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U.S. COURTS
OCT 23 PM 4:00
CLERK CATERON S. BURKE
IDAHO

UNITED STATES DISTRICT COURT
DISTRICT OF IDAHO

POCATELLO DENTAL GROUP, P.C., an
Idaho Professional Corporation

Plaintiff,

v.

INTERDENT SERVICE CORPORATION, a
Washington Corporation

Defendant.

Case No.: CV-03-450-E-BLW

**ERRATA TO NOTICE OF REMOVAL
OF CIVIL ACTION**

Please be advised that complete copies of Exhibits A and B (state action docket sheet and court record) to the *Notice of Removal of Civil Action Under 28 U.S.C. § 1441(a), 1446* (Docket No. 1) filed by Defendant Interdent Service Corporation on October 16, 2003, may have been inadvertently omitted from the original copy filed with this court. Said exhibits were, however, served upon Plaintiff's counsel at the time of filing. Given the possibility that exhibits may have been omitted, Defendant files this errata, with Exhibits A and B attached hereto, to complete the Court's record.

DATED this 25th day of October, 2003.



G. Rey Reinhardt
Attorneys for Defendant

CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing **ERRATA TO NOTICE OF REMOVAL OF CIVIL ACTION** on the following named person(s) on the date indicated below by

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

to said person(s) a true copy thereof, contained in a sealed envelope, addressed to said person(s) at his or her last-known address(es) indicated below.

Gary L. Cooper
Ron Kerl
James P. Price
COOPER & LARSEN
151 N. 3rd Avenue, Ste. 210
PO Box 4229
Pocatello, ID 83205-4229
Phone: (208) 235-1145
Fax: (208) 235-1182

DATED: this 29th day of October, 2003.



G. Rey Reinhardt
Attorneys for Defendant

EXHIBIT A

Time: 04:49 PM

ROA Report

Page 1 of 1

Case: CV-2003-0004962-OC Current Judge: Peter D. McDermott
 Pocatello Dental Group vs. Interdent service corporation

Date	Code	User		Judge
10/09/2003	LOCT	DCANO	Place Location Of File Here!!!!update Me	Peter D. McDermott
	NEWC	DCANO	New Case Filed	Peter D. McDermott
		DCANO	Filing: A1 - Civil Complaint, More Than \$1000 No Prior Appearance Paid by: COOPER & LARSEN/POC. DENTAL GRP Receipt number: 0383503 Dated: 10/09/2003 Amount: \$77.00 (Check)	Peter D. McDermott
	MOTN	CAMILLE	Motion for Temporary Restraining Order, Order to Show Cause and Preliminary Injunction; aty Gary Cooper	Peter D. McDermott
	AFFD	CAMILLE	Affidavit of Jeffrey Dean	Peter D. McDermott
	MISC	CAMILLE	Declaration of James Price;	Peter D. McDermott
	AFFD	CAMILLE	Affidavit of Eric Johnson	Peter D. McDermott
	AFFD	CAMILLE	Affidavit of Mark E Baker	Peter D. McDermott
	AFFD	CAMILLE	Affidavit of L.R. Misner, Jr.	Peter D. McDermott
	AFFD	CAMILLE	Affidavit of Dwight Romriell	Peter D. McDermott
	BRFS	CAMILLE	Memorandum in Support of Motion for Temporary Restraining Order, Order to Show Cause and Preliminary Injunction;	Peter D. McDermott
10/10/2003	ATTR	ELLA	Plaintiff: Pocatello Dental Group Attorney Retained Gary L Cooper	Peter D. McDermott
	BNDC	ELLA	Bond Posted - Cash (Receipt 383567 Dated 10/10/2003 for 10000.00)	Peter D. McDermott

EXHIBIT B

Gary L. Cooper (ISB No. 1814)
Ron Kerl (ISB No. 1768)
James P. Price (ISB No. 5129)
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IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BANNOCK

POCATELLO DENTAL GROUP, P.C.,)
an Idaho professional corporation,)
)
Plaintiff,)
)
vs.)
)
INTERDENT SERVICE CORPORATION,)
a Washington corporation,)
)
Defendant.)
)

Case No. CV-03-4962-OC

SUMMONS

PETER D. McDERMOTT

TO: InterDent Service Corporation
c/o CT Corporation System, Registered Agent
300 North 6th Street
Boise, Idaho 83701

You are hereby notified that in order to defend this lawsuit, an appropriate written response must be filed with the above designated court within 20 days after service of this Summons on you. If you fail to so respond the court may enter judgment against you as demanded by the plaintiffs in the Complaint.

A copy of the Complaint is served with this Summons. If you wish to seek the advice of or representation by an attorney in this matter, you should do so promptly so that your written response, if any, may be filed in time and other legal rights protected.

SUMMONS - PAGE 1

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STOEL RIVES LLP

By dmv 10/14/03

An appropriate written response requires compliance with Rule 10(a)(1) and other Idaho Rules of Civil Procedure and shall also include:

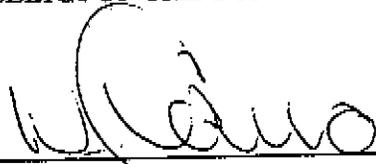
1. The title and number of this case.
2. If your response is an Answer to the Complaint, it must contain admissions or denials of the separate allegations of the Complaint and other defense you may claim.
3. Your signature, mailing address and telephone number, or the signature, mailing address and telephone number of your attorney.
4. Proof of mailing or delivery of a copy of your response to plaintiff's attorney, as designated above.

To determine whether you must pay a filing fