtor - SETTLED; HEARING CONTINUED TO 11-17-03 AT 2:30 P.M. (cr:stei) RE: Item #19 [EOD 10/01/03][DUA]
			Hearing held on Debtors' Motion

09/30/03	313 <u>Related Docs</u>	No	filed 8-29-03 for Order disallowing claim of Pocatello Dental Group, P.C., Claim No. 96 - CONTINUED 10-16-03 AT 1:30 P.M. (no court recorder used) RE: Item #283 [EOD 10/01/03][DUA]
10/01/03	314	<u>Image: 12 Pages; 372 KB; PDF</u>	ORDER to extend time for the occurrence of the Effective Date of the Confirmed Plan of Reorganization - shall be extended to 5 p.m. on October 31, 2003; with notice of entry attached (relates to Item #19) [EOD 10/02/03][MCA]
10/02/03	315 <u>Related Docs</u>	No	Notice to parties in interest of continued hearing to 11-17-03 at 2:30 p.m., Rm. 5A on objection of Dale VanDerschelden to the treatment of claim as a non-executory contract under terms of Debtor's Second Amended Joint Chapter 11 Plan Of Reorganization [as modified on July 22, 2003 and as further modified on September 3, 2003] filed by Debtors and Debtors-in-Possession RE: Item #294 [EOD 10/03/03][STE]
10/03/03	316 <u>Related Docs</u>	<u>Image: 46 Pages; 1,605 KB; PDF</u>	ORDER granting/approving Debtor's motion to approve settlement and compromise with AmeriDent Dental Corporation; notice of entry attached RE: Item #221 [EOD 10/03/03][STE]
10/03/03	317 <u>Related Docs</u>	<u>Image: 111 Pages; 4,970 KB; PDF</u>	ORDER confirming chapter 11 plan - granted Debtors' Second Amended Joint Chapter 11 Plan Of Reorganization [as Modified on July 22, 2003 and as further Modified on September 3, 2003] with notice of entry RE: Item #294 [EOD 10/03/03][STE]
10/03/03	318 <u>Related Docs</u>	No	Judge's instructions for entering discharge in chapter 11 cases The effective date of the plan RE: Item #317 [EOD 10/03/03][STE]
			Notice of order confirming chapter

10/03/03	319 <u>Related Docs</u>	<u>Image: 24 Pages; 87 KB; PDF</u>	11 plan (requested from BNC) Debtors' Second Amended Joint Chapter 11 Plan Of Reorganization [as Modified on July 22, 2003 and as Further Modified on September 3, 2003] RE: Item #317 [EOD 10/03/03][STE]
10/03/03	320 <u>Related Docs</u>	<u>Image: 18 Pages; 664 KB; PDF</u>	Findings of fact and conclusions of law in support of Order Confirming Debtors' Second Amended Joint Chapter 11 Plan Of Reorganization [As Modified on July 22, 2003 and as Further Modified on September 3, 2003] with notice of entry RE: Item #294 [EOD 10/03/03][STE]
10/07/03	321 <u>Related Docs</u>	<u>Image: 7 Pages; 223 KB; PDF</u>	Stipulation and ORDER thereon filed by and between The Debtors and Pocatello Dental Group; PDG hereby withdraws the claim against the Debtors; PDG hereby withdraws the Objection; IT IS FURTHER ORDERED that the hearing on the Objection set for October 16, 2003, at the hour of 1:30 p.m., is taken off calendar; notice of entry attached RE: Item #283 [EOD 10/08/03] [STE]
10/08/03	322 <u>Related Docs</u>	<u>Image: 24 Pages; 89 KB; PDF</u>	DISCHARGE OF DEBTOR (Chapter 11 - requested from BNC) Effective 10-3-03 RE: Item #317 [EOD 10/08/03][STE]
10/08/03	323 <u>Related Docs</u>	No	Certificate of mailing (1448 copies) RE: Item #319 [EOD 10/09/03] [BNC]
10/08/03	324	<u>Image: 15 Pages; 516 KB; PDF</u>	ORDER granting/approving Settlement Agreement Between the Reorganized Debtors and the Vanderschelden Entities; with Notice of Entry attached (settlement agreement attached as Exhibit 1) [EOD 10/09/03][DAN]
10/10/03	325	No	Request for special notice filed by creditor Meghan Bottemiller and Tracy and Tammy Bottemiller [EOD 10/10/03][NGV]

10/11/03	326 <u>Related Docs</u>	No	Certificate of mailing (1447 copies) RE: Item #322 [EOD 10/14/03] [BNC]
10/10/03	327	<u>Image: 11 Pages; 375 KB; PDF</u>	Stipulation and ORDER thereon filed by and between parties to waive requirement that Confirmation Order become final in order for effective date to occur; with notice of entry attached [EOD 10/14/03] [MCA]
10/10/03	328 <u>Related Docs</u>	No	Declaration of service of stipulation to extend deadline for the occurrence of the effective date of the confirmed plan of reorganization; filed by DDJ Capital Entities (No hearing required) RE: Item #19 [EOD 10/14/03][MCA]
10/14/03	329	No	Statement /Professional Fee Statement No. 1 May 2003 (May 10 - May 31); filed by Morrison & Foerster LLP, Debt Finance, Special Corporate, Health Care Regulatory, Labor and Special Litigation Counsel for the Debtors and Debtors in Possession [EOD 10/15/03] [DAN]
10/14/03	330	No	Statement /Professional Fee Statement No. 2 (June 2003); filed by Morrison & Foerster LLP, Debt Finance, Special Corporate, Health Care Regulatory, Labor and Special Litigation Counsel for the Debtors and Debtors in Possession [EOD 10/15/03][DAN]
10/14/03	331	No	Statement /Professional Fee Statement No. 3 (July 2003); filed by Morrison & Foerster LLP, Debt Finance, Special Corporate, Health Care Regulatory, Labor and Special Litigation Counsel for the Debtors and Debtors in Possession [EOD 10/15/03][DAN]
			Statement /Professional Fee Statement No. 4 (August 2003); filed by Morrison & Foerster LLP,

10/14/03	332	No	Debt Finance, Special Corporate, Health Care Regulatory, Labor and Special Litigation Counsel for the Debtors and Debtors in Possession [EOD 10/15/03][DAN]
10/14/03	333 <u>Related Docs</u>	No	Notice of cure payments due; filed by creditor Quality Systems, Inc. (No hearing required) [EOD 10/15/03][MCA]
10/16/03	334 <u>Related Docs</u>	No	Hearing held on Debtors' Motion filed 8-29-03 for Order disallowing claim of Pocatello Dental Group, P.C., Claim No. 96 - VACATED; STIPULATION AND ORDER SIGNED 10-7-03 (no court recorder used) RE: Item #283 [EOD 10/16/03][DUA]
10/17/03	335 <u>Related Docs</u>	No	Objection to claim and notice to Claim No. 101 filed by Cassandra Brown; filed by Debtors [Rescheduled] [EOD 10/20/03] [MCA]
10/20/03	336 <u>Related Docs</u>	No	Notice of August 2003 fees and expenses of Stocl Rives LLP filed by Debtor and Debtor-in-Possession RE: Item #215 [EOD 10/21/03] [DER]
10/22/03	337	No	Statement /Professional Fee Statement Number 5 for Winthrop Couchot, P.C. for month of September 2003; filed by Debtor and Debtor-in-Possession [EOD 10/22/03][STE]
10/22/03	338	No	Notice of hearing /Notice to retained professionals of hearing on Final Fee Applications; filed by Winthrop Couchot Professional Corporation, attorney for Debtors and Debtors-in-Possession (application not yet filed). Hearing hearing on 12/18/03 at 09:30 a.m. at Ronald Reagan Federal Bldg, 411 W Fourth St, Crtrm 5A, Santa Ana, CA 92701 [EOD 10/23/03][MCA]

10/23/03	339 <u>Related Docs</u>	No	Notice of: (A) Entry of confirmation order; (B) Occurrence of effective date of Plan of Reorganization; (C) The bar date for assertion of damage claims for rejection of executory contracts and unexpired leases; (D) The bar date for filing cure statements RE assumed leases and executory contracts; (E) The bar date for assertion of administrative claims; and (F) Discharge and injunction; filed by Debtors RE: Item #317 [EOD 10/24/03][MCA]
10/28/03	340	No	Statement /Professional Fee Statement No. Four for September 2003; filed by Deloitte & Touche LLP [EOD 10/29/03][DAN]
11/04/03	341 <u>Related Docs</u>	No	Objection (Evidentiary) to and Motion to Strike Portions of the Declaration of Robert W. Hill; filed by Claimant Cassandra Brown RE: Item #335 [EOD 11/05/03][DAN]
11/04/03	342 <u>Related Docs</u>	No	Opposition to Debtors' Objection to Claim No. 101; filed by Claimant Cassandra Brown RE: Item #335 [EOD 11/05/03][DAN]
11/06/03	343	No	Statement /Professional Fee Statement No. 5 (September 2003); filed by Morrison & Foerster LLP [EOD 11/07/03][DAN]
11/13/03	344	No	Notice of September 2003 Fees and Expenses of Stocl Rives LLP, Special Corporate Counsel for Debtor and Debtor-in-Possession [EOD 11/13/03][DAN]
11/12/03	345	No	Statement /Professional Fee Statement Number Four for September 2003; filed by Rutan & Tucker, LLP [EOD 11/13/03][BUS]
			Objection to claim and Notice of Objections to Certain Claims [SET NO. ONE]: #23/Aero Environmental Services-\$4,931.00; #24/Aseptico, Inc.-\$102.19; #60/C&G Dental X-

<p>11/12/03</p>	<p>346 <u>Related Docs</u></p>	<p>No</p>	<p>Ray-\$2,115.00; #50/California Oaks Group LLC-\$2,148.14; #42/Camp-Tennero-\$ Amount Unstated; #67/Carlos Roberto Rodriguez-\$ Amount Unstated #56/Capital Contractors Inc.-\$6,758.62; #31/CDW Computer Centers, Inc.-\$2,949.05; #58/CLM, LLC-\$548.45; #74/Coverall of the Hawaiian Islands-\$989.52; #30/Dental Professionals, Inc.-\$496.80; #20/Dental Staffing, Inc.-\$4,651.53; #54/Discus Dental-\$3,739.86; #36/Docu-Shred, Inc.-\$349.00; #25/Don Satter Construction Co.-\$75,463.00; #29/Dr. Edgar Merzenich-\$0.00; #47/EOP Northwest Propertics, LLC-\$5,026.42 (total), \$4,808.90 (administrative; #106/Flora Tolisa-\$1,197.82; #17/Great American Leasing-\$32,028.78; #22/Grossmont Land Company-\$2,250.59 (total), \$2,100.00 (priority); and #104/J S Properties-\$3,406.71; filed by Debtors hearing on 12/11/03 at 09:30 a.m. at Ronald Reagan Federal Bldg, 411 W Fourth St, Crtrm 5A, Santa Ana, CA 92701 [EOD 11/13/03][DUA]</p>
<p>11/12/03</p>	<p>347 <u>Related Docs</u></p>	<p>No</p>	<p>Objection to claim and Notice of Objections to Certain Claims [SET NO. TWO]: #86/Las Vegas Glove Factory Inc.-\$8,499.81; #39/McLeod USA-\$496.71; #105/Minette Maria Galura-Boquieren-\$502.06 (total), \$278.59 (priority); #46/Pacific Corporate Towers, LLC-\$164.46; #49/Pacific Dental Services, Inc.-\$3,605,012.50; #51/Pacific Dental Services, Inc.-\$1,800,000.00; #44/Pacific Media Publishing-\$2,137.50; #108/Pitney Bowes Credit-\$3,048.88; #68/Premiere Conferencing-\$56.64; #14/Sno Co, PUD-\$374.11; #35/Springfield Utility Board-\$105.46; #84/State Compensation Ins. Fund-\$294,944.00; #33/Summer Page-\$</p>

			Unlimited; #38/Sunnymead Mini Storage-\$47.00; #37/Tax Collector, County of Santa Clara-\$7,230.14; #45/Teamsters Local 166-\$14,770.00; #57/Teamsters Local 166-\$14,770.00; #27/Thunderbird Medical Plaza LLC-\$ Amount Unstated; #102/Virginia Terra-\$1,681.19; #59/\$443.47 (total), \$300.00 (priority); and #53/Yolanda Riveria-\$236.46; filed by Debtors hearing on 12/11/03 at 09:30 a.m. at Ronald Reagan Federal Bldg, 411 W Fourth St, Crtrm 5A, Santa Ana, CA 92701 [EOD 11/13/03][DUA]
11/12/03	348 <u>Related Docs</u>	No	Notice of hearing on Objection to Claim #101 filed by Cassandra in the sum of \$1,000,000.00; filed by Debtors hearing on 12/11/03 at 09:30 a.m. at Ronald Reagan Federal Bldg, 411 W Fourth St, Crtrm 5A, Santa Ana, CA 92701 RE: Item #335 [EOD 11/13/03][DUA]
11/13/03	349 <u>Related Docs</u>	No	Objection (Supplemental) to Claim No. 101 filed by Cassandra Brown's and reply to Cassandra Brown's opposition to objection; filed by Debtors RE: Item #335 [EOD 11/14/03][MCA]
11/13/03	350 <u>Related Docs</u>	No	Declaration of Samantha P. Goodman in support of Debtors' supplemental objection to Claim No. 101 filed by Cassandra Brown and reply to Cassandra Brown's opposition to objection RE: Item #335 [EOD 11/14/03][MCA]
11/13/03	351 <u>Related Docs</u>	No	Objection (EVIDENTIARY) to declaration of Cassandra Brown in support of claimant Cassandra Brown's opposition to debtors' objection to Claim No. 101 RE: Item #335 [EOD 11/14/03][MCA]
11/17/03	352 <u>Related Docs</u>	No	Hearing held regarding issue of VnderSchelden's claim for assumption of his contracts with the debtor - VACATED; Order signed

			10-8-03 (no court recorder used) RE: Item #19 [EOD 11/18/03][DUA]
11/17/03	353 <u>Related Docs</u>	No	Document: Amerident Dental Corporation's Proof Of Rejection Claim; filed by Amerident Dental Corp. (Now All Care Dental) [EOD 11/18/03][STE]
11/20/03	354	No	Statement /Profession Fee Statement Number 5 for month of November 2003, Deloitte & Touche LLP [EOD 11/21/03][MCA]
11/21/03	355	No	Statement /Professional Fee Statment no. 6 for month of October 1-9, 2003 for Morrison & Foerster LLP [EOD 11/24/03][STE]
11/21/03	356	No	Notice of October 2003 fees and expenses of Stoel Rives LLP, Special Corporate Counsel for Debtor and Debtor-in-Possession [EOD 11/24/03][STE]
11/24/03	357	No	Change of address of firm name and address of Claimant's Attorney - Lisa L. Maki, 815 Moraga Drive, Los Angeles, CA 90049 to Huron Maki & Johnson LLP, 1875 Century Park East, Suite 1000, Los Angeles, CA 90067 filed by Claimant Cassandra A. Brown [Telephone: 310.284-3400; Fax: 310.772.0037.] [EOD 11/25/03][DER]
11/24/03	358 <u>Related Docs</u>	No	Application for payment of interim or final fees and/or expenses (FIRST and FINAL) of Winthrop Couchot Professional Corporation, General Insolvency counsel to Debtors and Debtors-in-Possession; \$686,426.00 Final Compensation; \$48,549.14 Costs (5/9/03 - 10/3/03) [EOD 11/25/03] [DUA] hearing on 12/18/03 at 09:30 a.m. at Ronald Reagan Federal Bldg, 411 W Fourth St, Crtrm 5A, Santa Ana, CA 92701 (DISPOSED) RE: Item #358 [EOD 12/22/03][STE]

11/24/03	359 <u>Related Docs</u>	No	Application for payment of interim or final fees and/or expenses (FIRST and FINAL) of Houlihan Lokey Howard & Zukin Capital as Financial Advisor to the Debtors; \$785,000.00 Final Compensation; \$6,363.45 Expenses (5/9/03 - 10/9/03) [EOD 11/25/03] [DUA] hearing on 12/18/03 at 09:30 a.m. at Ronald Reagan Federal Bldg, 411 W Fourth St, Crtrm 5A, Santa Ana, CA 92701 (DISPOSED) RE: Item #359 [EOD 12/22/03][STE]
11/24/03	360 <u>Related Docs</u>	No	Application for payment of interim or final fees and/or expenses (FIRST and FINAL) of McDermott, Will & Emery as Special Counsel to Debtors; \$108,212.00 Fees; \$8,957.25 Costs (5/9/03 - 10/3/03) [EOD 11/25/03] [DUA] hearing on 12/18/03 at 09:30 a.m. at Ronald Reagan Federal Bldg, 411 W Fourth St, Crtrm 5A, Santa Ana, CA 92701 (DISPOSED) RE: Item #360 [EOD 12/22/03][STE]
11/24/03	361 <u>Related Docs</u>	No	Application for payment of interim or final fees and/or expenses (FIRST and FINAL) of Stoel Rives LLR, Special Corporate Counsel to Debtors and Debtors-in-Possession; \$178,113.50 Final Compensation; \$9,754.66 Final Expenses (5/9/03 - 10/9/03) [EOD 11/25/03] [DUA] hearing on 12/18/03 at 09:30 a.m. at Ronald Reagan Federal Bldg, 411 W Fourth St, Crtrm 5A, Santa Ana, CA 92701 (DISPOSED) RE: Item #361 [EOD 12/22/03][STE]
11/24/03	362 <u>Related Docs</u>	No	Exhibits to the First and Final Application of Stoel Rives LLP, Special Corporate Counsel to the Debtors and Debtor in Possession, for allowance and payment of compensation and reimbursement of expenses for the period May 9, 2003

			through October 9, 2003 RE: Item #361 [EOD 11/25/03][DUA]
11/24/03	363 <u>Related Docs</u>	No	Application for payment of interim or final fees and/or expenses (FIRST and FINAL) of Rutan & Tucker, LLP, Attorneys for The Official Committee of Creditors Holding Unsecured Claims; \$139,365.50 Fees; \$7,187.70 Costs (5/23/03 - 12/18/03) [EOD 11/25/03] [DUA] hearing on 12/18/03 at 09:30 a.m. at Ronald Reagan Federal Bldg, 411 W Fourth St, Crtrm 5A, Santa Ana, CA 92701 (DISPOSED) RE: Item #363 [EOD 12/22/03][STE]
11/24/03	364 <u>Related Docs</u>	No	Application for payment of interim or final fees and/or expenses (FIRST and FINAL) of Deloitte & Touche LLP, Financial Advisors for Official Unsecured Creditors' Committee; \$94,235.00 Final Compensation; \$0.00 Expenses (6/2/03 - 11/11/03) [EOD 11/25/03] [DUA] hearing on 12/18/03 at 09:30 a.m. at Ronald Reagan Federal Bldg, 411 W Fourth St, Crtrm 5A, Santa Ana, CA 92701 (DISPOSED) RE: Item #364 [EOD 12/22/03][STE]
11/24/03	365 <u>Related Docs</u>	No	Motion and Notice of Motion to reimburse Committee Member's Expenses (Expenses incurred by Southwest Dental Center, a Member of the Committee) - \$1,756.64; filed by Rutan & Tucker, Attorneys for The Official Committee of Creditors Holding Unsecured Claims [EOD 11/25/03] [DUA] hearing on 12/18/03 at 09:30 a.m. at Ronald Reagan Federal Bldg, 411 W Fourth St, Crtrm 5A, Santa Ana, CA 92701 (DISPOSED) RE: Item #365 [EOD 12/22/03][STE]
			Notice of hearing on Final Application for compensation and

11/24/03	366 <u>Related Docs</u>	No	reimbursement of expenses of Winthrop Couchot P.C., Counsel for the Debtors; filed by Winthrop Couchot Professional Corporation; with certificate of service. Hearing hearing on 12/18/03 at 09:30 a.m. at Ronald Reagan Federal Bldg, 411 W Fourth St, Crtrm 5A, Santa Ana, CA 92701 RE: Item #358 [EOD 11/25/03][DUA]
11/24/03	366A <u>Related Docs</u>	No	Notice of hearing on Final Application for compensation and reimbursement of expenses of Houlihan Lokey Howard & Zukin, Financial Consultants to the Debtors; filed by Winthrop Couchot Professional Corporation; with certificate of service. Hearing hearing on 12/18/03 at 09:30 a.m. at Ronald Reagan Federal Bldg, 411 W Fourth St, Crtrm 5A, Santa Ana, CA 92701 RE: Item #359 [EOD 11/25/03][DUA]
11/24/03	366B <u>Related Docs</u>	No	Notice of hearing on Final Application for compensation and reimbursement of expenses of McDermott, Will & Emery, Special Counsel to the Debtors; filed by Winthrop Couchot Professional Corporation; with certificate of service. Hearing hearing on 12/18/03 at 09:30 a.m. at Ronald Reagan Federal Bldg, 411 W Fourth St, Crtrm 5A, Santa Ana, CA 92701 RE: Item #360 [EOD 11/25/03] [DUA]
11/24/03	366C <u>Related Docs</u>	No	Notice of hearing on Final Application for compensation and reimbursement of expenses of Morrison & Foerster LLP, Special Corporate, Health Regulatory, Labor and Special Litigation Counsel to the Debtors; \$304,398.20 Fees; \$12,226.29 Costs (5/10/03 - 10/9/03) [Application not yet filed]; filed by Winthrop Couchot Professional Corporation; with certificate of service. Hearing hearing on 12/18/03

			at 09:30 a.m. at Ronald Reagan Federal Bldg, 411 W Fourth St, Crtrm 5A, Santa Ana, CA 92701 [EOD 11/25/03][DUA]
11/24/03	366D <u>Related Docs</u>	No	Notice of hearing on Final Application for compensation and reimbursement of expenses of Stocl Rives LLP, Special Corporate Counsel to the Debtors; filed by Winthrop Couchot Professional Corporation; with certificate of service. Hearing hearing on 12/18/03 at 09:30 a.m. at Ronald Reagan Federal Bldg, 411 W Fourth St, Crtrm 5A, Santa Ana, CA 92701 RE: Item #361 [EOD 11/25/03] [DUA]
11/24/03	366E <u>Related Docs</u>	No	Notice of hearing on Final Application for compensation and reimbursement of expenses of Rutan & Tucker, Counsel for the Committee; filed by Winthrop Couchot Professional Corporation; with certificate of service. Hearing hearing on 12/18/03 at 09:30 a.m. at Ronald Reagan Federal Bldg, 411 W Fourth St, Crtrm 5A, Santa Ana, CA 92701 RE: Item #363 [EOD 11/25/03][DUA]
11/24/03	366F <u>Related Docs</u>	No	Notice of hearing on Final Applicaiton for compensation and reimbusrement of expenses of Deloitte & Touche, Financial Advisors to the Committee; filed by Winthrop Couchot Professional Corporation; with certificate of service. Hearing hearing on 12/18/03 at 09:30 a.m. at Ronald Reagan Federal Bldg, 411 W Fourth St, Crtrm 5A, Santa Ana, CA 92701 RE: Item #364 [EOD 11/25/03] [DUA]
			Application for payment of interim or final fees and/or expenses (FINAL) of Morrison & Foerster LLP as Debt Finance, Special Corporate, Health Care Regulatory,

11/26/03	367 <u>Related Docs</u>	No	Labor and Special Litigation Counsel; \$306,362.60 Compensation; \$12,226.29 Costs and Expenses hearing on 12/18/03 at 09:30 a.m. at Ronald Reagan Federal Bldg, 411 W Fourth St, Crtrm 5A, Santa Ana, CA 92701 [Disposed] RE: Item #366C [EOD 12/01/03] [DUA]
12/01/03	368 <u>Related Docs</u>	No	Response to Debtor's objection and supplemental objection to claim; Memorandum of points and authorities; Filed by Claimant Cassandra Brown RE: Item #335 [EOD 12/02/03][MAX]
12/05/03	369 <u>Related Docs</u>	No	Withdrawal re: of appearance and request for special notice; filed by Charles C. Clawson II, attorney for creditor Summer Page RE: Item #146 [EOD 12/05/03][REI]
12/11/03	370 <u>Related Docs</u>	No	Hearing held RE: Debtors' Objection filed 10-17-03 to Claim #101 filed by Cassandra in the sum of \$1,000,000.00 - status conference 3-16-04 at 1:30 p.m.; discovery cutoff date 3-16-04 (cr:duar) RE: Item #335 [EOD 12/12/03][DAN]
12/11/03	371 <u>Related Docs</u>	No	Hearing held RE: Debtors' Objections filed 11-12-03 to Certain Claims [SET NO. ONE] - sustain all claims objections except #60; continue claim #60 objection to 1-22-04 at 9:30 a.m. (cr:duar) RE: Item #346 [EOD 12/12/03][DAN]
12/11/03	372 <u>Related Docs</u>	No	Hearing held RE: Debtors' Objections filed 11-12-03 to Certain Claims [SET NO. TWO] - sustain all objections except #51, 49, 68 & 84 which are continued to 1-22-04 at 9:30 a.m. (cr:duar) RE: Item #347 [EOD 12/12/03][DAN]
12/15/03	373	No	Objection to Cure Statement filed by Quality Systems, Inc.; filed by Reorganized Debtor [EOD 12/16/03] [DAN]

12/16/03	374 <u>Related Docs</u>	No	Declaration (Supplemental) of Penelope Parmes in support of First And Final Application Of Rutan & Tucker, LLP, Attorneys For The Official Committee Of Creditors Holding Unsecured Claims RE: Item #363 [EOD 12/17/03][STE]
12/17/03	375 <u>Related Docs</u>	No	Declaration of Robert Hill in support of Morrison & Foerster LLP's Final Fee Application; filed by Debt Finance, Special Corporate, Health Care Regulatory, Labor and Special Litigation Counsel For The Debtors RE: Item #367 [EOD 12/18/03] [STE]
12/18/03	376 <u>Related Docs</u>	No	Hearing held RE: First and Final Application filed 11-24-03 for Compensation and Reimbursement of Expenses for the Period of May 9, 2003 through October 3, 2003 (WINTHROP COUCHOT PROFESSIONAL CORP) - approve fees of \$686,426 and expenses of \$48,549.14 (cr:mcca) RE: Item #358 [EOD 12/19/03][DAN]
12/18/03	377 <u>Related Docs</u>	No	Hearing held RE: First and Final Application filed 11-24-03 for Allowance of Fees and Reimbursement of Expenses for the Period of May 9, 2003 through October 9, 2003 (HOULIHAN LOKEY HOWARD & ZUKIN CAPITAL) - approve fees of \$785,000 and expenses of \$6,363.45 (cr:mcca) RE: Item #359 [EOD 12/19/03][DAN]
12/18/03	378 <u>Related Docs</u>	No	Hearing held RE: First and Final Application filed 11-24-03 for Compensation and Reimbursement of Expenses for the Period of May 9, 2003 through October 3, 2003 (MCDERMOTT, WILL & EMERY) - approve fees of \$108,212 and expenses of \$8,957.25 (cr:mcca) RE: Item #360 [EOD 12/19/03][DAN]
			Hearing held RE: First and Final

12/18/03	379 <u>Related Docs</u>	No	Application filed 11-24-03 for Allowance and Payment of Compensation and Reimbursement of Expenses for the Period of May 9, 2003 through October 9, 2003 (STOEL RIVES) - approve fees \$178,113.50 and expenses \$9,754.66 (cr:mcca) RE: Item #361 [EOD 12/19/03][DAN]
12/18/03	380 <u>Related Docs</u>	No	Hearing held RE: First and Final Application filed 11-24-03 for Payment of Fees and Reimbursement of Costs for the Period of May 23, 2003 through December 18, 2003 (RUTAN & TUCKER, LLP) - approve fees of \$143,953.50 and expenses of \$10,151.57 (cr:mcca) RE: Item #363 [EOD 12/19/03][DAN]
12/18/03	381 <u>Related Docs</u>	No	Hearing held RE: First and Final Application filed 11-24-03 for Approval and Allowance of Compensation and Reimbursement of Expenses for the Period from June 2, 2003 through November 11, 2003 (DELOITTE & TOUCHE LLP) - approve fees of \$94,235 (cr:mcca) RE: Item #364 [EOD 12/19/03][DAN]
12/18/03	382 <u>Related Docs</u>	No	Hearing held RE: Motion filed 11-24-03 to Reimburse Committee Member's Expenses (Expenses Incurred by Southwest Dental Center, as Member of the Committee) - approve reimbursement of \$1,756.64 of expenses (cr:mcca) RE: Item #365 [EOD 12/19/03][DAN]
12/18/03	383 <u>Related Docs</u>	No	Hearing held RE: Final Application filed 11-26-03 for Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period of May 10, 2003 through October 9, 2003 (MORRISON & FOERSTER LLP) - approve fees of \$304,362.60 and expenses of \$11,777.71 (cr:mcca)

			RE: Item #367 [EOD 12/19/03] [DAN]
12/19/03	384 <u>Related Docs</u>	<u>Image: 6 Pages; 216 KB; PDF</u>	ORDER re: application for fees, expenses or compensation GRANTED, payment to Winthrop Couchot, P.C., counsel to the Debtors - May 9, 2003 - October 3, 2003 - FEES: \$686,426.00, EXPENSES: \$48,549.14; payment to Houlihan Lokey Howard & Zukin, Financial Consultants to the Debtors - May 9, 2003 - October 9, 2003, FEES: \$785,000.00, COSTS: \$6,363.45; payment to McDermott, Will & Emery, Special Counsel to the Debtors - May 9, 2003 - October 3, 2003, FEES: \$108,212.00, COSTS: \$8,957.25; payment to Morrison & Foerster LLP, Special Corporate, Health Regulatory, Labor and Special Litigation Counsel to the Debtors, May 10, 2003 - October 9, 2003, FEES: \$304,362.60, COSTS: \$11,777.71; payment to Stool Rives LLP, Special Corporate Counsel to the Debtors, May 9, 2003 - October 9, 2003, FEES: \$178,113.50, COSTS: \$9,754.66; payment to Rutan & Tucker, Counsel for the Committee May 23, 2003 - December 18, 2003, Supplemental FEES: \$143,953.50, Supplemental COSTS: \$10,151.57; payment to Deloitte & Touche, Financial Advisors to the Committee, June 2, 2003 - November 11, 2003, FEES: \$94,235.00, COSTS: 0; payment to Southwest Dental Center, Committee Member, FEES: \$1,756.64; with notice of entry RE: Item #367 [EOD 12/22/03][STE]
12/19/03	385	<u>Image: 11 Pages; 361 KB; PDF</u>	ORDER allowing and disallowing claim(s) (Objection to Certain Claims - Set No. One) Claim Nos. #23, 24, 50, 42, 67, 56, 31, 58, 74, 30, 20, 54, 36, 25, 29, 47, 17, 22, 104, Allowed in the amount of \$-0-; Claim No. 60 is Continued to 1-24-

			04 at 9:30 a.m.; Claim No. 106 is allowed in the amount of \$941.87 as General Unsecured Claim; with notice of entry attached [EOD 12/22/03][MCA]
--	--	--	---

Click here for more results that matched your search criteria  
[MORE](#)

<b>PACER Service Center</b>			
<b>Transaction Receipt</b>			
04/20/2004 07:50:47			
<b>PACER Login:</b>	cl0578	<b>Client Code:</b>	PDG/ISC: 01-392
<b>Description:</b>	Docket	<b>Search Criteria:</b>	03-13594
<b>Billable Pages:</b>	11	<b>Cost:</b>	0.77

v2.0.969

United States Bankruptcy Court, Central District of California- web Access to Court Electronic Records!

<input type="button" value="Adversaries"/> <input type="button" value="Docket"/> Beginning Entry Number or LAST 0 <input type="checkbox"/> Reverse Order  Show Docket Code(s) All Codes <input type="button" value="Others (aka/dba)"/> <input type="button" value="Creditor Listing"/> <input type="button" value="Claims"/> Start at Claim number 1 <input type="checkbox"/> Reverse Order <input type="button" value="Fees Detail"/> <input type="button" value="Print Case"/> <input type="checkbox"/> Cover Sheet <input type="checkbox"/> Docket Entries 1 to 9999 <input type="checkbox"/> Creditor Register <input type="checkbox"/> Claims Register Numeric Order Numeric Order	<b>Case #:</b> 03-13594 <b>Judge:</b> Ryan JR	<b>Date Filed</b> 05/09/2003	<b>Chapter</b> 11	<b>Case Type</b> Corporation Voluntary	<b>Business?</b> Yes <b>Assets?</b> Yes	<b>Paid?</b> Yes
	<b>Name and Address of Debtor</b> INTERDENT SERVICE CORPORATION 222 N SEPULVEDA BLVD STE 740 EL SEGUNDO, CA 90245-4340	<b>Name and Address of Joint Debtor</b>				
	<b>Debtor SSAN: Tax ID:</b> 91-1577891	<b>Joint Debtor SSAN: Tax ID:</b>				
	<b>Attorney For Debtor</b> ROBERT E. OPERA WINTHROP COUCHOT 660 NEWPORT CENTER DR 4TH FL NEWPORT BEACH, CA 92660 949-720-4100	<b>Trustee Assigned</b>				
	<b>341 Meeting:</b> 08/25/2003 at 1:00 p.m. Ronald Reagan Federal Bldg, 411 W Fourth St, Room 1-159, Santa Ana, CA 92701	<b>Confirmation Hearing:</b> 09/03/2003 at 1:30 p.m. Ronald Reagan Federal Bldg, 411 W Fourth St, Crtrm 5A, Santa Ana, CA 92701				
	<b>Claims Deadline:</b> 07/28/2003	<b>Originally Filed:</b> 05/09/2003	<b>Discharged:</b> 10/08/2003			
	<b>Complaints Deadline:</b> N/A	<b>Original Chapter:</b> 11	<b>Date Closed:</b> Pending			

PACER Service Center			
Transaction Receipt			
04/20/2004 07:49:29			
<b>PACER Login:</b>	cl0578	<b>Client Code:</b>	PDG/ISC: 01-392
<b>Description:</b>	BK Cover Sheet	<b>Search Criteria:</b>	03-13594
<b>Billable Pages:</b>	1	<b>Cost:</b>	0.07



**SEARCH LOGIN SUGGESTIONS USER PREF'S HELP** **HOME →**  
 Document Scanning - Click here to go back to the related case [Cover Sheet](#)

<b>Adversary Listing for Case 03-13594</b>				
<b>INTERDENT SERVICE CORPORATION</b>				
Adv. No.	Plaintiff Plaintiff Attorney(s)	Defendant Defendant Attorney(s)	Nature Judge	Filing Date Closing Date
No adversaries for this case.				

<b>PACER Service Center</b>			
<b>Transaction Receipt</b>			
04/20/2004 07:51:21			
<b>PACER Login:</b>	cl0578	<b>Client Code:</b>	PDG/ISC: 01-392
<b>Description:</b>	Adversary List	<b>Search Criteria:</b>	03-13594
<b>Billable Pages:</b>	1	<b>Cost:</b>	0.07

v2.0.969

United States Bankruptcy Court, Central District of California- web Access to Court Electronic Records!

1 Dean P. Sperling  
State Bar No. 82936  
2 LAW OFFICE OF DEAN P. SPERLING  
201 East Sandpointe, Suite 220  
3 Santa Ana, California 92707-5742  
(714) 438-8090

4 Attorneys for Plaintiff  
5 Pocatello Dental Group



COPY

6 UNITED STATES BANKRUPTCY COURT  
7 FOR THE CENTRAL DISTRICT OF CALIFORNIA

9 In Re:

10 INTERDENT SERVICE  
11 CORPORATION

12 Debtor

) Case No.: SA 03-13594-JR  
) CHAPTER 11

) OBJECTION OF CREDITOR,  
) POCATELLO DENTAL GROUP  
) TO ASSUMPTION OF  
) EXECUTORY CONTRACT AS  
) PROVIDED IN SECOND  
) AMENDED JOINT CHAPTER 11  
) PLAN OR REORGANIZATION;  
) DECLARATION OF DEAN P.  
) SPERLING IN SUPPORT  
) THEREOF; POINTS AND  
) AUTHORITIES IN SUPPORT  
) THEREOF

) [Declaration of L.R. Misner  
) concurrently filed as separate  
) document]

) Date: September 3, 2003  
) Time: 1:30 p.m.  
) Ctrm: 5A

17  
18  
19  
20  
21 **TO ALL INTERESTED PARTIES:**

22 Creditor Pocatello Dental Group, PC ("Pocatello"), a creditor of the Debtor Interdent  
23 Service Corporation ("Debtor"), hereby objects to the assumption of the Dental Group  
24 Management Agreement ("Agreement") by the Debtor, Interdent Service Corporation  
25 ("Debtor") in the Second Amended Plan ("Plan")<sup>1</sup>. The grounds for the objection to the  
26

27  
28 <sup>1</sup>It is Pocatello's assumption that the Agreement is being assumed. The Plan and Second  
Amended Disclosure Statement ("Statement") state that Exhibit "11.1 A-1", "11.1 A-2", "11.1 R-1"  
and "11.1 R-2" of the Plan Documentary Supplement ("Supplement") shows which executory  
contracts are being assumed and which are being rejected. The Supplement was not included in the  
documents served with the ballot, was not found on Pacer and a request to the Debtor for a copy of



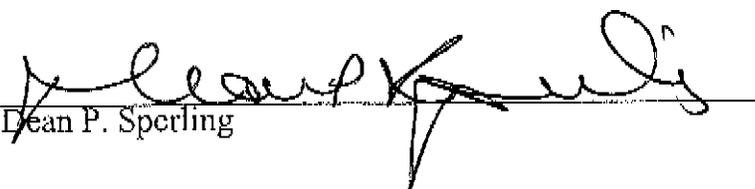


1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

4. As such, on August 13, 2003, this declarant, sent a letter to the Debtor's counsel explain the problem in obtaining a copy of the Supplement and requesting that a copy be sent. No response to said letter was received. A true and correct copy of the August 13, 2003 letter from this declarant is attached hereto as Exhibit "2" and incorporated herein by reference.

I declare under penalty of perjury under the laws of the State of California and the United States of America that the foregoing is true and correct.

Executed on August 19, 2003 at Santa Ana, California.

  
\_\_\_\_\_  
Dean P. Sperling



1 the Court did state the requirement of standards of commercial reasonableness and good faith  
2 in determinations of assignment. (198 Cal.App.396). A true and correct copy of Kreisher is  
3 attached hereto as Exhibit "3".

4 In the case at bar, the Agreement is personal to both parties. No consent to  
5 assignment has been executed. In fact, as set forth in the Misner Declaration, Pocatello has  
6 no idea where the Debtor came from or how it obtained the rights and obligations under the  
7 Agreement.

8 Bankruptcy Code §365(c) states the following regarding the ability of the Debtor to  
9 assume an executory contract:

10 "(c) The trustee may not assume or assign any executory contract or unexpired  
11 lease of the debtor, whether or not such contract or lease prohibits or restricts  
12 assignment of rights or delegation of duties, if--

13 (1)(A) applicable law excuses a party, other than the debtor, to such  
14 contract or lease from accepting performance from or rendering performance  
15 to an entity other than the debtor or the debtor in possession, whether or not  
16 such contract or lease prohibits or restricts assignment of rights or delegation  
17 of duties; and

18 (B) such party does not consent to such assumption or assignment; .."

19 Pocatello does not consent to the assumption of the Agreement. Without a written  
20 consent to the assignment of the Agreement to the Debtor, there is simply no executory  
21 contract to assume as such assignment is in violation of the Agreement and is null and void.  
22 In essence without a written consent, the Debtor simply does not have any rights under the  
23 Agreement since Pocatello does not have to accept the Debtor's performance under the  
24 Agreement and, as such, the Debtor cannot assume it.

25 Even if there is a determination that the Debtor, somehow, is the correct party under  
26 the Agreement, the failure to obtain a written consent from Pocatello is a default which  
27 cannot be cured. Additionally, the failure of the Debtor to perform its obligations under the  
28 Agreement so as to maintain Pocatello as "the preminent group practice in Pocatello and the

1 surrounding area”, which is standard required under provisions of the Agreement discussed  
2 below under Point 2 regarding the Debtor’s defaults , cannot be cured.

3 The Ninth Circuit Court of Appeals case of In re Claremont Acquisition Corporation,  
4 Inc., 113 F.d3d 1029 (9th Cir), is instructive regarding the failure to obtain a written consent  
5 to assignment. Claremont involved cross-appeals by the chapter 11 debtor and General  
6 Motors Corporation (“GM”) concerning the ability of the debtor to assign under bankruptcy  
7 code §365, certain automobile franchise contracts to a third party purchaser. The issue  
8 centered around the correct interpretation of Bankruptcy Code §365(b)(2)(D) in light of the  
9 fact that the debtor had ceased operation of its automobile franchises pre-petition for in  
10 excess of seven (7) days. The franchise contracts contained a provision that GM could  
11 terminate the contracts if the debtor ceased operations for more than seven (7) days. The  
12 debtor asserted that §365(b)(2)(D) stood for the proposition that a debtor did not have to cure  
13 nonmonetary defaults. GM asserted that, in curing defaults concerning nonmonetary  
14 obligations, the debtor did not have to cure any penalties arising from a nonmonetary default.

15 In determining that the interpretation by GM of §365(b)(2)(D) was correct, the Ninth  
16 Circuit stated as follows:

17 “Stated differently, subsection (D) provides an exception from cure for  
18 satisfaction of ‘penalty rates’ and ‘penalty provisions.’ When construed in this  
19 manner, the clause following the word ‘or’ is not a catch-all exception to  
20 paragraph (1), but instead an exception concerning those provisions of a  
21 contract which impose a penalty for a debtor’s failure to perform a  
22 nonmonetary obligation.” 113 F.3d 1034.

23 The Court concluded by stating:

24 “Debtor’s failure to operate the franchises for seven consecutive days is not a  
25 default of a contractual provision relating to the satisfaction of a penalty rate  
26 or the payment of a penalty. Accordingly, Debtor’s obligation to cure their  
27 default is not excused. **Because Debtors are unable to now cure their  
28 default, the GM Dealer Agreements may not be assumed and assigned.**  
113 F.3d 104-1035.” [emphasis added].

29 The failure of to obtain a written consent to the assignment of the Agreement from  
30 GMS Dental Group Management, Inc.(or other subsequent assignees) to the Debtor is, under  
31 the reasoning of In re Claremont Acquisition Corporation, a default under the Agreement.  
32 Further the failure to perform under the Agreement so as to maintain Pocatello as “the

1 preeminent group practice in Pocatello and the surrounding area”, where that standard is  
2 required under the Agreement (as discussed in Point 2 below) is a default under the  
3 Agreement. However, these failures cannot be cured anymore than the failure of the  
4 franchisee to operate the GM dealerships for seven days could be cured. The Agreement,  
5 therefore, cannot be assumed.

6 **2. THE PLAN MAY ASSUME AN EXECUTORY CONTRACT ONLY WHERE**  
7 **THE PROVISIONS OF BANKRUPTCY CODE §365(b)(1) ARE SATISFIED.**

8 *A. Section 365(b)(1)*

9 Bankruptcy Code 365(b)(1) states the following regarding the assumption of an  
10 executory contract which is in default:

11 “(b)(1) If there has been a default in an executory contract or unexpired lease  
12 of the debtor, the trustee may not assume such contract or lease unless, at the  
13 time of assumption of such contract or lease, the trustee--

14 (A) cures, or provides adequate assurance that the trustee will promptly  
15 cure, such default;

16 (B) compensates, or provides adequate assurance that the trustee will  
17 promptly compensate, a party other than the debtor to such contract or lease,  
18 for any actual pecuniary loss to such party resulting from such default; and

19 (C) provides adequate assurance of future performance under such  
20 contract or lease.”

21 It is the position of Pocatello that the Debtor may not assume the Agreement since the  
22 Debtor failed to obtain the written consent of Pocatello prior to accepting an assignment of  
23 the Agreement from the original Manager under the Agreement. Nevertheless, should the  
24 Court deem that the Agreement is, in fact, assumable, then the defaults under the Agreement  
25 must be cured as required under Bankruptcy Code §365(b)(1).

26 *B. Summary of the Defaults of the Debtor*

27 In the case at bar, the Claim shows that a debt in the sum of \$2,044,539.50 is asserted  
28 as a result of four (4) different categories which are summarized as follows: Failure to

1 provide equipment as required (\$404,262.66); Failure of the Debtor to pay expenses of  
2 Pocatello (\$135,315.53); The placement of patients on "no recall" status without the consent  
3 of Pocatello (\$1,166,277.00); and unpaid interest on patients accounts for January 1, 1998  
4 through May 9, 2003 (\$338,684.31). Additionally, the failure of the Debtor to perform its  
5 obligations under the Agreement pursuant to the

6 As set forth in the Agreement, a copy of which is attached to the Claim, the Debtor  
7 is engaged under the Agreement as an independent contractor to provide the management  
8 services for the dental practice of Pocatello as specified in the Agreement. (Agreement,  
9 Paragraph E under "Recitals").

### 10 *C. Specifics Supporting the Defaults of the Debtor*

#### 11 *Failure to Provide Proper Equipment*

12 Exhibit C to the Claim itemizes the personal property which the Debtor has failed to  
13 purchase as required under the Agreement along with the cost of each item. The duties of  
14 the Debtor owing to Pocatello are generally set forth in Paragraph 4.1, page 9 of the  
15 Agreement as follows:

16 General Description of Services. With the limitations set out elsewhere in this  
17 Agreement, Manager [the Debtor] shall provide or arrange for the provision  
18 to Group [Pocatello] of all support services reasonably necessary and  
19 appropriate for the efficient operation of the Practice. Such services include  
20 all administrative services necessary to Group's performance of its obligations  
21 under Payor Contracts, contracting, marketing, capital formation and  
22 assistance with long term strategic planning. Manager shall exercise its best  
23 efforts to fulfill the administrative functions of a well managed dental group  
24 and to maintain the Practice's status as the preeminent group practice in  
25 Pocatello and the surrounding area."

26 Paragraph 4.2 at page 9 of the Agreement provides the duties of the Debtor owing to  
27 Pocatello regarding facilities and equipment purchases as follows:

28 "Facilities. When appropriate, Manager shall secure and maintain facilities,

1 including, without limitation, office space, improvements, furnishings,  
2 equipment, supplies and personal property of a nature and in a condition  
3 necessary and appropriate for the efficient and effective operations of the  
4 Practice subject to the general approval of the Joint Operations Committee.  
5 Manager shall secure and maintain said facilities in the name of Group. Group  
6 hereby accepts and approves of the facilities initially provided by Manager.  
7 However, Manager from time to time shall make such facilities changes,  
8 including but not limited to dental equipment purchases, as reasonably may be  
9 requested by Group so that Group may conduct its practice according to the  
10 level required to maintain the practice's status as the preeminent group  
11 practice in Pocatello and the surrounding area."

12 As itemized in Exhibit "C" to the Claim, the therein set forth equipment was required  
13 to be purchased, but was not, thereby failing to maintain the Practice of Pocatello as "the  
14 preeminent group practice in Pocatello and the surrounding area.". The value of the  
15 equipment required to be purchased under the Agreement is the sum of \$404,262.66.

16 *Failure to Pay Expenses of the Group*

17 Paragraph 2.6(b), pages 3 and 4 of the Agreement provides the following concerning  
18 the payment of Pocatello's financial obligations:

19 "Liabilities. Manager shall be responsible for paying all claims and  
20 obligations associated with the operation of Group pursuant to this Agreement;  
21 provided, Manager shall be deemed to discharge fully its responsibility to  
22 Group for the liabilities described in this subparagraph by its timely payment  
23 on Group's behalf of, or delivery to Group of an amount sufficient to  
24 discharge, all of Group's obligations and liabilities now existing or arising in  
25 the future, including those under Provider Subcontracts, Employment  
26 Agreements, Groups professional liability insurance and any other operational  
27 expenses for which Group retains responsibility or that are delegated to Group,  
28 whether pursuant to this Agreement or any other agreement of the parties or

1 action of the Joint Operations Committee ("Group Expenses").  
2 Notwithstanding the foregoing, Manager does not assume any liabilities of  
3 Group which are unrelated to the Practice of any liabilities for income taxes."

4 Paragraph 4.6, page 10 of the Agreement further provides as follows in pertinent part  
5 regarding billing and payment of expenses :

6 "Billing and Collection Payment of Expenses. In addition to the  
7 responsibilities of Manager under Section 2.6(b), Manager shall be responsible  
8 for all billing and collecting activities required by Group. Manager shall also  
9 be responsible for reviewing and paying accounts payable of Group."

10 As set forth in the Claim, an itemized in Exhibits "D" and "E" also attached to the  
11 Claim, the Debtor has failed to pay compensation bonus of L.R. Misner for the years 1998,  
12 1999, 2000, 2001 and 2002 as set forth in said Exhibit "D". Further, the legal fees of  
13 Coopers and Larson, as itemized in said Exhibit "E".

14 *Placing of Patients on "No Recall" Basis*

15 As set forth in the Claim, the Debtor placed patients on a "no recall" basis without the  
16 knowledge and/or consent of Pocatello thereby causing a loss of income which otherwise  
17 would have been realized by servicing such patients. Exhibit "F" to the Claim itemizes the  
18 claim of \$1,166,277.00 in lost revenue to Pocatello by listing the number of patients on the  
19 list for each of Pocatello's individual dentists and factoring in the collection rate.

20 Paragraph 2.1, set forth above, provides that nothing the Debtor does shall interfere  
21 with the dentist-patient relationship. Paragraph 3.2 of the Agreement states as follows:

22 "Professional Matters. Pursuant to applicable laws and requirements  
23 governing the practice of dentistry, Group shall retain ultimate responsibility  
24 for all activities of Group that are within the scope of a dentist's licensure and  
25 cannot be performed by Manager due to Manager's non-licensed status."

26 Paragraph 3.4(a)(1) of the Agreement, concerning the practice of dentistry, provides  
27 as follows:

28 "Authority and Control. Strategic planning, overall direction and control fo

1 the business and affairs of Group, and authority over the day-to-day activities  
2 of Group shall be accomplished as follows:

3 (a) Exclusive Authority.

4 (1) Group.

5 Group shall have the sole responsibility and authority for all  
6 aspects of the practice of dentistry and delivery of dental services by  
7 Providers. Group shall consult with Manager or the Joint Operations  
8 Committee to the extent reasonable and not inconsistent with the licensure of  
9 dentists."

10 As set forth in the Claim, and as detailed in the Declaration of L. H. Misner ("Misner  
11 Declaration"), the Debtor has violated the above provisions of the Agreement by refusing  
12 patients of the Group the right to obtain or continue receiving dentistry services from the  
13 Group without the knowledge or consent of the Group. The "no recall" list prevents a card  
14 being sent to patients for reminders of the need for dental services. This interference with  
15 the practice of dentistry by the Debtor has caused losses as itemized in the Claim and, as set  
16 forth in the Misner Declaration, continuing losses of \$50,000.00 per month.

17 The case of In re: Great Northwest Recreation Center, Inc., 74 BR 846 (1987)  
18 involved a chapter 11 debtor whose plan of reorganization provided that certain franchise  
19 agreements were to be assumed. In discussing the issue of §365, the Court stated the  
20 following regarding the provisions of the plan on assumption of the executory contracts:

21 The franchise agreement at issue here has not been previously rejected, and the  
22 Plan now seeks to assume that agreement in order to make the Plan feasible.

23 *5 Collier on Bankruptcy*, ¶ 1123.02, P. 1123-18 (15th Ed.) explains:

24 "What is clear is that Section 1123(b)(2) does not provide blanket authority  
25 to reject or assume executory contracts. Section 1123 (b)(2) is subject to  
26 Section 365 and the Trustee's power under Section 365(a) to reject executory  
27 contracts and unexpired leases is not absolute but is 'subject to the court's  
28 approval'. Thus, what the Plan proposes with respect to assumption,

1 assignment or rejection of executory contracts is not necessarily what the  
2 court will determine to be permissible. Section 1123(b)(2) is permissive.  
3 The Plan *may* provide for the assumption or assignment of an executory  
4 contract. On the other hand, the contract may 'ride through' the plan as  
5 unaffected. **However, a party to the contract may insist that it either be**  
6 **rejected or fully assumed under the plan if the contract has not already**  
7 **been dealt with. \* \* \* "** [emphasis added] (74 BR 852)

8 In the case at bar, Pocatello, to the extent that the Court finds that the Debtor is a  
9 proper party to the Agreement and, as such, is entitled to assume or reject the Agreement,  
10 does insist that the Agreement be deemed assumed or rejected and that it not "ride  
11 through". If the Agreement is to be assumed, then all of the defaults as identified in this  
12 objection must be cured and, further, adequate assurance of future performance according  
13 to the specific terms of the Agreement must be provided.

14  
15 **3. CONCLUSION.**

16 Given all of the foregoing, it is the position of Pocatello that the Agreement cannot  
17 be assumed by the Debtor since the Debtor is not a party to the Agreement or, alternatively,  
18 the attempted assignment without the written consent of Pocatello is an incurable breach.  
19 Alternatively, should the Court determine that the Agreement can be rejected or assumed  
20 by the Debtor, to the extent that the Debtor seeks to assume the Agreement, the defaults  
21 under the Agreement must be cured and adequate assurance of performance as required  
22 under the Agreement must be provided. No provisions for such cures and assurances  
23 appear in the Plan or the Statement.

24 Respectfully submitted,

25 **LAW OFFICE OF DEAN P. SPERLING**

26 DATED: August 18, 2003

27 By:

  
28 Dean P. Sperling, Attorneys for Creditor  
Pocatello Dental Group, PC

**EXHIBIT "1"**

UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA

PROOF OF CLAIM

Name of Debtor:

INTERDENT SERVICE CORPORATION,  
INTERDENT, INC.

Case Numbers:

SA 03-13394 JR  
SA 03-13393 JR

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (The person or other entity to whom the debtor owes money or property):

Pocatello Dental Group, P.C.

Name and address where notices should be sent:

c/o Dean P. Sperling  
201 East Sandpointe, Suite 210  
Santa Ana, California 92707-5742  
Telephone No. (714) 438-8090

- Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.
- Check box if you have never received any notices from the bankruptcy court in this case.
- Check box if the address differs from the address on the envelope sent to you by the court.

RECEIVED  
 CENTRAL DISTRICT OF CALIFORNIA  
 JUL 25 2003  
 THIS SPACE IS FOR COURT USE ONLY

FILED

COPY

Account or other number by which creditor identifies debtor:

Check here  replaces if this claim  amends a previously filed claim, dated:

1. Basis for Claim

- Goods sold
- Services performed
- Money loaned
- Personal injury/wrongful death
- Taxes
- Other Breaches of contract

- Retiree benefits as defined in 11 U.S.C. § 1114(a)
- Wages, salaries, and compensation (Fill out below)  
Your \$\$ #: \_\_\_\_\_  
Unpaid compensation for services performed from \_\_\_\_\_ to \_\_\_\_\_ (date) (date)

2. Date debt was incurred:

various

3. If court judgment, date obtained:

Total Amount of Claim at Time Case Filed: \$ 2,044,539.50

If all or part of your claim is secured or entitled to priority, also complete item 5 or 6 below.

Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges

5. Secured Claim.

Check this box if your claim is secured by collateral (including a right of setoff)

Brief Description of Collateral:

- Real Estate  Motor Vehicle
- Other \_\_\_\_\_

Value of Collateral: \$ \_\_\_\_\_

Amount of arrearage and other charges at time case filed included in secured claim, if any: \$ \_\_\_\_\_

6. Unsecured Priority Claim.

Check this box if you have an unsecured priority claim  
Amount entitled to priority \$ \_\_\_\_\_  
Specify the priority of the claim.

- Wages, salaries, or commissions (up to \$4,650), \* earned not more than 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(7)
  - Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4)
  - Up to \$2,100\* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(6)
  - Alimony, maintenance, or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7)
  - Taxes or penalties of governmental units - 11 U.S.C. § 507(a)(8)
  - Other - Specify applicable paragraph of 11 U.S.C. § 507(a) \_\_\_\_\_
- \* Amounts are subject to adjustment on 4/1/04 and every 3 years thereafter with respect to cases commenced on or after date of adjustment.

7. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.

THIS SPACE IS FOR COURT USE ONLY

8. Supporting Documents: Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.

9. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

Date

July 25 2003

Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any) L.R. Misner, Jr.  
President

## ITEMIZATION

Breaches of Dental Group Management Agreement<sup>1</sup> between GMS Dental Group Management, Inc.<sup>2</sup> and Idaho Dental Group, P.A.<sup>3</sup>, dated October 11, 1996:

Failure of Debtor to provide equipment and supplies necessary to maintain practice of Group as preeminent practice in the area <sup>4</sup>	\$404,262.66
Failure of Debtor to pay expenses of Group:	
L.R. Misner compensation (2 percent bonus, 1998-2002) <sup>5</sup>	131,485.53
Legal expenses <sup>6</sup>	3,830.00
Debtor placing patients on "no recall" status without the knowledge and/or consent of Group or its individual dentists <sup>7</sup>	1,166,277.00
Unpaid interest collected on patients accounts (January 1, 1998 to May 9, 2003) <sup>8</sup>	338,684.31
<b>Total</b>	<b>\$2,044,539.50</b>

---

<sup>1</sup> Exhibit A

<sup>2</sup> InterDent Service Corporation ("Debtor") is the successor-in-interest to GMS Dental Group Management, Inc.

<sup>3</sup> Idaho Dental Group, P.A. changed its name to Pocatello Dental Group, P.C. ("Group") on October 11, 1996 (Exhibit B).

<sup>4</sup> A list of necessary equipment and supplies is attached as Exhibit C.

<sup>5</sup> Exhibit D

<sup>6</sup> Exhibit E

<sup>7</sup> Exhibit F

<sup>8</sup> Exhibit G

**EXHIBIT A**

## DENTAL GROUP MANAGEMENT AGREEMENT

THIS DENTAL GROUP MANAGEMENT AGREEMENT (this "Agreement") is dated as of October 11, 1996 and is effective as of the date set forth in Section 6.1 ("Effective Date") by and between GMS DENTAL GROUP MANAGEMENT, INC., a Delaware corporation ("Manager") and wholly-owned subsidiary of GMS Dental Group, Inc., a Delaware corporation (the "Company") and IDAHO DENTAL GROUP, P.A., an Idaho professional corporation ("Group").

### RECITALS

A. Group engages in the practice of dentistry by providing dental services to patients of Group ("Group Patients") and to enrollees ("Beneficiaries") of dental plans ("Plans") under contracts ("Payor Contracts") between Group and Plans or between Beneficiaries and Plans.

B. Group provides dental services to Beneficiaries and to Group Patients through arrangements with licensed individuals ("Providers"). Such arrangements may include contracts ("Employment Agreements") with dentist employees (collectively "Employee Providers") and agreements ("Provider Subcontracts") with independent contractor dentists and non-dentist providers of various dental care services (collectively "Subcontract Providers").

C. All activities of Group subject to this Agreement are referenced as the "Practice." All references to "dental" care and services include general and specialist dental services. All references to "dentists" include generalists and specialists.

D. Manager is a management services company that has been organized to provide certain management support services for the Practice and for other dental groups. Manager is in the business of providing or arranging for management services, facilities, equipment and certain personnel necessary for the operation of the Practice.

E. Group desires to retain Manager on an independent contractor basis to provide management services that are more particularly described below, and Manager desires to provide such management services under the terms and conditions set forth in this Agreement.

### AGREEMENTS

NOW, THEREFORE, in consideration of the covenants and conditions contained herein, Manager and Group agree as follows:

## ARTICLE 1

### DEFINITIONS

Terms that are capitalized within this Agreement and its addenda and exhibits are defined in Addendum 1.

## ARTICLE 2

### SCOPE OF AGREEMENT

2.1 General Scope of Agreement. This Agreement shall apply to the Practice, including, without limitation, all professional, administrative and technical services, marketing, contracting, case management, ancillary dental services, outpatient services and dental care facilities, equipment, supplies and items, except as otherwise specifically provided in this Agreement. Group's Employment Agreements shall encompass substantially all such activities of Employee Providers and shall provide that all revenues derived from such activities (and not excluded below) are Revenues. Nothing in this Agreement shall be construed to alter or in any way affect the legal, ethical and professional relationship between and among Provider and Provider's patients, nor shall anything contained in this Agreement abrogate any right or obligation arising out of or applicable to the dentist-patient relationship.

2.2 License. Group grants Manager an exclusive license to use any and all of Group's assets, whether tangible or intangible, in carrying out Manager's duties and responsibilities under the provisions of this Agreement.

2.3 Intellectual Property. To the extent not assigned pursuant to Section 2.6 Group hereby grants to Manager a non-exclusive, perpetual, royalty-free, worldwide license to use and sublicense the use of any intellectual property owned by Group. This license shall cover, but not be limited to, use of the following:

(a) Service Mark. Group hereby grants Manager the right to use all service marks and trademarks of Group (the "Marks") for marketing and promotional materials in connection with Group's offering of dental services. Manager agrees to use the Marks solely in the design format used by Group as of the date of this Agreement or another design format approved in advance in writing by Group. Group shall have the opportunity to review any marketing or other materials using the Marks in advance of any public distribution. Manager agrees that it will include these restrictions on use in any sublicense of the Marks.

(b) Copyrighted Materials. Group hereby grants Manager the right to use any and all copyrighted materials authored or owned by Group including, specifically, the Group dental management

system software programs (the "Programs"). This license includes the right to sublicense the Programs and the right to prepare and own derivative works based on the Programs, all without a duty of accounting to Group. Group shall execute all documents required to enable Manager to own, use and exploit all such rights.

2.4 Revenues. "Revenues" shall mean all of Group's accounts receivable (net of contractual adjustments and bad debt), and cash collections. Revenues shall include all funds collected by, or legally due to, Group or any Affiliate of Group, including, without limitation, the following: (a) all fee-for-service payments for services to Group Patients or Beneficiaries; (b) all payments established under Payor Contracts; (c) all coordination of benefits or deductibles and third-party liability recoveries related to the Group's services; (d) all payments, dues, fees or other compensation to Group, (e) any income, profits, dividends, distributions or other payments from Group's investments; and (f) any interest or other non-operating income of Group.

2.5 Deposit Accounts. All cash received by Group from whatever source shall be deposited into an account or accounts ("Accounts") in the name of Group at a banking institution selected by Group and approved by Manager. Group authorizes Manager to bill and collect, in Group's name, all charges and reimbursements for Group's dental related activities and to deposit such collections in the Accounts. Group agrees to assist and cooperate with Manager in the billing and collection process and to immediately deliver to Manager for deposit any monies Group may receive.

2.6 Assignment.

(a) Assets. Except for the Dental Practice Assets and except as prohibited by contract or by law, Group hereby assigns, sells, conveys, transfers, and delivers to Manager, and Manager hereby accepts from Group, all of the assets and properties of Group of every kind, character and description, whether tangible, intangible, real, personal, or mixed, and wherever located, including, but not limited to, all Revenues, cash, accounts receivable, advances, prepaid expenses, deposits, equipment and improvements. The assets shall be valued at their fair market value which has been determined to be their respective book values. Manager shall have the authority, and Group shall execute any and all documents as may be necessary or appropriate to transfer the assets to Manager, authorize Manager to transfer the funds in the Accounts to a separate account in the name of Manager, and effectuate the intention of this provision.

(b) Liabilities. Manager shall be responsible for paying all claims and obligations associated with the operation of Group pursuant to this Agreement; provided, Manager shall be deemed to discharge fully its responsibility to Group for the liabilities described in this subparagraph by its timely payment on Group's behalf of, or delivery to Group of an amount sufficient to

discharge, all of Group's obligations and liabilities now existing or arising in the future, including those under Provider Subcontracts, Employment Agreements, Group's professional liability insurance and any other operational expenses for which Group retains responsibility or that are delegated to Group, whether pursuant to this Agreement or any other agreement of the parties or action of the Joint Operations Committee ("Group Expenses"). Notwithstanding the foregoing, Manager does not assume any liabilities of Group which are unrelated to the Practice or any liabilities for income taxes.

### ARTICLE 3

#### GOVERNANCE AND CONTROL

3.1 Appointment. Group hereby appoints Manager as its sole and exclusive manager for the operation of the Practice and covenants not to enter into an agreement with any Person other than Manager to perform or assume any of Manager's rights, duties or responsibilities as provided herein. Manager hereby accepts full responsibility for such management as more fully set forth herein.

3.2 Professional Matters. Pursuant to applicable laws and requirements governing the practice of dentistry, Group shall retain ultimate responsibility for all activities of Group that are within the scope of a dentist's licensure and cannot be performed by Manager due to Manager's non-licensed status.

3.3 Relationship of Parties. In the performance of its duties and obligations under this Agreement, it is understood and agreed that Manager shall, at all times, be acting and performing as an independent contractor and not as an employee of Group. Except as provided in this Agreement or as required by law, Group shall neither have nor exercise any control or direction over the methods by which Manager shall perform its obligation thereunder; nor shall Manager have or exercise any control or direction over the methods by which Group shall practice dentistry. It is expressly agreed by the parties that no work, act, commission or omission of Manager pursuant to the terms and conditions of this Agreement shall be construed to make or render Manager or Manager's employees or agents, the employees of Group. Manager and Group are not partners or joint venturers with each other and nothing herein shall be construed so as to make them partners or joint venturers or impose upon either of them any liability as partners or joint venturers. Group's responsibility is to assure that the services covered by this Agreement shall be performed and rendered in a competent, efficient and satisfactory manner.

3.4 Authority and Control. Strategic planning, overall direction and control of the business and affairs of Group, and authority over the day-to-day activities of Group shall be accomplished as follows:

(a) Exclusive Authority.

(1) Group. Group shall have the sole responsibility and authority for all aspects of the practice of dentistry and delivery of dental services by Providers. Group shall consult with Manager or the Joint Operations Committee to the extent reasonable and not inconsistent with the licensure of dentists.

(2) Manager. Manager shall have the sole responsibility and authority for decisions related to the administration of the Practice, including without limitation those responsibilities listed in Article 4.

(b) Joint Authority. All other decision-making authority related to the business and affairs of Group shall be vested in a joint operations committee (the "Joint Operations Committee"). Nothing herein shall be construed as preventing the Joint Operations Committee from appointing representatives and delegating authority to such representatives so long as the Joint Operations Committee may revoke such appointment and delegation at any time and so long as the Joint Operations Committee retains ultimate responsibility for the decisions of such representatives.

3.5 Joint Operations Committee. Strategic planning, overall direction and control of the business and affairs of Group, and authority over the day-to-day activities of Group shall be overseen by the Joint Operations Committee as follows:

(a) Joint Operations Committee Membership. The Joint Operations Committee shall consist initially of five (5) individuals (the "Committee Members"). Group shall designate two (2) Committee Members who shall be licensed dentists (the "Group Members") and the remaining three (3) Committee Members (the "Manager Members") shall be appointed by Manager. The number of Committee Members may be increased by agreement of the parties. Each party shall continue to direct the appointment of the same percentage of Committee Members as described above. Each Committee Member shall serve at the pleasure of the party designating such Committee Member and may be replaced, with or without cause, at any time by such party upon the delivery of written notice thereof to the other Committee Members. Manager, Group and their respective Committee Members shall diligently pursue any preliminary activities that are necessary to allow the Joint Operations Committee to take an action. Where Committee Members are required to consult with the organization appointing such Committee Members, the Committee shall establish and agree on a deadline for accomplishing such consultation.

(b) Joint Operations Committee Action.

(1) Joint Action. Except as otherwise expressly set forth above, the Joint Operations Committee shall take all other actions that have been approved by a majority of the Committee Members.

(2) Consultation Forum. Consultation between Group and Manager, if any, shall take place at a meeting of the Joint Operations Committee, and Group and Manager hereby agree to be bound by the decision of their Group Members or Manager Members, as the case may be.

(c) Joint Operations Committee Meetings. Meetings of the Joint Operations Committee may be held by telephone or similar communications equipment so long as all Committee Members participating in a meeting can hear and speak to each other. The Joint Operations Committee shall prepare and maintain written minutes of all meetings and shall provide a copy of the minutes to the parties within fifteen (15) business days following each meeting.

(1) Regular Meetings. The Joint Operations Committee shall hold not less than four (4) regular meetings each year, at such specific times and places as the Committee Members may determine.

(2) Special Meetings. A special meeting of the Joint Operations Committee may be called by a majority of the Committee Members.

(3) Notice Requirement. A Committee Member calling a special meeting must provide all other Committee Members with ten (10) days' advance written or telephonic notice. Notice must be given or sent to the Committee Member's address or telephone number as shown on the records of the Joint Operations Committee. Notice may be delivered directly to each Committee Member or to a person at the Committee Member's principal place of business who reasonably would be expected to communicate that notice promptly to the Committee Member.

(4) Waiver of Notice Requirement:

(A) Written Waiver, Consent or Approval. Notice of a special meeting need not be given to any Committee Member who, either before or after the meeting, signs a waiver of notice or a written consent to the holding of the special meeting, or an approval of the minutes of the special meeting. Such waiver, consent or approval need not specify the purpose of the special meeting. All such waivers, consents, and approvals shall be filed with the Joint Operations Committee records or made a part of the minutes of the special meetings.

(B) Failure to Object. Notice of a special meeting need not be given to any Committee Member who attends the special meeting and does not protest before or at the commencement of the special meeting such lack of notice.

(5) Quorum. The smallest number of Committee Members that exceed fifty percent (50%) of all Committee Members shall constitute a quorum of the Joint Operations Committee, provided,

however, that such quorum shall include at least one Group Member and one Manager Member.

(6) Proxies. The Joint Operations Committee shall provide for the use of proxies, telephonic conference calls, written consents or other appropriate methods by which the full participation of the Group Members and Manager Members can be assured.

(d) Limitation of Responsibility. Notwithstanding any other provisions hereof, Committee Members shall be liable to the parties only for actions constituting bad faith, gross negligence or breach of an express provision of this Agreement (so long as such breach remains uncured after ten (10) days of receiving notice of the nature of such breach). In all other respects, Committee Members shall not be liable for negligence or mistakes of judgment.

3.6. Budgets. A capital and operating budget ("Annual Budget") shall be established regarding all financial aspects of the Practice. The Annual Budget shall include the following elements and other items, as appropriate:

(a) A capital expenditure budget outlining a program of capital expenditures, if any, that are required for the next succeeding fiscal year;

(b) An operating budget setting forth an estimate of Revenues and expenses for the next succeeding fiscal year, together with an explanation of anticipated changes or modifications, if any, in the Practice's utilization, rates, charges to patients or third party payors, salaries, costs of Providers, non-wage cost increases, and all other similar factors expected to differ significantly from those prevailing during the current fiscal year;

(c) Other expenses of operation;

(d) The amount of a reasonable reserve to satisfy possible shortfalls from operations. The allocation of such reserve shall be made by the Joint Operations Committee as and when necessary; and

(e) The Management Fee, as defined below, for the next succeeding fiscal year.

### 3.7 Budget Process.

(a) Initial Annual Budget. Not later than 45 days after the Effective Date, the Joint Operations Committee will have prepared the initial Annual Budget for the first fiscal year (which shall initially be the calendar year) during the term of this Agreement. If the Effective Date is other than the first day of a fiscal year, then such initial Annual Budget shall encompass only such

portion of the then current fiscal year as remains, or, at the option of the parties, such portion of the then current fiscal year plus the immediately subsequent fiscal year.

(b) Preliminary Budget. Not later than forty-five (45) days prior to the end of each fiscal year during the term of this Agreement, the Manager shall prepare and deliver to the Joint Operations Committee a preliminary Annual Budget for the next succeeding fiscal year ("Preliminary Budget").

(c) Joint Operations Committee Approval. The Joint Operations Committee shall review and suggest modifications to the Preliminary Budget within ten (10) days of receipt. Manager shall prepare a revised budget based upon the Joint Operations Committee's recommendations and the Preliminary Budget as revised shall become the Annual Budget.

(d) Adjustments. In the event of a material deviation between financial forecasts and financial performance during a fiscal year, Manager or Group may propose adjustments to the Annual Budget which adjustments shall be approved or disapproved pursuant to the procedures set forth above.

### 3.8 Personnel.

(a) Providers. Except in unusual circumstances approved by the Joint Operations Committee, Manager shall not employ or contract with any Providers for the provision of dental services. All Providers who provide dental services to Group Patients or to Beneficiaries shall be either (1) Employee Providers, (2) Subcontract Providers or (3) employees of Subcontract Providers.

(b) Non-Providers. With the exception of employees of Subcontract Providers, Manager shall employ all non-Provider personnel necessary for the operation of the Practice.

(c) Salary and Benefits. Subject to Manager's responsibilities under Section 2.6(b), each party to this Agreement shall remain liable for the salary and benefits paid to such party's own employees and shall be ultimately responsible for compliance with state and federal laws pertaining to employment taxes, workers' compensation, unemployment compensation and other employment-related statutes pertaining to the party's own employees.

(d) Payments to Subcontract Providers. Subject to Manager's responsibilities under Section 2.6(b), Group shall be liable for any payments due Subcontract Providers under Provider Subcontracts after receipt of funds from Manager.

ARTICLE 4

MANAGEMENT SERVICES

4.1 General Description of Services. Within the limitations set out elsewhere in this Agreement, Manager shall provide or arrange for the provision to Group of all support services reasonably necessary and appropriate for the efficient operation of the Practice. Such services include all administrative services necessary to Group's performance of its obligations under Payor Contracts, contracting, marketing, capital formation and assistance with long term strategic planning. Manager shall exercise its best efforts to fulfill the administrative functions of a well managed dental group and to maintain the Practice's status as the preeminent group practice in Pocatello and the surrounding area.

4.2 Facilities. When appropriate, Manager shall secure and maintain facilities, including, without limitation, office space, improvements, furnishings, equipment, supplies and personal property, of a nature and in a condition necessary and appropriate for the efficient and effective operations of the Practice subject to the general approval of the Joint Operations Committee. Manager shall secure and maintain said facilities in the name of Group. Group hereby accepts and approves of the facilities initially provided by Manager. However, Manager from time to time shall make such facilities changes, including but not limited to dental equipment purchases, as reasonably may be requested by Group so that Group may conduct its practice according to the level required to maintain the practice's status as the preeminent group practice in Pocatello and the surrounding area.

4.3 Purchased Items and Services. Manager shall serve as the purchasing agent for Group and shall arrange for personnel benefits, insurance, and any other items and services required for the proper operation of the Practice.

4.4 Manager Personnel.

(a) Management Team. Subject to any approval or consulting rights of the Joint Operations Committee, Manager shall engage or designate one or more individuals experienced in dental group management and direction, including, but not limited to, an administrator, who will be responsible for the overall administration of the Practice including day-to-day operations and strategic development activities.

(b) Other Manager Personnel. Manager shall select, hire, train, supervise, monitor and terminate all non-Provider personnel necessary for the operation and management of the Practice; provided, however, with respect to the selection, hiring and termination of non-Provider clinical staff, Manager shall obtain the consent of the Group, which consent will not be unreasonably withheld.

4.5 Day-to-Day Management and Supervision. Subject to any approval or consulting rights of the Joint Operations Committee, Manager shall provide general management including, but not limited to, day-to-day supervision of:

- (a) Manager personnel;
- (b) Equipment and supply acquisition;
- (c) Office space and facility maintenance;
- (d) Patient records organization and retention;
- (e) Third party payor contracting;
- (f) Case management;
- (g) Billing, collections and accounting activities as set forth below;
- (h) All operating aspects and policies of the Practice including, but not limited to, hours of operation, work schedules, standard duties and job descriptions, for all nondentist personnel; and
- (i) Other related and incidental matters.

4.6 Billing and Collection Payment of Expenses. In addition to the responsibilities of Manager under Section 2.6(b), Manager shall be responsible for all billing and collecting activities required by Group. Manager shall also be responsible for reviewing and paying accounts payable of Group. Group hereby appoints the Manager its true and lawful attorney-in-fact to take the following actions for and on behalf of and in the name of Group:

(a) Bill and collect in Group's name or the name of the individual practicing dentist, all charges and reimbursements for Group. Group shall give Manager all necessary access to Patient records to accomplish all billing and collection. In so doing, Manager will use its best efforts but does not guarantee any specific level of collections, and Manager will comply with Group's reasonable and lawful policies regarding courtesy discounts;

(b) Take possession of and endorse in the name of Group any and all instruments received as payment of accounts receivable;

(c) Deposit all such collections directly into Accounts and make withdrawals from such Accounts in accordance with this Agreement; and

(d) Place accounts for collection, settle and compromise claims, and institute legal action for the recovery of accounts.

4.7 Bookkeeping and Accounting. Manager shall provide bookkeeping services, financial reports, and shall implement and manage a computerized management information system appropriate for the Practice.

(a) Financial Reporting. Manager shall prepare, analyze, and deliver to the Joint Operations Committee financial reports to the extent necessary or appropriate for the operation of the Practice, including the following:

(1) Financial statements, including balance sheets and statements of cash flow and income;

(2) Accounts payable and accounts receivable analysis;

(3) Billing status including any Medicaid remittances; and

(4) Reconciliation of assets, liabilities and major expenses.

(b) Audits. Group shall have the right to review and, at its sole cost and expense, obtain an audit (separate from any annual audit or review of Group's financial statements performed at the direction of the Manager) of Group's financial books and records maintained by the Manager. Upon five (5) days' prior written notice, Manager shall allow Group access during reasonable business hours to all information and documents reasonably required for such review or audit. Upon Group's request and at Group's expense, Manager shall also provide copies of such documents.

4.8 Marketing and Public Relations Services. Subject to Group's consent, which consent shall not be unreasonably withheld, Manager shall provide such marketing and public relations services as Manager determines reasonably necessary to promote, market and develop the dental services of Group. Manager shall provide Group with marketing materials and activities.

4.9 Group Agreements. Subject to Group's consent, which consent shall not be unreasonably withheld, on behalf of Group, Manager shall review, evaluate and negotiate Payor Contracts and Provider Subcontracts and any other contracts or agreements regarding the provision of dental related items or services by Group or Providers.

4.10 Utilization Review Quality Improvement and Outcomes Monitoring. Manager shall be responsible for providing administrative support for Group's utilization review, quality improvement and outcomes monitoring activities, including, without limitation, data collection, analysis and reporting for Group Patients and Beneficiaries. Manager shall also support the development and implementation of relevant policies, procedures,

protocols, practice guidelines and other interventions based on such activities.

4.11 Applicable Law. Manager and Group shall comply with all applicable federal and state laws, statutes, rules and regulations, including without limitation, those relating to Medicaid reimbursement and any other applicable governmental rules or the guidelines governing the standards for administering a professional dental practice.

## ARTICLE 5

### GROUP SERVICES

5.1 Provision of Dental Services by Group. Group shall operate the Practice during the Term as a dental practice in accordance with terms of this Agreement and the Annual Budget.

#### 5.2 Providers.

(a) Professional Dental Services. Group shall employ or contract with the number of Providers Group deems necessary for the efficient and effective operation of the Practice and in accordance with quality assurance, credentialing and utilization management protocols approved by Manager. Group shall provide full and prompt dental coverage for the Practice, including emergency service twenty-four hours per day, seven days per week, including holidays, according to policies and schedules approved by the Joint Operations Committee.

(b) Provider Subcontracts and Employment Agreements. Group shall not negotiate or execute any Provider Subcontract, Employment Agreement, or any amendment thereto, or terminate any Provider Subcontract or Employment Agreement without the approval of the Joint Operations Committee. Subject to Manager's responsibilities under Section 2.6(b), Group shall be responsible for the payment, in accordance with the Annual Budget, of all Employee and Subcontract Providers.

5.3 Peer Review. Group, after consultation with the Joint Operations Committee, shall implement, regularly review, modify as necessary or appropriate and obtain the commitment of Providers to actively participate in peer review procedures for Providers. Group shall assist Manager in the production of periodic reports describing the results of such procedures. Group shall provide Manager with prompt notice of any information that raises a reasonable risk to the health and safety of Group Patients or Beneficiaries. In any event, after consultation with the Joint Operations Committee, Group shall take such action as may be reasonably warranted under the facts and circumstances.

5.4 Billing Information and Assignments. Group shall promptly provide Manager with all billing and patient encounter

information reasonably requested by Manager for purposes of billing and collecting for Group's services. Group shall use reasonable efforts to procure consents to assignments and other approvals and documents necessary to enable Manager to obtain payment or reimbursement from third party payors and patients. With the assistance of Manager, Group shall obtain all provider numbers necessary to obtain payment or reimbursement for its services.

5.5 Third Party Contracts. Group shall be in compliance with all contracts, agreements and arrangements, including any contracts that exist on the Effective Date, between Group and third parties.

5.6 Use of Manager's Goods and Services. Group shall not use any goods or services provided by Manager pursuant to this Agreement for any purpose other than the provision of and management of dental services as contemplated by this Agreement and purposes incidental thereto.

5.7 Negative Covenants. During the Term, Group shall not, without the prior approval of the Joint Operations Committee, (a) assign, pledge, mortgage or otherwise encumber any of its property, (b) transfer substantially all of its assets, including its goodwill, (c) merge or consolidate with any other entity, (d) allow the transfer or issuance of any of its stock (other than in accordance with the terms and provisions of those certain Share Acquisition Agreements dated October \_\_, 1996 between Manager and each of the persons set forth on Schedule A hereto), or (e) take or allow any act that would materially impair the ability of Group to carry on the business of the Practice or to fulfill its obligations under this Agreement.

## ARTICLE 6

### TERM

6.1 Term. This Agreement shall be effective as of October \_\_, 1996 (the "Effective Date"), and shall remain in effect for an initial term of forty (40) years from the Effective Date, expiring on the fortieth (40th) anniversary of the Effective Date, unless earlier terminated pursuant to the terms of this Agreement. The word "Term" shall include such initial term and, where applicable, any extension of such initial term (whether extended pursuant to Section 6.2(a) or otherwise), subject to earlier termination pursuant to the provisions of this Agreement.

### 6.2 Termination and Extension.

(a) Automatic Extension. At the end of the initial term and any subsequent term, this Agreement shall automatically renewed for a five (5) year term unless one of the parties provides the other party with written notice of intent not to renew, not less

than one hundred eighty (180) days prior to the expiration of the then current term.

(b) Early Termination. This Agreement may be terminated according to the provisions of this Section.

(1) Material Breach. In the event either party materially breaches this Agreement and such breach is not cured to the reasonable satisfaction of the non-breaching party within thirty (30) days after the non-breaching party serves written notice of the default upon the defaulting party (the "Default Notice"), the Agreement shall automatically terminate at the election of the non-breaching party upon the giving of a written notice of termination to the defaulting party not later than fifteen (15) days after termination of the 30-day cure period; provided that if such uncured breach is only capable of being cured within a reasonable period of time in excess of thirty (30) days, the non-breaching party shall not be entitled to terminate this Agreement so long as the defaulting party has commenced such cure and thereafter diligently pursues such cure to completion.

(2) Refusal To Comply. In the event that Group or Manager refuses or fails to comply with a decision of the Joint Operations Committee, the aggrieved party shall have the option to require the non-complying party to participate in good faith mediation under the auspices of the American Mediation Association, and if such dispute between Group and Manager continues for sixty (60) days after the date the aggrieved party exercises its option regarding mediation, the non-complying party shall have thirty (30) days in which to comply with the decision of the Joint Operations Committee. If the non-complying party has not complied by the end of such thirty (30) day period, the aggrieved party shall have the option to terminate this Agreement upon fifteen (15) days' prior written notice. During such mediation, Manager and Group shall continue to operate and manage the Practice in good faith.

(3) Bankruptcy. A party may, upon three (3) days' prior written notice, terminate this Agreement if the other party:

(A) Applies for or consents to the appointment of a receiver, trustee or liquidator of all or a substantial part of its assets, files a voluntary petition in bankruptcy or consents to an involuntary petition, makes a general assignment for the benefit of its creditors, files a petition or answer seeking reorganization or arrangement with its creditors, or admits in writing its inability to pay its debts when due, or

(B) Suffers any order, judgment or decree to be entered by any court of competent jurisdiction, adjudicating such party bankrupt or approving a petition seeking its reorganization or the appointment of a receiver, trustee or liquidator of such party or of all or a substantial part of its assets, and such

order, judgment or decree continues unstayed and in effect for ninety (90) days after its entry.

(4) Nonperformance. Manager may terminate this Agreement in the event that in any two consecutive fiscal quarters the Manager has not been paid the Management Fee and, in the sole discretion of the Manager, it is not reasonably likely that the Management Fee will be paid in the next fiscal quarter. Any such termination shall be effective as of the last day of such third fiscal quarter provided at least 60 days notice shall have been given; otherwise, such termination shall be effective on the sixtieth day after notice is given.

(5) Change in Law. In the event of any material change in federal or state law that has a significant adverse impact on either party hereto in connection with their performance under this Agreement, or if performance by a party of any duties under this Agreement be deemed illegal by any administrative agency or in a formal opinion rendered to Manager by legal counsel knowledgeable in health law matter retained by the Manager, the affected party shall have the right to require that the other party renegotiate the terms of this Agreement. Unless the parties otherwise mutually agree in writing, such renegotiated terms shall be effective not later than twenty (20) days after receipt of written notice of such request for renegotiation. Solely in the event of illegality, if the parties fail to reach an agreement within thirty (30) days of the request for renegotiation, either party may (subject to the severability provision of this Agreement) terminate this Agreement upon thirty (30) days' prior written notice to the other party.

(c) Effect of Termination. Upon termination of this Agreement:

(1) Group shall surrender to Manager all of Manager's property used primarily in the operation of the Practice in the same condition as received, reasonable wear and tear excepted.

(2) Manager shall deliver to Group all records related to the business of and provision of dental care through the Practice including, without limitation, patient records and any corporate, personnel and financial records maintained for the Practice and Providers, provided, that except as limited by law, including, but not limited to laws governing the confidentiality of patient records, Manager shall have the option to copy (or otherwise duplicate) at its sole cost and expense such records of Group and to retain and utilize such records for its own use;

(3) Manager shall deliver to Group any other property of Group in Manager's possession;

(4) Both parties shall cooperate to ensure the provision of appropriate dental care to Group Patients and Beneficiaries;

(5) Group shall promptly deliver to Manager any Revenues that it may receive in payment for dental services rendered by Group prior to termination; and

(6) Both parties shall cooperate to ensure the appropriate billing and collections for dental services rendered by Group prior to the effective date of termination, and any such cash collected shall be retained by Group and/or paid to Manager pursuant to Article 7.

## ARTICLE 7

### MANAGEMENT FEE

For its services hereunder, which shall include the providing of all facilities and furniture, fixtures and equipment at the Practice, all non-dentist employees of Manager who perform services at or for the Practice and all management services provided hereunder, Manager shall retain as a Management Fee (the "Management Fee") all Revenues after payment of Group Expenses.

## ARTICLE 8

### INDEMNITY AND INSURANCE

#### 8.1 Indemnity.

(a) Indemnification. Each party shall indemnify, defend and hold harmless the other party from any and all liability, loss, claim, lawsuit, injury, cost, damage or expense whatsoever (including reasonable attorneys' fees and court costs) arising out of, incident to or in any manner occasioned by the performance or nonperformance of any duty or responsibility under this Agreement by such indemnifying party, or any of their employees, agents, contractors or subcontractors; provided, however, that neither party shall be liable to the other party hereunder for any claim covered by insurance, except to the extent that the liability of such party exceeds the amount of such insurance coverage. Specifically, and without limiting the generality of the foregoing, Group agrees to indemnify, defend and hold harmless Manager for all liability, loss, claim, lawsuit, injury, cost, damage or expense whatsoever (including reasonable attorneys' fees and court costs) arising out of the professional negligence of Group, its employees, agents, contractors or subcontractors, including any amounts in excess of the professional liability insurance coverage of Group or its employees, agents, contractors or subcontractors.

(b) Mutual Indemnity. Subject to Manager's responsibilities under Section 2.6(b), each party to this Agreement shall be indemnified by the other party for any claim under this Agreement or otherwise against the indemnified party for vacation pay, sick

leave, retirement benefits, Social Security benefits, workers' compensation benefits, disability or unemployment, insurance benefits, or other employee benefits of any kind accrued during the term of this Agreement by an employee of the indemnifying party.

8.2 Manager's Insurance. Manager shall, on its own behalf and at its sole cost and expense, procure and maintain in force during the term of this Agreement policies in the following categories in the amount indicated:

(a) Comprehensive general liability insurance covering the risks of Manager, in an amount determined by the Joint Operations Committee;

(b) Workers' compensation insurance covering the employees of Manager, in such amounts as is usual and customary under the circumstances;

(c) Property insurance covering the facilities, equipment and supplies owned or leased by Manager or Group for use in the operation of the Practice.

8.3 Group's Insurance. At Group's sole cost and expense, Manager shall obtain, and maintain on behalf of Group in full force and effect during the Term, policies in the following categories in the amount indicated:

(a) Comprehensive professional liability insurance coverage for Group and Group's Employee Providers, in such amounts as Group shall reasonably deem necessary; provided, however, such coverage shall be no greater than that set forth on Schedule B hereto without the prior consent of the Joint Operations Committee, which consent shall not be unreasonably withheld;

(b) Workers' compensation insurance covering the employees of Group, in such amounts as is usual and customary under the circumstances;

(c) Comprehensive general liability insurance covering the risks of Group, in an amount determined by the Joint Operations Committee.

## ARTICLE 9

### BOOKS AND RECORDS

9.1 Ownership of Records. All business records and information relating exclusively to the business and activities of either party shall be the property of that party, irrespective of identity of the party responsible for producing or maintaining such records and information. Without limiting the foregoing, all patient charts and records maintained by Manager relating to the

dental services of Group shall be the property of Group. Group also shall be entitled to a copy at Group's sole cost of all business records pertaining to Group. Except as limited by law, including, but not limited to laws governing the confidentiality of patient records, Manager shall be entitled to a copy at Manager's sole cost of all records of Group.

## ARTICLE 10

### MISCELLANEOUS PROVISIONS

10.1 Assignment. Neither party shall assign this Agreement to any other party or parties without the prior written consent of the other party, which consent may be withheld arbitrarily or capriciously, for any reason or for no reason whatsoever and any attempted assignment in violation of this Agreement shall be null and void.

10.2 Headings. The article and section headings used in this Agreement are for purposes of convenience only. They shall not be construed to limit or to extend the meaning of any part of this Agreement.

10.3 Waiver. Waiver by either Group or Manager of any breach of any provision of this Agreement shall not be deemed to be a waiver of such provision or of any subsequent breach of the same or of any other provision of this Agreement.

10.4 Notices. Any notice, demand, approval, consent, or other communication required or desired to be given under this Agreement in writing shall be personally served or given by overnight express carrier or by mail, and if mailed, shall be deemed to have been given when five (5) business days have elapsed from the date of deposit in the United States mails, certified and postage prepaid, addressed to the party to be served at the following address or such other address as may be given in writing to the parties.

Group: Idaho Dental Group, P.A.  
Pine Ridge Mall  
4155 Yellowstone Avenue  
Attn: Pocatello, ID 83202  
Dr. David P. Sutton

Manager: GMS Dental Group Management Inc.  
180 North Riverview Drive  
Suite 255  
Anaheim Hills, CA 92808  
Attn: Mr. Grant Sadler

10.5 Attorneys' Fees. If any legal action or arbitration or other proceeding is commenced, whether by Manager or Group

concerning this Agreement, the prevailing party shall recover from the losing party reasonable attorneys' fees and costs and expenses, including those of appeal and not limited to taxable costs, incurred by the prevailing party, in addition to all other remedies to which the prevailing party may be entitled. If a claim or claims asserted by a third party against Manager or Group or any of them arise from an action or omission by the other, the party responsible for the action or omission shall be the losing party, and the other party shall be the prevailing party, for purposes of the foregoing sentence.

10.6 Successors. Without limiting or otherwise affecting any restrictions on assignments of this Agreement or rights or duties under this Agreement, this Agreement shall be binding upon and inure to the benefit of the successors and assigns of Group and Manager.

10.7 Entire Agreement. This Agreement sets forth the entire agreement between Group and Manager and supersedes all prior negotiations and agreements, written or oral, concerning or relating to the subject matter of this Agreement, and this Agreement may not be modified except by a writing executed by all parties and subject to the provisions thereof.

10.8 Governing Law. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of California.

10.9 Severability. If any provision of this Agreement is held to be invalid or unenforceable by any court or administrative agency of competent jurisdiction, or in a written opinion to the Manager by legal counsel knowledgeable in health law matters retained by the Manager, such holding or opinion shall not affect the validity and enforceability of the other provisions of this Agreement and the remainder of this Agreement shall be considered valid and operative to the fullest extent permitted by law, but only if and to the extent such enforcement would not materially and adversely frustrate the parties essential objectives as expressed herein.

10.10 Time is of the Essence. Time is of the essence in this Agreement.

10.11 Authority. Any Person signing this Agreement on behalf of any entity hereby represents and warrants in its individual capacity that it has full authority to do so on behalf of such entity.

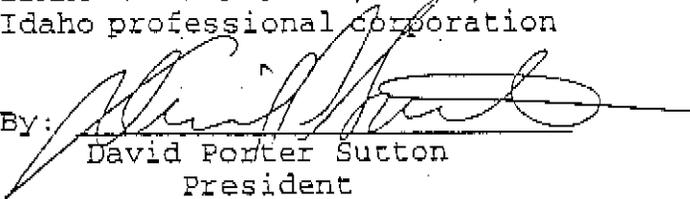
10.12 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an

original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Group and Manager have caused their authorized representatives to execute this Agreement on the date first above written.

"Group"

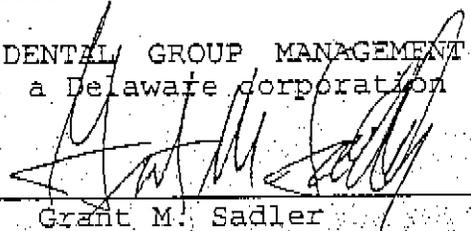
IDAHO DENTAL GROUP, P.A., an  
Idaho professional corporation

By: 

David Porter Sutton  
President

"MANAGER"

GMS DENTAL GROUP MANAGEMENT,  
INC., a Delaware corporation

By: 

Grant M. Sadler  
President

ADDENDUM 1.

For purposes of this Agreement, the following terms shall have the meaning indicated below or defined at the indicated section:

- (1) Accounts. See Section 2.5(a).
- (2) Affiliate. "Affiliate" shall mean, with respect to any Person, (i) any individual or entity directly or indirectly owned or controlled by such Person, (ii) any individual or entity directly or indirectly owning or controlling such Person or (iii) any individual or entity directly or indirectly owned or controlled by the same family member, individual or entity as owns or controls such Person. For purposes of this Agreement, neither Group nor Manager shall be deemed an Affiliate of the other.
- (3) Agreement. "Agreement" means this Group Management Agreement.
- (4) Annual Budget. See Section 3.6, first sentence.
- (5) Beneficiaries. See Recital A.
- (6) Books and Records. "Books and Records" means Group's books of account, accounting and financial records and all other records relating to and used in the conduct of Manager's duties hereunder and also used in the preparation of reports and financial statements. The books and records at all times shall be correct and complete and contain correct and timely entries made with respect to transactions entered into pursuant hereto in accordance with GAAP.
- (7) Capital Costs. "Capital Costs" shall mean any and all investments that are or would be capitalized pursuant to GAAP.
- (8) Committee Members. See Section 3.5(a).
- (9) Default Notice. See Section 6.2(b)(1).
- (10) Dental Practice Assets. "Dental Practice Assets" means those contracts and agreements with dentist employees and independent contractors and other licensed health professional employees and independent contractors, independent physician associations and managed care plans, patient records and other assets required by statute, rule or regulation to be owned or held by an entity or person licensed to practice dentistry.
- (11) Effective Date. See Section 6.1.
- (12) Employee Providers. See Recital B.
- (13) Employment Agreements. See Recital B.

(14) GAAP. "GAAP" means at any particular time generally accepted accounting principles as in effect at such time. Any accounting term used in this Agreement shall have, unless otherwise specifically provided herein, the meaning customarily given in accordance with GAAP, and all financial computations hereunder shall be computed unless otherwise specifically provided herein, in accordance with GAAP as consistently applied and using the same method of valuation as used in the preparation of Manager's financial statements.

(15) Group. See first paragraph of this Agreement.

(16) Group Expenses. See Section 2.6(b).

(17) Group Members. See Section 3.5(a).

(18) Group Patients. See Recital A.

(19) Joint Operations Committee. See Section 3.4(b).

(20) Management Fee. See Article 7.

(21) Manager. See first paragraph of this Agreement.

(22) Manager Members. See Section 3.5(a).

(23) Manager's Costs. "Manager's Costs" means all costs incurred by Manager including amortization associated with costs acquiring assets of the Group or covering operations and Capital Costs, direct labor costs, supplies, direct overhead and indirect overhead expense attributable to the management and operation of the Practice and direct and indirect corporate overhead of Manager including all interest expense and other expenses which are attributable to Manager's business operations in accordance with Manager's corporate allocation policies.

(24) Marks. See Section 2.3(a).

(25) Pavor Contracts. See Recital A.

(26) Person. "Person" shall mean any natural person, corporation, partnership or other business structure recognized as a separate legal entity.

(27) Plans. See Recital A.

(28) Practice. See Recital A.

(29) Preliminary Budget. See Section 3.7(b).

(30) Programs. See Section 2.3(b).

(31) Providers. "Providers" shall mean individuals or organizations licensed to practice dentistry (including

specialists) as well as other licensed dental professionals who provide ancillary reimbursable dental services.

(32) Provider Subcontracts. See Recital A.

(33) Revenues. "Revenues" means all Revenues net of allowances for uncollectible accounts assigned hereunder by Group to Manager pursuant to Section 2.6(a).

(34) Subcontract Providers. See Recital B.

(35) Term. See Section 6.1.

SCHEDULE A

David P. Sutton  
Dwight G. Romriell  
Gregory E. Romriell  
Errol K. Ormond  
Arnold J. Goodliffe  
Ernest P. Sutton  
L. R. Misner, Jr.

SCHEDULE B

Professional Liability Insurance Coverage

**EXHIBIT B**

# State of Idaho

## Department of State

### CERTIFICATE OF AMENDMENT OF

IDAHO DENTAL GROUP, P.A.  
File Number C 116224

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Amendment to the Articles of Incorporation of IDAHO DENTAL GROUPE, P.A., changing the corporate name to POCATELLO DENTAL GROUP, P.C., duly executed pursuant to the provisions of the Idaho Business Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Amendment to the Articles of Incorporation and attach hereto a duplicate original of the Articles of Amendment.

Dated: October 18, 1996



*Pete T. Cenarrusa*  
SECRETARY OF STATE

By *[Signature]*



**EXHIBIT C**

Periodontics:

Prices

2 Assistant Chairs (with swing arms) x \$ 375<sup>00</sup> EA = \$ 750.<sup>00</sup>  
1 Prophy Jet \$ 2,289<sup>00</sup>  
Cavitron \$ 1,785<sup>00</sup>

Orthodontics:

9 New Side Units (Smaller and more functional that would enhance *BOYD MODEL* chairside consultations with parents) x \$ 4,695<sup>00</sup> EA = \$ 42,255.<sup>00</sup> CSU-3330-40

10 over the patient trays, with view box and chart holders 2: RC: \$ 395<sup>00</sup> EA = \$ 3,950.<sup>00</sup>

New Consultation Room unit with built in flat screen monitor cut out, \$ 6,000<sup>00</sup>  
Pan and Ceph view boxes.

Barber Chair with retractable Back. Approx \$ 1,000<sup>00</sup>

2 Cal Computers x \$ 2,300<sup>00</sup> EA = \$ 4,600.<sup>00</sup>

Digital Photography Camera Fuji S-2 Norman Camera \$3,299

12 Chuckless Highspeed Turbine Handpieces x \$ 785<sup>00</sup> EA = \$ 9,420.<sup>00</sup>

2 Acron type high speed curing lights \$ 4,595<sup>00</sup>

6 curing lights Optilux 501 with fast cure tip one for each unit x \$ 1,499<sup>99</sup> EA = \$ 8,999.94

Tooth dryer at each unit 9 x \$ 1,000<sup>00</sup> EA = \$ 9,000.<sup>00</sup>

Doorway or Threshold cut into wall between the Ortho Receptionist and the Ortho Clinic

Cassette Sterilization system. Approx. \$ 4,500<sup>00</sup>

Scan-X digital Processor with Dentrix or Eaglesoft supporting software and hardware. (Could be shared with general dentists and Periodontist on Old side.)

\$ 18,640<sup>00</sup>

Page Total: \$ 121,082.94

Pedodontics:

Fiberoptics up date for each unit 7 for existing units. \$ 569<sup>99</sup> EA = \$ 3,989.93

4 Hi speed curing lights for existing units Optilux 501 with fast cure tip. \$ 1,499<sup>99</sup> EA = \$ 5,999.96

2 Air techniques Arc 2M for quiet room for existing units. \$ 4,595<sup>00</sup> EA = \$ 9,190.00

2 prophylflex hand pieces. \$ 1,079<sup>99</sup> EA = \$ 2,159.98

4 rondoflex handpieces. \$ 1,829<sup>99</sup> EA = \$ 7,319.96

4 ellman radio surgical units.

Consult and financial arrangement areas in order to comply with Hippa.

Digital camera system Fuji S-2 Norman Camera. \$3,299

Up to date pulpotomy/Pulpectomy material. \$ 600<sup>00</sup>

Pediatric Dental emergency protocol manual.

4 pulse ocimeters. \$ 695<sup>00</sup> EA = \$ 2,780.00

4 childrens digital blood Pressure cuffs. \$ 295<sup>00</sup> EA = \$ 1,180.00

Patient lists in order to track areas patients are coming from.

Flexiwedges at 6 units.

Scan-X digital Processor with Dentrix or Eaglesoft supporting software and hardware. \$ 18,640<sup>00</sup>

Paperless office capabilities.

4 Diagnodent or Difoti units. \$ 2,995<sup>00</sup> EA = \$ 11,980.00

7 Pelt and Crane Lights for existing units. \$ 1,875<sup>00</sup> EA = \$ 13,125.00

4 Porter nitrous oxide units for existing units. \$ 2,935<sup>00</sup> EA = \$ 11,740.00

5 Isolite Systems for existing Units. \$ 895<sup>00</sup> EA = \$ 4,475.00

Statum Autoclave for Handpieces. \$ 3,549<sup>00</sup> EA

Cleaning and oiling unit for handpieces in Sterilization. \$ 389<sup>99</sup> EA

7 Tulsa Dental rotary endodontic handpieces for existing units. \$ 1,500<sup>00</sup> EA = \$ 10,500.00

Page total: \$110,566.82

Pedodontics continued:

- Cassette (hufriedy) sterilization system. Approx \$ 4,500<sup>00</sup>
- Medical grade Dishwasher for Sterilization. \$ 2,900<sup>00</sup>
- 10 new assistant stools for existing units. \$ 375<sup>00</sup> = \$ 3,750<sup>00</sup>
- 8 new doctor stools for existing units. \$ 450<sup>00</sup> = \$ 3,600<sup>00</sup>
- 10 17" flat screen monitors for patient entertainment movies for existing units. \$ 680<sup>00</sup> EA = \$ 6,800<sup>00</sup>
- Communication system that works better for communication with front desk. Approx \$ 6,000<sup>00</sup>

General Dentistry:

- Prisma shades A1, A3 and A3.5 in each unit. (19) \$ 72<sup>00</sup> EA = \$ 1,368<sup>00</sup>
- Nitrous Oxide Masks in each unit. (22). \$ 429<sup>00</sup> EA = \$ 9,438<sup>00</sup>
- Refurbish Dental Chairs. Approx \$ 600<sup>00</sup> EA
- Slow Speed Contra Angles for each unit. (20) \$ 140<sup>00</sup> EA = \$ 2,800<sup>00</sup>
- Gutta Percha in smaller sizes 15, 20, 25, and 30. (4) \$ 10<sup>00</sup> EA = \$ 40<sup>00</sup>
- Crown and Bridge Cement Syringe Type (Fuji). (4) \$ 130<sup>00</sup> EA = \$ 520<sup>00</sup>
- Two Endo Heaters. \$ 182<sup>00</sup> EA = \$ 364<sup>00</sup>
- Shorter tubing to handpieces and endband piece in each unit.. F.O. 280<sup>00</sup> Non F.O. 165<sup>00</sup>
- Panorex and Panorex CMT for new side to stay in OSHA compliance. \$ 25,460<sup>00</sup>
- Medical Management System for insurance claims.
- 22 Slow speed Handpieces \$ 790<sup>00</sup> EA = \$ 17,380<sup>00</sup>
- Prophy Brushes in each hygiene work station. (6) \$ 73<sup>00</sup> PER Bx. = \$ 438<sup>00</sup>
- 2 Digital Intraoral camera systems Fuji S-2 Norman Camera. \$6,598
- 15 Bite Blocks C type in each restorative tray.
- 2 Ribbond THM \$ 200<sup>00</sup> EA = \$ 400<sup>00</sup>
- Astropol polish points in each unit. (20) \$ 100<sup>00</sup> EA = \$ 2,000<sup>00</sup>

Page Total: \$ 95,716<sup>00</sup>

General Dentistry Continued:

Vicryl sutures. \$ 108<sup>00</sup> EA x 4 = \$432.00

8 Blood Pressure Monitors (Model #608).

2 Fast Dam or Opal Dam Ultradent \$ 2742 EA Bx of 4 = \$5498

Contact Pro 2

Flexiwedges in each unit.

Video CE ( Ruddle on Retreatment of Ends and Farrens 30 days MBA)

Diamond Polish in each restorative unit.<sup>(5)</sup> \$ 37<sup>00</sup> EA = \$296.00

White Post (Zirconium) in post kits.<sup>(6)</sup> \$ 40<sup>00</sup> EA Refills = \$320.00

4 Dental Emergency Protocol Manuals.

Dental Implant and Surgical Digest.

Book: Dental Insurance Coding \$ 200<sup>00</sup>

Book: Employee Embezzlement and Fraud in the Dental Office.

4 CPI-Prep (Air Abrasion Units). \$ 1,995<sup>00</sup> EA = \$7,980.00

Star 430 SWL Highspeed Handpiece<sup>(24)</sup> \$ 710<sup>00</sup> EA = \$17,040.00

Twist Prophyl angles for hygiene areas.<sup>(6)</sup> \$ 100<sup>00</sup> Per Box = \$600.00

Mini Implants.

Life Core Biomed

Feuer Abutment Holder for restorative implant work

2 NTI System

Grind Alert

Spring 3k light meter

Demitron (turbo tip) \$ 200<sup>00</sup>

Troll Shade

Page Total: \$ 27,122.98

General Dentistry Continued:

Diagnodents each hygienic unit. <sup>(2)</sup> \$ 2,995<sup>00</sup> EA = \$17,970<sup>00</sup>

Cleanfil S.E. for each restorative area. <sup>(6)</sup> \$ 100<sup>00</sup> EA = \$600<sup>00</sup>

E.D. Primer for each restorative area. <sup>(8)</sup> \$ 100<sup>00</sup> EA = \$800<sup>00</sup>

Miniwedges for each restorative area. <sup>(4)</sup> \$ 65<sup>00</sup> EA = \$520<sup>00</sup>

Intergaurd for each restorative area.

Disposable Scalpels for OSHA Compliance. <sup>(4)</sup> \$ 14<sup>00</sup> PER BX = \$56<sup>00</sup>

Ailee Dental Sutures <sup>(4)</sup> \$ 110<sup>00</sup> EA BX = \$440<sup>00</sup>

Fuji II L. C. improved. <sup>(4)</sup> \$ 134<sup>00</sup> EA = \$536<sup>00</sup>

Profin HYCE. \$ 729<sup>00</sup> REFILL \$ 95<sup>00</sup>

Seal and Protect (Caulk) each restorative area. <sup>(8)</sup> \$ 92.99 EA = \$743.92

Iontophoresis device.

D—Sene II (by Centrix) <sup>(4)</sup> \$ 106<sup>00</sup> PER BX = \$424<sup>00</sup>

2 Build.ITFR \$ 35<sup>00</sup> EA = \$70<sup>00</sup>

Panavia Flight in each post kit.

Gluma <sup>(4)</sup> \$ 85<sup>00</sup> PER BTL. = \$340<sup>00</sup>

14 Pelt and Crane LF II old side. \$ 1,875<sup>00</sup> EA = \$26,250<sup>00</sup>

Page Total: \$ 49,773.92  
\$404,262.66

**EXHIBIT D**

Year	Net Collections	x 2%	Unpaid Bonus
1998	996,249.00		19,924.98
1999	1,125,291.53		22,505.83
2000	1,374,239.42		27,484.79
2001	1,436,225.50		28,704.51
2002	1,643,271.15		32,865.42
		<b>Total</b>	<b>\$131,485.53</b>

Month/Year	All Income				Wages as % of		Lab as % of		Supplies as % of	
	Dr. 37	Wages	Lab Bills	Supplies	Income	of Income	Income	of Income	Income	
January-96	55946.00	9778.00	1579.00	4228.00	17.48%	2.82%	7.56%			
February-96	76142.00	10147.00	543.40	4584.00	13.33%	0.71%	6.02%			
March-96	84045.00	10076.00	291.80	4654.00	11.99%	0.35%	5.54%			
April-96	74551.00	11289.00	782.90	4111.00	15.14%	1.05%	5.51%			
May-96	101891.00	11072.00	846.20	4722.00	10.87%	0.83%	4.63%			
June-96	72259.00	10022.00	626.85	3846.00	13.87%	0.87%	5.32%			
July-96	93150.00	10978.00	1084.00	4246.00	11.79%	1.16%	4.56%			
August-96	85120.00	10794.00	588.00	4442.00	12.68%	0.87%	5.22%			
September-96	77506.00	10925.00	387.00	4303.00	14.10%	0.50%	5.55%			
October-96	107682.00	13150.00	1824.00	4388.00	12.21%	1.51%	4.07%			
November-96	88671.00	11738.00	694.50	4008.00	13.24%	0.78%	4.52%			
December-96	79286.00	10226.00	384.00	4279.00	12.80%	0.50%	5.40%			
YTD TOTAL	996,249.00	130,195.00	9,421.85	51,811.00	13.07%	0.95%	5.20%			
January-99	81882.00	10088.00	681.00	4064.48	12.32%	0.81%	4.96%			
February-99	80116.00	10992.00	369.00	4026.26	13.72%	0.46%	5.03%			
March-99	106296.73	10635.04	861.00	4553.60	10.01%	0.81%	4.28%			
April-99	102302.00	12410.34	1204.50	4822.18	12.13%	1.18%	4.71%			
May-99	93776.49	11489.15	999.30	4913.59	12.25%	1.07%	5.24%			
June-99	82138.51	11363.54	603.00	4351.42	13.86%	0.73%	5.30%			
July-99	99142.44	12346.80	937.50	4857.83	12.45%	0.95%	4.90%			
August-99	94757.99	11412.02	578.00	5019.55	12.04%	0.81%	5.30%			
September-99	87293.56	12804.37	1330.00	5350.69	14.67%	1.52%	6.13%			
October-99	104292.05	13598.59	543.80	4455.96	13.04%	0.52%	4.27%			
November-99	93740.30	11770.51	662.00	5524.07	12.58%	0.71%	5.89%			
December-99	99553.46	14684.46	1059.00	3973.61	14.73%	1.06%	3.99%			
YTD TOTAL	1,125,291.53	143,594.82	9,808.10	65,913.24	12.76%	0.87%	4.97%			
January-00	104824.59	13782.5	633.5	4794.38	13.15%	0.60%	4.57%			
February-00	104021.93	15992.74	1061.5	5810.13	15.37%	1.01%	5.59%			
March-00	132462.15	15393.9	909	6181.05	11.62%	0.89%	4.67%			
April-00	112711.59	14109.22	1263.5	5032.74	12.52%	1.12%	4.47%			
May-00	109428.76	14790.51	823	5605.53	13.52%	0.75%	5.12%			
June-00	107843.11	16227.6	1263	4299.08	15.05%	1.17%	3.99%			
July-00	102737.87	13061.47	501	6493.27	12.71%	0.49%	6.32%			
August-00	120256.92	16635.56	852	6801.55	13.83%	0.71%	5.49%			

September-00	128456.14	+	14149.25	+	887	-	6142.97	+	11.01%	-	0.69%	-	4.78%
October-00	121264.06	+	14791.9	+	1169.5	+	6286.84	+	12.20%	-	0.96%	+	5.18%
November-00	111381.52	+	16328.39	+	1100	+	5479.9	-	14.68%	+	0.99%	+	4.92%
December-00	118850.78	+	17785.52	+	922.5	-	5423.97	+	14.96%	+	0.78%	-	4.56%
<b>YTD TOTAL</b>	<b>1,374,239.42</b>	<b>+</b>	<b>183,048.56</b>	<b>+</b>	<b>11,375.50</b>	<b>+</b>	<b>68,151.39</b>	<b>+</b>	<b>13.32%</b>	<b>+</b>	<b>0.83%</b>	<b>-</b>	<b>4.96%</b>
January-01	86500.04	-	15828.27	+	534	-	5812.07	+	18.30%	+	0.62%	+	6.72%
February-01	97381.42	-	15045.71	-	1541	+	5329.85	-	15.45%	+	1.58%	+	5.47%
March-01	138837.48	+	14215.04	-	963.5	+	4607.39	-	10.24%	-	0.69%	+	3.32%
April-01	111920.7	-	14833.5	+	823	-	5984.73	+	13.25%	+	0.74%	-	5.35%
May-01	105947.75	-	15431.3	+	936	+	5270.4	-	14.57%	+	0.88%	+	4.97%
June-01	121390.78	+	20938.41	+	1486	+	5281.7	+	17.25%	+	1.22%	+	4.35%
July-01	97177.15	-	13307.07	+	481	-	5858.57	-	13.69%	+	0.47%	-	6.03%
August-01	133212.6	+	17073.51	+	1052	+	6201.8	-	12.82%	-	0.79%	+	4.66%
September-01	120643.11	-	14045.32	-	1022.5	+	4350.85	-	11.84%	+	0.85%	+	3.61%
October-01	121513.02	+	15603.4	+	1207	+	5737.95	-	12.84%	+	0.99%	+	4.72%
November-01	131989.77	+	24721.26	+	1257	+	6305.25	+	18.73%	+	0.95%	-	4.78%
December-01	168711.68	+	19942.64	+	678	-	5592.52	+	11.82%	-	0.40%	-	3.31%
<b>YTD TOTAL</b>	<b>1,435,225.50</b>	<b>+</b>	<b>200,985.43</b>	<b>+</b>	<b>11,961.00</b>	<b>+</b>	<b>65,334.08</b>	<b>-</b>	<b>14.00%</b>	<b>+</b>	<b>0.83%</b>	<b>+</b>	<b>4.62%</b>
January-02	117945.65	+	10200.97	-	761.00	+	6587.71	+	8.65%	-	0.65%	+	5.59%
February-02	149841.04	+	20137.76	+	1503.00	-	5871.32	+	13.44%	-	1.00%	-	3.92%
March-02	183650.84	+	18328.8	+	2022.00	+	5196.98	+	9.98%	-	1.10%	+	2.83%
April-02	157260.43	+	18941.04	+	2074.00	+	6994.15	+	12.04%	-	1.32%	+	4.45%
May-02	136151.91	+	18611.36	+	1586.00	+	5602.55	+	13.67%	-	1.16%	+	4.11%
June-02	122383.87	+	17845.80	-	995.00	-	6297.94	+	14.58%	-	0.81%	-	5.15%
July-02	134557.11	+	19482.59	+	1433.5	+	5407.98	-	14.46%	+	1.07%	+	4.02%
August-02	145648.55	+	21635.78	+	1547.00	+	6420.07	+	14.83%	+	1.06%	+	4.40%
September-02	122873.35	+	17025.42	+	894.50	-	5006.61	+	13.86%	+	0.73%	-	4.07%
October-02	116094.39	-	19417.25	+	1417.00	+	5931.38	+	16.73%	+	1.22%	+	5.11%
November-02	123265.7	-	19654.12	-	2071.00	+	5601.79	-	15.94%	-	1.68%	+	4.54%
December-02	133398.31	-	18854.42	-	1929.5	+	5923.91	+	14.13%	+	1.45%	+	4.44%
<b>YTD TOTAL</b>	<b>1,643,271.15</b>	<b>+</b>	<b>220,115.31</b>	<b>+</b>	<b>18,233.50</b>	<b>+</b>	<b>70,842.39</b>	<b>+</b>	<b>13.39%</b>	<b>-</b>	<b>1.11%</b>	<b>+</b>	<b>4.31%</b>

## APPENDIX C

### Compensation

Provider's annual compensation shall be (i) 36% of his Net Collections in year one, 37% of his Net Collections in year two and 38% of his Net Collections in year three and thereafter, in each case less (ii) Allocable Excess Expenses. In addition, in any calendar year in which the Net Collections of Provider less Allocable Excess Expenses exceeds \$700,000, Provider will receive an additional 2% of his Net Collections less Allocable Excess Expenses.

"Allocable Excess Expenses" means the following expenses allocable to the Net Collections of Provider:

(a) direct labor costs of the dental hygienists, dental assistants, receptionists and any other personnel assigned to Provider in excess of 21% of his Net Collections; and

(b) direct laboratory expenses in excess of 6.5% of his Net Collections.

"Net Collections" means cash collections collected after the Closing Date for revenues produced by Provider, before or after the Closing Date, net of adjustments for cash payments or losses made or suffered by New Group attributable to Provider's dental work, including but not limited to, billing service "buy backs," patient cash refunds, bad checks, etc. For purposes of this Agreement, cash collections shall mean moneys collected from patients who are not covered under a prepaid dental plan (commonly referred to as capitation plan). For those patients covered under a prepaid dental plan, a compensation formula for each plan will be specifically developed, which will have as its basis a percentage formula similar to that described above except that net collections will be replaced by a relative value unit ("RVU") system which adds the premiums and patient copayments together to obtain an RVU pool from which distributions will be made based on the number of RVU's attributable to a Provider. "Closing Date" shall be as defined in that certain Agreement and Plan of Reorganization dated October 11, 1996 by and among Company, the individuals signatory thereto, Pocatello Dental Group and Group.

### Payment of Compensation

Provider shall receive an advance on his compensation in the amount of \$\_\_\_\_\_ twice monthly. Calculation of the actual compensation to be paid to Provider for a specific month shall be completed on or before the fifth day of the following month. In the event Provider is entitled to compensation in addition to the

**EXHIBIT E**

Cooper & Larsen, Chartered  
 151 North Third, Suite 210  
 P. O. Box 4229  
 Pocatello, ID 83205  
 208/235-1145  
 Federal ID No. 82-0505835

Page: 1  
 06/04/2003  
 Account No: 21392-04M  
 Statement No: 1

Pocatello Dental Group

General Legal

Interim Statement

Payments received after 06/04/03  
 are not included on this statement.

	<u>Fees</u>	Hours
05/31/03 JPP Legal Services Rendered To Date		5,387.50
For Current Services Rendered		<u>5,387.50</u>
	<u>Expenses</u>	
04/20/03 Ck #9834, to Westlaw / on-line research charges		30.00
Total Expenses		<u>30.00</u>
Total Current Work		5,417.50
Balance Due		<u>\$5,417.50</u>

*Fees 5/10 to 5/31 (1,587.50)*

Billing History					<u>Payments</u>	
<u>Fees</u>	<u>Expenses</u>	<u>Advances</u>	<u>Finance Charge</u>	<u>Payments</u>		
5,387.50	30.00	0.00	0.00	0.00		\$ 3,830.00

*Balance paid by  
 Russ Misner on behalf  
 of Pocatello Dental Group,  
 Jim Price*

\* Thank you for your prompt payment \*

**EXHIBIT F**

Dentist	# Patients on No Recall List	# Patients Lost	Lost Revenue
Russ Misner/Larry Bybee	879	791	\$949,200.00
Errol Ormond	401	361	\$433,200.00
Dwight Romriell	240	216	\$259,200.00
Greg Romriell	226	203	\$243,600.00
Corey Snow	469	422	\$506,400.00
Porter Sutton*	300	270	\$324,000.00
Ernest Sutton	285	257	\$308,400.00
Douglas Akers	32	29	\$34,800.00
Eric Johnson*	40	36	\$43,200.00
Arnold Goodliffe*	200	180	\$216,000.00
<b>TOTALS</b>	<b>2872</b>	<b>2585</b>	<b>\$3,318,000.00</b>

Collection Rate	x 95%
Net Collections	\$3,152,100.00
Profit/Compensation	x 37%
Lost Profit/Compensation	\$1,166,277.00

\* List unavailable. Number of patients on list are estimates.

**EXHIBIT G**

Estimated accounts receivable subject to interest charge (annual)	\$1,000,000.00
Interest rate	x 18 %
Estimated interest charged (annual)	\$180,000.00
Number of years (January 1, 1998 to May 9, 2003)	5.363
Estimated total interest charged	\$963,540.00
Collection rate	x 95 %
Estimated total interest collected	\$915,363.00
Profit/compensation rate	x 37 %
Estimated lost interest income (January 1, 1998 to May 9, 2003)	\$338,684.31

1 SHORT TITLE: In Re Interdent Service Corporation  
CASE NO.: SA03-13594JR

2  
3 PROOF OF SERVICE

4 STATE OF CALIFORNIA, COUNTY OF ORANGE

5 I am employed in the City of Santa Ana, County of Orange, State of California. I am over  
6 the age of 18 years and not a party to the within action. My business address is 201 E.  
Sandpointe, Suite 220, Santa Ana, CA 92707-5742. On July 28, 2003, I served the  
documents named below on the parties in this action as follows:

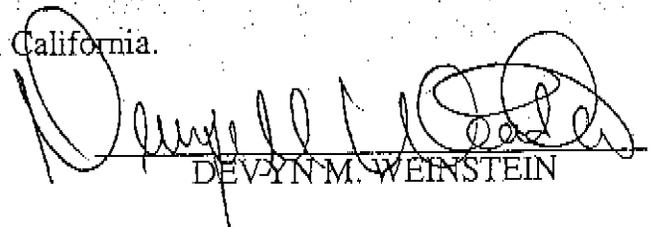
7 DOCUMENTS(S) SERVED: PROOF OF CLAIM

8 SERVED UPON: "SEE ATTACHED SERVICE LIST"

9 XX (BY MAIL) By placing a true copy in a separate envelope for each addressee named  
10 above, with the name and address of each person served shown on the envelope as set  
11 forth above, and by causing each such envelope, with postage thereon fully prepaid,  
12 to be placed in the United States mail at Santa Ana, California. I am readily familiar  
13 with the practice of our firm for collection and processing of correspondence for  
mailing with the United States Postal Service, said practice being that in the ordinary  
course of business, mail is deposited in the United States Postal Service the same day  
as it is placed for collection.

14 XX (FEDERAL) I declare that I am employed in the office of a member of the bar of this  
court, at whose direction this service was made.

15 Executed on July 28, 2003, at Santa Ana, California.

16   
17 DEVYN M. WEINSTEIN  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

SERVICE LIST

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

Interdent Service Corporation  
222 N. Sepulveda Blvd., Suite 740  
El Segundo, CA 90245  
(Debtor)

Robert E. Opera  
WINTHROP COUCHOT  
660 Newport Center Dr., Suite 400  
Newport Beach, CA 92660  
(Attorney for Debtor)

Penelope Parmes  
RUTAN & TUCKER  
611 Anton Blvd., 14<sup>th</sup> Floor  
Costa Mesa, CA 92626  
(Attorneys for Official Committee of Creditors)

Office of the U.S. Trustee  
411 W. Fourth St., Room 3-110  
Santa Ana, CA 92702

**EXHIBIT "2"**

LAW OFFICE

DEAN P. SPERLING

201 EAST SANDPOINTE, SUITE 220  
SANTA ANA, CALIFORNIA 92707-5742

TELEPHONE 714.438.8090  
FACSIMILE 714.438.8088

August 13, 2003

Robert E. Opera, Esq.  
WINTHROP COUCHOT  
660 Newport Center Dr., Suite 400  
Newport Beach, CA 92660

Via Telecopier and U.S. Mail  
Fax No. (949) 720-4111

Re: In re: Interdent Service Corporation

Dear Robert:

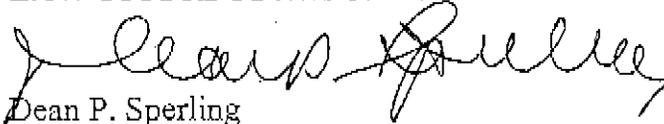
My office represents Pocatello Dental Group, PC ("Pocatello") in the above captioned bankruptcy. Pocatello has an executory contract with the Debtor. I have received a copy of the proposed plan and approved amended disclosure statement. In reviewing the proposed plan, reference to Exhibit "11.1 A-1", "11.1 A-2", "11.1 R-1" and "11.1 R-2" of the Plan Documentary Supplement ("Supplement") is required to determine which contracts are being assumed or rejected. The Supplement, according to my reading of the proposed plan and disclosure statement, was to be filed with the Court no later than ten (10) business days prior to August 20, 2003.

I have been reviewing Pacer and do not find that the Supplement is showing on the Docket. Given the impending date for objections and the fact that I have been unable to obtain the necessary exhibits, I would appreciate your office faxing me the above exhibits which will allow me to discuss my client's position regarding the proposed plan.

If you have any questions regarding the foregoing, please contact me upon receipt of this letter. Your courtesy and cooperation are appreciated.

Yours very truly,

LAW OFFICE OF DEAN P. SPERLING

  
Dean P. Sperling

DPS/ck

F:\Wp\pocatello Dental\Com\Opera.Ltr.wpd

LAW OFFICE

DEAN P. SPERLING

201 EAST SANDPOINTE, SUITE 220  
SANTA ANA, CALIFORNIA 92707-5742

**FILE**

TELEPHONE 714.438.8090  
FACSIMILE 714.438.8088

**FAX TRANSMISSION COVER SHEET**

CONFIDENTIALITY NOTICE

The documents accompanying this telecopy transmission contain information belonging to the sender which is legally privileged, confidential, and exempt from disclosure under applicable law. This transmission is intended only for the use of the individual or entity named below. If you are not the intended recipient, or the employee or agent responsible for delivering this transmission to the intended recipient, you are hereby notified that any dissemination, use, disclosure, copying, distribution or the taking of any action in reliance on the contents of this telecopied information is strictly prohibited. If you have received this telecopy in error, please immediately notify us by telephone to arrange for return of the telecopied documents to us.

TO: Robert E. Opera, Esq.  
WINTHROP COUCHOT

FAX NO.: (949) 720-4111

FROM: Dean P. Sperling, Esq.

FILE RE: In re: Interdent Service Corporation

TOTAL PAGES INCLUDING COVER SHEET: 2

DATE: August 13, 2003 SENT BY: Devyn

DOCUMENT/MESSAGE: Our letter of today.

ORIGINAL WILL FOLLOW IF BOX IS CHECKED

SHOULD YOU HAVE ANY PROBLEMS RECEIVING THE DOCUMENT(S) OR SHOULD YOU HAVE QUESTIONS REGARDING THE DOCUMENT(S) RECEIVED, PLEASE CALL US AT (714) 438-8090. OUR FAX NUMBER IS (714) 438-8088.

\* \* \* COMMUNICATION RESULT REPORT ( AUG.13.2000 2:00PM ) \* \* \*

TTI L/O OF DEAN SPERLING

FILE MODE	OPTION	ADDRESS (GROUP)	RESULT	PAGE
396	MEMORY TX	19497204111	OK	P. 2/2

## REASON FOR ERROR

E-1) HANG UP OR LINE FAIL  
E-3) NO ANSWERE-2) BUSY  
E-4) NO FACSIMILE CONNECTION

LAW OFFICE

**DEAN P. SPERLING**201 EAST SANDPOINTE, SUITE 220  
SANTA ANA, CALIFORNIA 92707-5742TELEPHONE 714.438.8090  
FACSIMILE 714.438.8088**FAX TRANSMISSION COVER SHEET****CONFIDENTIALITY NOTICE**

The documents accompanying this telecopy transmission contain information belonging to the sender which is legally privileged, confidential, and exempt from disclosure under applicable law. This transmission is intended only for the use of the individual or entity named below. If you are not the intended recipient, or the employee or agent responsible for delivering this transmission to the intended recipient, you are hereby notified that any dissemination, use, disclosure, copying, distribution or the taking of any action in reliance on the contents of this telecopied information is strictly prohibited. If you have received this telecopy in error, please immediately notify us by telephone to arrange for return of the telecopied documents to us.

TO: Robert E. Opera, Esq.  
WINTHROP COUCHOT

FAX NO.: (949) 720-4111

FROM: Dean P. Sperling, Esq.

FILE RE: In re: Interdent Service Corporation

**EXHIBIT "3"**

Court of Appeal, First District, Division 4,  
California.

Denzil KREISHER, Plaintiff and Appellant,  
v.  
MOBIL OIL CORPORATION et al., Defendants  
and Appellants.

No. A036017.

Feb. 5, 1988.

Certified for Partial Publication. [FN\*]

FN\* Parts II through IX are not ordered published, as they do not meet the standards for publication contained in rule 976(b) of the California Rules of Court.

Review Denied May 5, 1988.

Franchisee service station operator brought action against franchisor oil corporation and its employees, alleging, inter alia, breach of contract and implied covenants of good faith and fair dealing through refusal to consent to transfer of franchise and lease without reasonable or permissible grounds, wrongful and retaliatory constructive eviction constituting termination of franchise, and violation of Federal Petroleum Marketing Practices Act. The Superior Court, County of Marin, Peter Allen Smith, J., entered judgment based on jury verdict awarding franchisee compensatory and punitive damages, and both sides appealed. The Court of Appeal, Poche, J., held that: (1) judicial decisions holding that contracting party's right to refuse consent to assignment had to be exercised in accordance with standards of commercial reasonableness and good faith would not be retroactively applied to conduct involving franchise agreement where contrary rule had prevailed at time all actions which subsequently formed basis for litigation occurred, and (2) erroneous retroactive application of judicial decisions by trial court required reversal of ensuring judgment.

Reversed in part; affirmed in part.

West Headnotes

[1] Assignments ⇨ 58  
38k58  
(Formerly 28k58)

Franchise agreement between oil company and service station operator was not agreement primarily

concerned with operator's personal services, so as to make inapplicable judicial decisions holding that contracting party's right to refuse consent to assignment must be exercised in accordance with standards of commercial reasonableness and good faith.

[2] Courts ⇨ 100(1)  
106k100(1)

Decisions of California appellate courts, particularly those of the California Supreme Court, are ordinarily retrospective in operation.

[3] Courts ⇨ 100(3)  
106k100(3)

Judicial decisions holding that contracting party's right to refuse consent to assignment had to be exercised in accordance with standards of commercial reasonableness and good faith would not be retroactively applied to franchise agreement where contrary rule had prevailed at the time all actions which subsequently formed basis for litigation occurred.

[4] Appeal and Error ⇨ 1071.2  
30k1071.2

Erroneous trial court determination, that judicial decisions holding that contracting party's right to refuse consent to assignment had to be exercised in accordance with standards of commercial reasonableness and good faith should be retroactively applied to conduct involving service station franchise agreement, required reversal of ensuring judgment; franchisor oil corporation's conduct with respect to franchisee service station operator's proposed assignees was central to causes of action submitted to jury and covered by their verdict, so error thus pervaded entirety of verdict for compensatory and punitive damages.

\*391 \*\*663 Todd C. Hedin, Nelson, Boyd, MacDonald, Mitchell, Mason & Hedin, San Rafael, John R. Wolf, Tiburon, for plaintiff and appellant.

David M. Heilbron, John R. Reese, Leslie G. Landau, Donna M. Ryu, McCutchen, Doyle, Brown & Enersen, William K. O'Brien, San Francisco, for defendants and appellants.

POCHE, Associate Justice.

The primary issue presented is this: Are judicial

(Cite as: 198 Cal.App.3d 389, \*391, 243 Cal.Rptr. 662, \*\*663)

decisions holding that a contracting party's right to refuse consent to an assignment \*392 must be exercised in accordance with standards of commercial reasonableness and good faith to be retroactively applied to a situation where a contrary rule prevailed at the time all actions which subsequently formed the basis for this litigation occurred? Our answer is no.

#### BACKGROUND AND PROCEDURAL HISTORY

The following is an abbreviated narrative of a massive record, restricted to those \*\*664 matters germane to the limited approach and holding adopted for purposes of resolving these appeals.

From 1971 through 1980, plaintiff Denzil G. Kreisher operated a service station in San Rafael. Plaintiff's franchise relationship with defendant Mobil Oil Corporation (Mobil) throughout this period was governed by a trio of contracts. Each contract, which had a term of three years, was comprised of a pair of documents, a "Retail Dealer Contract" and a separately executed "Service Station Lease." On December 22, 1980, plaintiff and Mobil formally executed a new agreement continuing plaintiff's franchise and tenancy for the period commencing January 1, 1981, and concluding December 31, 1983. Included in the "Retail Dealer Contract" and the "Service Station Lease" were provisions forbidding assignment without Mobil's written consent. [FN1] The following events occurred in 1981:

FN1. Paragraph 18 of the "Retail Dealer Contract" read: "Any assignment of this contract by Buyer [plaintiff] without Seller's [Mobil's] written consent shall be void." Paragraph 15 of the "Service Station Lease" read: "Any assignment, mortgage or pledge of this lease or any interest therein or any subletting of the premises, in whole or in part, by Tenant [plaintiff] without Landlord's [Mobil's] written consent shall be void."

Plaintiff received a letter from Mobil on May 6th informing him that "you are in default of the Lease by reason of failure to operate the marketing premises for more than seven consecutive days" and that unless this default was cured within ten days Mobil "will terminate said Lease effective May 18." Plaintiff notified Mobil, by a letter dated May 12th, that he had received an offer from Robert Gregory Enterprises, Inc. to purchase the franchise for \$28,000. Plaintiff asked "whether Mobil will consent to the transfer." Six days later, Mobil sent plaintiff

a letter announcing its election to "terminate the Service Station Lease and franchise relationship between us, effective June 18." On May 28th plaintiff was notified by letter that "Mobil does not consent to the proposed transfer."

Mobil learned in early June that plaintiff had not maintained insurance as required by the contract. It therefore, on June 16th, transmitted a notice to plaintiff advising him that this and other acts and omissions constituted "further default" which Mobil "considered substantial in nature and make \*393 termination of your franchise, effective June 18, ... reasonable and necessary." Mobil learned several days later that plaintiff's resale permit had been revoked by the State Board of Equalization effective March 31st of that year. Mobil served on plaintiff a three-day notice to quit the premises on June 29th.

In July plaintiff advised Mobil that he had a further offer of \$31,000 from Cesar Faedi for the franchise, again asking "if Mobil wishes to purchase the franchise or will consent to the transfer to Mr. Faedi." [FN2] Mobil apparently rejected both aspects later that month when it responded that "the \*\*665 proposed assignment may be considered in light of existing circumstances."

FN2. Plaintiff's offer that Mobil itself purchase the franchise purported to be based upon Business and Professions Code section 21143, subdivision (a), which provides:

"Notwithstanding the terms of any franchise, a franchisor may not withhold its consent to the sale, transfer, or assignment of the franchise by the franchisee to another person unless the franchisor demonstrates any of the following: "(1) The proposed purchaser of the franchise has less business experience and training than that normally required by the franchisor of prospective franchisees.

"(2) The proposed purchaser of the franchise has less financial resources than that normally required by the franchisor of prospective franchisees.

"(3) The proposed purchaser of the franchise does not satisfy the then-current uniformly applied requirements, if any, of the franchisor applicable to prospective franchisees.

"(4) The proposed purchaser of the franchise operates a franchise under an agreement with a franchisor other than the franchisor to whom the sale, transfer, or assignment is proposed, if the then-current uniformly applied requirements, if any, of the franchisor precludes prospective franchisees from operating a franchise under an agreement with another franchisor.

"(5) The franchisee has not offered in writing to sell,

(Cite as: 198 Cal.App.3d 389, \*393, 243 Cal.Rptr. 662, \*\*665)

transfer, or assign the franchise to the franchisor on terms and conditions which are the same as those of the sale, transfer, or assignment of the franchise to the proposed purchaser; and the franchisee has not allowed the franchisor at least 30 days in which to either accept or decline the franchisee's written offer, prior to the sale, transfer, or assignment of the franchise to the proposed purchaser."

This statute was added by an enactment which became effective on January 1, 1981, and which specifically provided that "This act shall not apply to a franchise entered into before the effective date of this act." (Stats.1980, ch. 698, § 4, p. 2101.)

After plaintiff had notified Mobil of the Gregory offer, he invoked Business and Professions Code section 21148 when he offered to sell the franchise to Mobil on the same terms as the Gregory offer. Mobil responded that plaintiff's 1980 contract was not governed by the subsequently-enacted statute.

Mobil initiated an unlawful detainer proceeding against plaintiff in September. About that time plaintiff submitted a third and final proposed assignment, which was apparently rejected by Mobil in the belief that plaintiff no longer had any interest to assign. Plaintiff relinquished possession of the premises in January of 1982 without the necessity of judicial action.

Plaintiff commenced this action on August 5, 1982. In its final form, his complaint purported to allege eight causes of action which may be identified as follows: (1) breach of the contract and implied covenants of good faith \*394 and fair dealing for Mobil's "failing and refusing to consent to transfer or sale of the franchise and lease without reasonable or permissible grounds ... and ... by withholding consent ... although each of such proposed franchise purchasers was ready, willing, able and qualified to perform all obligations of a franchisee and lessee [*sic*];" (2) unreasonable withholding of consent to a transfer in violation of Business and Professions Code section 21148 (see fn. 2 and accompanying text, *ante*); (3) "wrongful and retaliatory constructive eviction constituting termination of the franchise without good cause;" (4) "tortious breach of implied covenants of good faith and fair dealing" for Mobil's "failing and refusing to process and allow sale ... of the franchise;" (5) negligent interference with prospective economic advantage; (6) intentional interference with prospective economic advantage; (7) intentional infliction of emotional distress for a variety of acts including the "refus[al] to provide reasonable explanation for ... withholding of consent to transfer the franchise" and evicting plaintiff "from the

gasoline station premises;" and (8) violation of the federal Petroleum Marketing Practices Act (PMPA; 15 U.S.C. § 2801 et seq.). [FN3] After sustaining a demurrer without leave to amend the second cause of action, the trial court granted defendants summary judgment on plaintiff's third, fourth and fifth causes of action, but ruled that the remainder of plaintiff's case presented material issues of fact to be decided by a jury.

FN3. Named as defendants in the complaint were Mobil and its employees R.E. Kolberg, Kevin J. Reilly, Joseph B. Wright, and James A. Edwards. The complaint was dismissed as against Kolberg. With respect to Reilly and Wright, the jury was unable to return a verdict and further proceedings are being held in abeyance pending this outcome of these appeals. Edwards, who together with Mobil will hereinafter be collectively referred to as defendants, is at present liable with Mobil for the compensatory damages and costs awarded plaintiff, as well as \$2,500 punitive damages.

The complaint was also filed on behalf of plaintiff's wife Dorothy Kreisher. The jury was unable to reach agreement concerning her claims. She is not a party to this appeal.

Trial commenced on October 9, 1985. The presentation of evidence occupied five weeks. On December 3d, having deliberated on plaintiff's first, sixth, seventh, and eighth causes of action for seven days, the jury returned its verdict finding (among other things) that: (1) Mobil breached its contract with plaintiff by refusing to consent to the proposed transfer; (2) defendants intentionally interfered with plaintiff's prospective economic advantage; and (3) defendants intentionally inflicted emotional distress upon plaintiff. The jury further found plaintiff entitled to recover compensatory damages of \$214,000 (including \$31,000 for loss of his home) and punitive damages of \$2,002,500.

After the jury had been discharged, the court filed an order in which it: (1) denied \*\*666 plaintiff any recovery pursuant to his PMPA cause of action on the dual grounds that "federal courts have exclusive jurisdiction over \*395 actions brought under the PMPA" and "plaintiff's PMPA claim is barred by the statute of limitations" included in that statutory scheme; and (2) granted plaintiff's request for prejudgment interest pursuant to Civil Code section 3291 and Code of Civil Procedure section 998. On May 20, 1986, the court entered a judgment directing that plaintiff recover compensatory damages of \$214,000, punitive damages of \$2,002,500, both

with interest from the date of plaintiff's compromise offer made in May of 1983, and costs of \$22,719.24, on his first, sixth, and seventh causes of action. The judgment was in defendants' favor on all remaining causes of action.

Defendants then filed a conjoint motion for judgment notwithstanding the verdict and for new trial. In connection therewith the trial court filed an order in which it: (1) denied the motion for judgment n.o.v.; (2) conditionally granted the alternative motion for a new trial unless plaintiff consented to a reduction in the judgment of \$31,000, representing the amount of equity in the home plaintiff had sold as an alleged consequence of his dispute with Mobil; and (3) vacated the award of prejudgment interest.

Defendants thereupon filed a timely notice of appeal from the judgment. Plaintiff has appealed from the new trial order and from the order rejecting his PMPA cause of action. Plaintiff has also taken a protective cross-appeal from various portions of the judgment.

## REVIEW

### I

The contractual provisions at issue here (see fn. 1, *ante*) gave Mobil the express right to refuse its consent to a proposed transfer of plaintiff's franchise. No restriction upon Mobil's exercise of that right is apparent from the plain language of the provisions, which are therefore to be treated as conferring an absolute and unfettered discretion justifying a refusal without regard to the nature or even enunciation of any objection. The evolution and doctrinal explanation of how such a power came to be subject to considerations of commercial reasonability and the implied covenant of good faith and fair dealing is recounted in *Kendall v. Ernest Pestana, Inc.* (1985) 40 Cal.3d 488, 220 Cal.Rptr. 818, 709 P.2d 837, and consequently need not be repeated here. More relevant for present purposes is the synthesis of that history and the chronology of events in this case.

" [W]here a subletting or assignment of the leased premises without the consent of the lessor is prohibited, he may withhold his assent arbitrarily and without regard to the qualifications of the proposed assignee, unless, ... the lease provides that consent shall not be arbitrarily or unreasonably \*396 withheld, and in granting his assent may impose such conditions as he sees fit. Accordingly, if ... the lessor does not covenant to give his consent to an

assignment or subletting, the lessee has no remedy against the lessor for his refusal to consent thereto.' " This 1960 holding by the Court of Appeal in *Richard v. Degen & Brody, Inc.* (1960) 181 Cal.App.2d 289, 299, 5 Cal.Rptr. 263, stood unimpeached until September of 1983, when a different Court of Appeal concluded in *Cohen v. Ratinoff* (1983) 147 Cal.App.3d 321, 195 Cal.Rptr. 84, that a lessor could breach a contract by exercising the power to withhold consent in an arbitrary or unreasonable manner incompatible with the duty of good faith and fair dealing. *Cohen* was accepted and followed less than four months later by Division Three of this court in *Schweiso v. Williams* (1984) 150 Cal.App.3d 883, 198 Cal.Rptr. 238.

All of the events at issue here occurred during the period when *Richard* was taken to state the applicable rule of law. The parties' execution of the contract, the termination of plaintiff's franchise, his departure from the premises, and his initiation of this action, had all transpired by October of 1982, 11 months before *Cohen* was decided and 15 months before this court first took a position on the problem in *Schweiso*. Review \*\*667 of neither decision was sought in the Supreme Court. By the time these decisions were final plaintiff had filed his third amended complaint which, with a further amendment permitted by the trial court, was the pleading on which the case would eventually be submitted to the jury.

Further confusion was to follow. In December of 1984 Division Three reversed itself and repudiated its prior decision in *Schweiso*, terming it and *Cohen* "wrongly decided." The occasion for this return to the *Richard* rule was *Kendall v. Ernest Pestana, Inc.*, which the Supreme Court agreed to hear in February of 1985. In *Hamilton v. Dixon* (1985) 168 Cal.App.3d 1004, 214 Cal.Rptr. 639, decided in May of 1985, yet another Court of Appeal followed *Richard* in preference to *Cohen* and *Schweiso*. Our parties were at that time contesting defendants' motion for summary judgment and plaintiff's request for leave to file an amendment to his third amended complaint.

The dust did not settle until December 5, 1985. It was on that date that the Supreme Court filed its *Kendall* opinion, thus aligning itself with the *Cohen-Schweiso* position and disapproving *Richard* and *Hamilton*. (*Kendall v. Ernest Pestana, Inc.*, *supra*, 40 Cal.3d 488 at pp. 496-498, 220 Cal.Rptr. 818, 709 P.2d 837.) That was two days after the jury

(Cite as: 198 Cal.App.3d 389, \*396, 243 Cal.Rptr. 662, \*\*667)

returned its verdict in this case.

Defendants' position at all times has had a dual thrust. They first argue that *Cohen*, *Schweiso*, and later *Kendall* have no application because they \*397 dealt with simple commercial leases whereas the fundamental nature of Mobil's contract with plaintiff was a "franchise agreement for personal services." Their fall-back argument is that if these decisions do govern a contract of the sort between plaintiff and Mobil, the decisions contrary to the *Richard* rule upon which defendants relied should not be given retroactive application. Although we disagree with defendants' characterization of the contract as one for personal services, we sustain their contention that *Cohen*, *Schweiso*, and *Kendall* should not be retroactively applied in this case.

(A)

[1] Defendants' attempt to transmute the lease into an inconsequential and severable appendage of the "Retail Dealer Contract" is unconvincing. Included in the latter document immediately following the assignment provision (quoted *ante* at fn. 1) is an integration clause to the effect that "This instrument, including ... *any lease* of the premises from Seller to Buyer, contain[s] the entire agreement covering the subject matter, and supersedes any prior *supply* contract between the parties *relating to the premises*." (Emphasis added.) As may be inferred from the underscored passages, this provision evidences Mobil's own view of the relationship between itself and plaintiff as being predominantly concerned with the sale of Mobil's products. The lease provided the site at which these sales would occur. That site, described in the "Retail Dealer Contract" as "the marketing premises," was crucial to the franchise relationship. All deliveries were to be made at that site. The contract could be terminated for a variety of reasons connected with the leasehold, including: (1) termination of the lease; (2) condemnation or destruction of the premises; (3) plaintiff's failure "to operate the marketing premises for 7 consecutive days;" (4) plaintiff's failure "to comply with federal, state or local laws, rules, regulations or ordinances relevant to the operation of the marketing premises;" (5) repeated customer complaints concerning "operation of the marketing premises;" and (6) plaintiff's failure "to operate its premises in a clean, safe and healthful manner." Identical provisions were also included in the lease.

Without question, plaintiff's personal qualifications

and labor constituted an important component of the process by which Mobil's goods would be furnished to the public. Yet plaintiff's personal services would be provided, not at any place of his choosing, but only at the "marketing premises" specifically designated in both the "Retail Dealer Contract" and the lease. The idea that plaintiff's personal services \*\*668 were the essence of the relationship is further refuted by the very presence of the assignment provisions: if plaintiff's services were so unique and vital Mobil would have no reason either to contemplate or to make provision for any possible substitution. \*398 What was crucial to Mobil's commercial goal was the provision of a location for sale of its products, particularly an existing location devoted to that purpose and under Mobil's continuing control. Construing the two documents as comprising a single agreement (Civ.Code, § 1642; cf. *Mobil Oil Corp. v. Handley* (1978) 76 Cal.App.3d 956, 959, 963, 143 Cal.Rptr. 321; *Prestin v. Mobil Oil Corp.* (9th Cir.1984) 741 F.2d 268, 271-272), we are compelled to reject defendants' attempt to recast it as being primarily concerned with plaintiff's personal services.

(B)

It is a truism that the law constantly struggles to resolve the tension between the competing needs of stability and change, both of which it must serve. One aspect of this continual dilemma is whether completed events and transactions are to be governed by subsequently announced principles or changes in legal doctrine. This is the nettle we must now grasp.

[2] California follows the rule of practice that decisions of its appellate courts, particularly those of the Supreme Court, are ordinarily retrospective in operation. (*See In re Marriage of Brown* (1976) 15 Cal.3d 838, 850, 126 Cal.Rptr. 633, 544 P.2d 561; *Twine v. Compton Supermarket* (1986) 179 Cal.App.3d 514, 518, 224 Cal.Rptr. 562; *McManigal v. City of Seal Beach* (1985) 166 Cal.App.3d 975, 981, 212 Cal.Rptr. 733.) With respect to civil cases, exemptions from this principle have in general been recognized "when considerations of fairness and public policy preclude full retroactivity" (*Peterson v. Superior Court* (1982) 31 Cal.3d 147, 152, 181 Cal.Rptr. 784, 642 P.2d 1305; accord *Isbell v. County of Sonoma* (1978) 21 Cal.3d 61, 74, 145 Cal.Rptr. 368, 577 P.2d 188; *Safeway Stores, Inc. v. Nest-Kart* (1978) 21 Cal.3d 322, 333, 146 Cal.Rptr. 550, 579 P.2d 441; *Paul E. Iacono Structural Engineer, Inc. v. Rizzo* (1984) 162

(Cite as: 198 Cal.App.3d 389, \*398, 243 Cal.Rptr. 662, \*\*668)

Cal.App.3d 803, 809, 208 Cal.Rptr. 787), particularly if retroactive application of the new authority will disturb vested rights of property or contract. (See *Peterson v. Superior Court*, *supra*; *County of Los Angeles v. Faus* (1957) 48 Cal.2d 672, 681, 312 P.2d 680; cf. *Wellenkamp v. Bank of America* (1978) 21 Cal.3d 943, 953-954, 148 Cal.Rptr. 379, 582 P.2d 970; *Abbott v. City of Los Angeles* (1958) 50 Cal.2d 438, 456-457, 326 A.2d 484.) "The determination by the court is dependent upon the equities in each case." (*County of Los Angeles v. Faus*, *supra*, 48 Cal.2d at p. 680, 312 P.2d 680.)

"Two factors of primary importance in resolving the issue of retroactivity are the extent to which the change in the law was foreshadowed and foreseeable and the extent of the reliance placed upon the former rule of law." (*Barber v. State Personnel Bd.* (1976) 18 Cal.3d 395, 400, 134 Cal.Rptr. 206, 556 P.2d 306; accord *United States Cold Storage v. Great Western* \*399 *Savings & Loan Assn.* (1985) 165 Cal.App.3d 1214, 1222, 212 Cal.Rptr. 232; *Pillsbury v. South Coast Regional Com.* (1977) 71 Cal.App.3d 740, 755, 139 Cal.Rptr. 760.) In determining the retroactivity of its decisions in the area of criminal law, the United States Supreme Court formulated these criteria: "(a) the purpose to be served by the new standards, (b) the extent of the reliance by law enforcement authorities on the old standards, and (c) the effect on the administration of justice of a retroactive application of the new standards." (*Stovall v. Denno* (1967) 388 U.S. 293, 297, 87 S.Ct. 1967, 1970, 18 L.Ed.2d 1199.) These criteria have been incorporated within the "considerations of fairness and public policy" factors employed by California in the context of civil cases. "Public policy considerations include the purpose to be served by the new rule, and the effect on the administration of justice of retroactive application. Considerations of fairness would measure the reliance on the old standards by the parties or others similarly affected, as well as 'the ability of litigants to foresee the coming change in the law....'" (*Peterson v. Superior Court*, \*\*669 *supra*, 31 Cal.3d 147 at pp. 152-153, 181 Cal.Rptr. 784, 642 P.2d 1305.) [FN4] Each of these factors and considerations will now be examined.

FN4. The standards applied by the United States Supreme Court in deciding the retroactivity of its holdings in civil cases is generally comparable to the matters which guide California courts. The federal civil standards were stated in *Chevron Oil Co. v.*

*Huson* (1971) 404 U.S. 97, 106-107, 92 S.Ct. 349, 355, 30 L.Ed.2d 296: "First, the decision to be applied nonretroactively must establish a new principle of law, either by overruling clear past precedent on which litigants may have relied, ... or by deciding an issue of first impression whose resolution was not clearly foreshadowed, ... Second, it has been stressed that 'we must ... weigh the merits and demerits in each case by looking to the prior history of the rule in question, its purpose and effect, and whether retrospective operation will further or retard its operation.' ... Finally, we have weighed the inequity imposed by retroactive application, for '[w]here a decision of this Court could produce substantial inequitable results if applied retroactively, there is ample basis in our cases for avoiding the "injustice or hardship" by a holding of nonretroactivity.'" (See also *Northern Pipeline Co. v. Marathon Pipe Line Co.* (1982) 458 U.S. 50, 87-88, 102 S.Ct. 2858, 2880, 73 L.Ed.2d 598 (plurality opinion); *United States v. Johnson* (1982) 457 U.S. 537, 563, 102 S.Ct. 2579, 2594, 73 L.Ed.2d 202.)

[3] *Foreseeability.* Can Mobil be charged with failing to anticipate the demise of the *Richard* rule? That rule had stood for more than 20 years by the time it was invoked by Mobil. It is true that there had been academic criticism (see Kehr, *Lease assignments: The landlord's consent* (1980) 55 State Bar J. 108; Note, *Effect of Leasehold Provisions Requiring the Lessor's Consent to Assignment* (1970) 21 Hastings L.J. 516) [FN5] and that the covenant of good faith and fair dealing was being applied to an increasing variety of contracts. (See *Seaman's Direct Buying Service, Inc. v. Standard Oil Co.* (1984) 36 Cal.3d 752, 768, 206 Cal.Rptr. 354, 686 P.2d 1158; 1 Witkin, *Summary of Cal. Law* (9th ed. 1987) Contracts, §§ 743-752, pp. 674-683.) On the other hand, *Richard*, which was decided well after the concept of the good faith covenant had been recognized, had never been judicially \*400 questioned in this state. Moreover, it conformed with the rule prevailing in the majority of other states throughout the country. (See *Kendall v. Ernest Pestana, Inc.*, *supra*, 40 Cal.3d 488 at pp. 495-496, 220 Cal.Rptr. 818, 709 P.2d 837.) *Richard* must also be seen as one aspect of a large body of California authority to the effect that "[i]n the absence of a controlling statute the parties may provide that a contract right or duty is nontransferable." (*Masterson v. Sine* (1968) 68 Cal.2d 222, 230, 65 Cal.Rptr. 545, 436 P.2d 561; accord *La Rue v. Groezinger* (1890) 84 Cal. 281, 283, 24 P. 42; *Benion v. Hofmann Plastering Co.* (1962) 207 Cal.App.2d 61, 67-69, 24 Cal.Rptr. 268;

*Parkinson v. Caldwell* (1954) 126 Cal.App.2d 548, 552-553, 272 P.2d 934; *Fairbanks v. Crump Irr. etc. Co., Inc.* (1930) 108 Cal.App. 197, 205, 291 P. 629, 292 P. 529.)

FN5. Plaintiff mentioned only the first of these articles in the trial court.

The matter of foreseeability is thus ambiguous. An argument can be made, albeit concededly upon a purely speculative basis, that the validity of the *Richard* rule was questionable and might be overtaken by the advance of the covenant of good faith and fair dealing. The signals to that effect were, however, weak and largely nonjudicial. The opposing argument is that *Richard* had stood the test of time and could be treated as sound doctrine well within the mainstream of California and national authority. As will be seen shortly, Mobil had received a recent indication that *Richard* was still accepted as stating the governing principle. We therefore conclude that on balance Mobil should not be penalized for its inability to predict the emergence of the judicial repudiation of *Richard* more than two years later. [FN6] (Cf. *People v. Horning* (1984) 150 Cal.App.3d 1015, 1022, 198 Cal.Rptr. \*\*670 384; *People v. Criscione* (1981) 125 Cal.App.3d 275, 295, 177 Cal.Rptr. 899.)

FN6. The emphasis on *judicial* action is not inadvertent. If anything, Mobil could logically conclude that with the passage of Business and Professions Code section 21148 the Legislature had in effect occupied the field and thus obviated the likelihood of further action by the courts. Mobil could further conclude that the Legislature's exemption of franchise agreements "entered into" before January 1, 1981 (see fn. 2, *ante*) preserved the *Richard* rule's applicability to such agreements.

*Reliance.* This factor is completely in Mobil's favor. At the time Mobil refused to consent to each of plaintiff's proposed assignees, the *only* authority squarely on point was *Richard*. The contrary holdings of *Cohen*, *Schweiso*, and *Kendall* were nothing more than glints in the eyes of imaginative attorneys awaiting future vindication. Mobil clearly was aware of *Richard* and acted in accordance with it. About the time the 1980 franchise agreement was executed, Mobil was advised by independent counsel that *Richard* was still valid. Mobil saw this advice upheld when it thereafter won two unrelated actions in federal district courts in California. In short, the extent of Mobil's reliance on the *Richard* rule was

total.

*Public policy.* What are the justifications for restricting a lessor's unfettered power to refuse consent to an assignment? The two reasons given \*401 by courts are California's hostility to restraints on alienation and its preference for fostering the performance of contracts in accordance with "the standards of good faith and commercial reasonableness." (See *Kendall v. Ernest Pestana, Inc.*, *supra*, 40 Cal.3d 488 at pp. 498-501, 506, 220 Cal.Rptr. 818, 709 P.2d 837; *Schweiso v. Williams*, *supra*, 150 Cal.App.3d 883 at pp. 885-887, 198 Cal.Rptr. 238; *Cohen v. Ratinoff*, *supra*, 147 Cal.App.3d 321 at pp. 328-330, 195 Cal.Rptr. 84.) In addition, and more particularly, there are the specific statutory limitations of a franchisor's power to refuse consent expressed in Business and Professions Code section 21148. (See fn. 2, *ante*.) Within the context of this case, these judicial and legislative determinations embody a balance between common law rights of contract and the legitimate concerns of lessors. The former are to be limited because "[w]e are no longer in the days of caveat emptor even as to commercial leases ... [and] the necessity of permitting reasonable alienation of commercial space has become paramount in our increasingly urban society." (*Schweiso v. Williams*, *supra*, 150 Cal.App.3d at p. 887, 198 Cal.Rptr. 238.) The latter remain secured because "the lessor's interest in the character of his or her tenant is protected by the lessor's right to object to a proposed assignee on reasonable commercial grounds ... [and] by the fact that the original lessee remains liable to the lessor as a surety even if the lessor consents to the assignment and the assignee expressly assumes the obligations of the lease." (*Kendall v. Ernest Pestana, Inc.*, *supra*, 40 Cal.3d at p. 500, 220 Cal.Rptr. 818, 709 P.2d 837.)

*Fairness.* The public policy restraining this form of arbitrary action by a franchisor-lessor is strong, but what are the countervailing fairness considerations? Reliance, which has been discussed above, is one such factor. In the circumstances presented here, its influence is crucial.

With respect to obligations undertaken pursuant to a statute subsequently found invalid, the United States Supreme Court stated: "The actual existence of a statute, prior to such a determination, is an operative fact and may have consequences which cannot justly be ignored. The past cannot always be erased by a new judicial declaration. The effect of the

subsequent ruling as to invalidity may have to be considered in various aspects,—with respect to particular relations, individual and corporate, and particular conduct, private and official. Questions of rights claimed to have become vested, of status, of prior determinations deemed to have finality and acted upon accordingly, of public policy in the light of the nature both of the statute and of its previous application, demand examination. These questions are among the most difficult of those which have engaged the attention of the courts, state and federal, and it is manifest ... that an all-inclusive statement of a principle of absolute retroactive invalidity cannot be justified." (*Chicot County Dist. v. Bank* (1940) 308 U.S. 371, 374, 60 S.Ct. 317, 318-19, 84 L.Ed. 329.) We agree with numerous distinguished commentators (Schaefer, *Prospective Rulings: Two Perspectives*, 1982 Sup.Ct.Rev. 1, 23; Leflar, \*402 *i*Appellate Judicial Innovation (1974) 27 *Okla.L.Rev.* 321, 342; Snyder, *Retrospective Operation of Overruling* \*\*671 *Decisions* (1940) 35 *Ill.L.Rev.* 121, 132, *fn.* 117) that these considerations are equally relevant to judicial decisions. Let us now examine how they operate in this case.

One of the fundamental purposes of law is to provide stability. The announcement of a legal principle, whether by the Legislature or by the courts, furnishes notice of what is either allowed or prohibited. Such notice is the most elemental requirement of due process. (See *Cleveland Board of Education v. Loudermill* (1985) 470 U.S. 532, 546, 105 S.Ct. 1487, 1495, 84 L.Ed.2d 494; *Fuentes v. Shevin* (1972) 407 U.S. 67, 80, 92 S.Ct. 1983, 1994, 32 L.Ed.2d 556; *Mullane v. Central Hanover Tr. Co.* (1950) 339 U.S. 306, 314, 70 S.Ct. 652, 657, 94 L.Ed. 865; *Randone v. Appellate Department* (1971) 5 Cal.3d 536, 541, 96 Cal.Rptr. 709, 488 P.2d 13; *Mendoza v. Small Claims Court* (1958) 49 Cal.2d 668, 672, 321 P.2d 9; *Conservatorship of Moore* (1986) 185 Cal.App.3d 718, 725, 229 Cal.Rptr. 875.) Blackstone deemed it a "requisite" that legal change "be notified to the people who are to obey it." (1 Blackstone, *Commentaries* 45.) He denounced the "making of laws *ex post facto* " because "it is impossible that the party could foresee that an action[,] innocent when it was done, should be afterwards converted to guilt by a subsequent law; he had therefore no cause to abstain from it; and all punishment for not abstaining must of consequence be cruel and unjust." (*Id.* at p. 46.)

Strictly speaking, the category of *ex post facto* laws of which Blackstone spoke is now confined to the

criminal. (*Calder v. Bull* (1798) 3 U.S. (3 Dall.) 386, 390, 1 L.Ed. 648; *Conservatorship of Hofferber* (1980) 28 Cal.3d 161, 180, 167 Cal.Rptr. 854, 616 P.2d 836; *Campbell v. Department of Motor Vehicles* (1984) 155 Cal.App.3d 716, 718, 202 Cal.Rptr. 324.) Still, the disinclination to penalize action "innocent when it was done" has reached the civil sector and is not limited to legislation. At the close of the last century our Supreme Court stated: " 'It would be as mischievous as an *ex post facto* law to permit a subsequent [judicial] decision to overturn the fair compromises and contracts of individuals made under a different and correct view of the law.... The agreement was in exact accordance with the general understanding of the law at the time it was made. Two years afterward the court of appeals, in another case, gave a different construction. The community would be in a miserable condition if at every change of opinion upon questions of law all their previous contracts and settlements were to be overturned. Men could never know the end of their controversies were such a rule to prevail.' ... 'A subsequent decision of a higher court, in a different case, giving a different exposition to a point of law from the one declared and known, when a settlement between parties takes place, cannot have a retrospective effect and overturn such settlement.... There \*403 is no other principle which is safe and practicable in the common intercourse of mankind. And to permit a subsequent judicial decision in any one case on a point of law to open and annul everything that has been done in other cases of a like kind for years before, under a different understanding of the law, would lead to the most mischievous consequences. Fortunately for the peace and happiness of mankind, no such pernicious precedent is to be found. *The case is, therefore, to be decided according to the existing state of things when the settlement in question took place.*' " (*Cooley v. County of Calaveras* (1898) 121 Cal. 482, 486, 53 P. 1075 [original emphasis]; see 1 Kent, *Commentaries on American Law* (14th ed. 1896) 476.) There are comparable statements of a more recent vintage. (See *California Assn. of Highway Patrolmen v. Department of Personnel Admin.* (1986) 185 Cal.App.3d 352, 364-365, 229 Cal.Rptr. 729; *Mitchell v. National Auto. & Casualty Ins. Co.* (1974) 38 Cal.App.3d 599, 604-605, 113 Cal.Rptr. 391; *Bank of America v. Department of Mental Hygiene* (1966) 246 Cal.App.2d 578, 586-587, 54 Cal.Rptr. 899.)

The motivation for such expressions is not limited to courts. The Legislature's enactment of Business and Professions Code section 21148 evidences its interest

and concern with the specific problem of franchisor power to prevent assignment. \*\*672 The substance of that statute aligns the Legislature with the judicial position expressed in *Cohen, Schweiso, and Kendall*. Nevertheless, the Legislature took pains to establish that section 21148 "shall not apply to a franchise entered into before the effective date of this act." (See fn. 2, *ante*.) This decision represents the Legislature's considered assessment that the benefits of change do not outweigh the necessity or desirability of respecting existing contracts and leaving them unaffected by the statute. That assessment commands our attention, even if it involves staying the impact of judicial decisions, because "the Legislature is no less competent than the court to evaluate the hardships involved and decide whether *considerations of fairness and public policy* warrant the granting of relief." (*Forster Shipbldg. Co. v. County of L.A.* (1960) 54 Cal.2d 450, 459, 6 Cal.Rptr. 24, 353 P.2d 736 [emphasis added]; accord *County of Los Angeles v. Superior Court* (1965) 62 Cal.2d 839, 845, 44 Cal.Rptr. 796, 402 P.2d 868; *Schettler v. County of Santa Clara* (1977) 74 Cal.App.3d 990, 998, 141 Cal.Rptr. 731; *Atlantic Richfield Co. v. County of Los Angeles* (1977) 68 Cal.App.3d 105, 115, 137 Cal.Rptr. 84.)

There is much to commend in the balance struck by the Legislature's conscious decision to impose new standards but not make them retroactive. It recognizes that fairness must be done to both parties to a franchise arrangement. The franchisee is afforded an increased measure of security by the limitations imposed upon a franchisor's previously unrestricted common law and contractual right to refuse assent to an assignment. The \*404 franchisor is given clear notice concerning the precise nature of those limitations (which appear to correspond to the judicially-formulated standard of "commercial reasonableness"). The public policy behind Business and Professions Code section 21148 is clear and of sufficient gravity to receive legislative recognition. Nevertheless, the advantages were not deemed of sufficient import to warrant the disturbance of existing franchise relationships. This compromise was made within the context of vested contractual rights involving the security of title to real property, a situation where the need for stability is at a premium. (See *Wellenkamp v. Bank of America, supra*, 21 Cal.3d 943 at p. 954, 148 Cal.Rptr. 379, 582 P.2d 970.) The Legislature deemed these considerations of such magnitude to warrant deferring the implementation of the public policy goals.

Our weighing of the relevant considerations comes down to this. At all relevant times, the prevailing rule of law was that a lessor could withhold assent to a proposed assignment for any reason whatsoever. Mobil displayed considerable and justifiable reliance on that rule, which did not alter until two years later. The strength and extent of that reliance is only partially offset by Mobil's inability to foresee the nonjudicial portents of a change in the rule. By contrast, there is no evidence that plaintiff had any inkling of a *judicial* change of the rule. He was aware of the *legislative* modification of the rule embodied in Business and Professions Code section 21148. That modification, however, was accompanied by a solemn determination by the Legislature that it should *not* be retroactive. Public policy supporting the change will not be advanced by applying the change to completed contractual arrangements involving the stability of real property titles. As regards the fairness factor, we perceive no satisfying basis for making plaintiff the windfall beneficiary of a change he did not foresee or help bring about. Conversely, it is patently unfair to penalize Mobil for its nonconformity with standards which took effect only after it conscientiously determined the state of the law and relied upon it in reasonable good faith. Upon full reflection of the problem, we believe that it is appropriate to follow the Legislature's lead and adhere to its decision respecting the relative hardships and advantages of implementing the new standard. The salient equities and considerations of vested right support Mobil's claim that its conduct is to be judged in accordance with the rule of *Richard v. Degen & Brody, Inc.* (See *Peterson v. Superior Court, supra*, 31 Cal.3d 147 at pp. 152-153, 181 Cal.Rptr. 784, 642 \*\*673 P.2d 1305; *County of Los Angeles v. Faus, supra*, 48 Cal.2d 672 at pp. 680-681, 312 P.2d 680; *Cooley v. County of Calaveras, supra*, 121 Cal. 482 at p. 486, 53 P. 1075.) Although we are not unmindful that it entails the temporary preservation and application of a discredited principle of law (see *Forster Shipbldg. Co. v. County of L.A., supra*, 54 Cal.2d 450 at p. 459, 6 Cal.Rptr. 24, 353 P.2d 736; *Kawasaki Motors Corp. v. County of Orange* (1983) 146 Cal.App.3d 780, 783, 194 Cal.Rptr. 608; *Schettler v. County of Santa Clara, supra*, 74 Cal.App.3d 990 at p. 997, 141 Cal.Rptr. 731), we are \*405 compelled to conclude that the trial court erred in ruling that defendants' actions were to be evaluated by the *Cohen-Schweiso-Kendall* standards governing the exercise of a lessor's contractual right to refuse consent to an assignment of the contract.

[4] The effects of this conclusion are manifold. Mobil's conduct with respect to plaintiff's proposed assignees were central to the causes of action submitted to the jury and covered by their verdict. Mobil's refusal to consent to assignment was the heart of plaintiff's breach of contract cause of action. The same conduct by Mobil was, to a lesser but still prominent extent, involved in the tort claims for intentional infliction of emotional distress and interference with prospective economic advantage, which formed the basis for the awards of punitive damages. The refusal to consent to an assignment also figured in plaintiff's cause of action based upon the PMPA, which was subsequently disallowed by the trial court. The error thus pervades the entirety of the verdict for compensatory and punitive damages, with the result that the ensuing judgment must be reversed.

II-IX [FN\*\*]

FN\*\* See footnote \*, *ante*.

Those portions of the judgment providing that plaintiff recover damages, costs and interest from defendants Mobil Oil Corporation and James Edwards are reversed. The judgment is affirmed in all other respects. The orders made after judgment are also affirmed. The parties shall bear their respective costs on appeal.

ANDERSON, P.J., and SABRAW, J., concur.

243 Cal.Rptr. 662, 198 Cal.App.3d 389

END OF DOCUMENT

1 **SHORT TITLE:** In Re Interdent Service Corporation  
2 **CASE NO.:** SA03-13594JR

3 **PROOF OF SERVICE**

4 **STATE OF CALIFORNIA, COUNTY OF ORANGE**

5 I am employed in the City of Santa Ana, County of Orange, State of California. I am over  
6 the age of 18 years and not a party to the within action. My business address is 201 E.  
Sandpointe, Suite 220, Santa Ana, CA 92707-5742. On August 19, 2003, I served the  
documents named below on the parties in this action as follows:

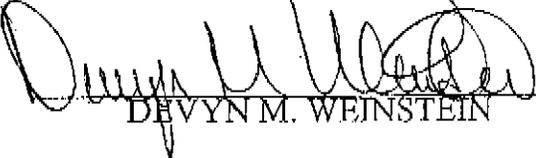
7 **DOCUMENTS(S) SERVED:** OBJECTION OF CREDITOR, POCATELLO DENTAL  
8 GROUP TO ASSUMPTION OF EXECUTORY  
9 CONTRACT AS PROVIDED IN SECOND AMENDED  
10 JOINT CHAPTER 11 PLAN OR REORGANIZATION;  
DECLARATION OF DEAN P. SPERLING IN  
SUPPORT THEREOF; POINTS AND AUTHORITIES  
IN SUPPORT THEREOF

11 **SERVED UPON:** "SEE ATTACHED SERVICE LIST"

12 XXX (BY FEDERAL EXPRESS) By placing a true copy in a separate envelope for each  
13 addressee named above with the name and address of the person served shown on the  
14 envelope as set forth above, and by sealing the envelope and placing it for collection  
15 and delivery by Federal Express with delivery fees paid or provided for in accordance  
16 with ordinary business practices. I am familiar with the practice at my place of  
17 business for collection and processing of correspondence for overnight delivery by  
Federal Express. Such correspondence will be deposited with a facility regularly  
maintained by Federal Express for receipt on the same day in the ordinary course of  
business.

18 XX (FEDERAL) I declare that I am employed in the office of a member of the bar of this  
19 court, at whose direction this service was made.

20 Executed on August 19, 2003, at Santa Ana, California.

21   
22 DEVYN M. WEINSTEIN  
23  
24  
25  
26  
27  
28

SERVICE LIST

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

Interdent Service Corporation  
222 N. Sepulveda Blvd., Suite 740  
El Segundo, CA 90245  
(Debtor)

Robert E. Opera  
WINTHROP COUCHOT  
660 Newport Center Dr., Suite 400  
Newport Beach, CA 92660  
(Attorney for Debtor)

Penelope Parmes  
RUTAN & TUCKER LLP  
611 Anton Blvd., Suite 1400  
Costa Mesa, CA 92626  
(Attorneys for Official Committee of Creditors)

Michael Hauser  
Office of the U.S. Trustee  
411 W. Fourth St., Suite 9041  
Santa Ana, CA 92701  
(U.S. Trustee's Office)

Robert Orgel  
Pachulski, Stang, Ziehl, Young, Jones & Weintraub  
10100 Santa Monica Boulevard, 11<sup>th</sup> Floor  
Los Angeles, California 90067  
(Plan Co-Sponsor)

Eric Goldberg  
Stutman, Treister & Glatt P.C.  
1901 Avenue of the Stars, 12<sup>th</sup> Floor  
Los Angeles, California 90067  
(Plan Co-Sponsor)

Jonathon Shenson  
Latham & Watkins LLP  
633 West Fifth Street, Suite 4000  
Los Angeles, California 90071  
(Bank Lenders)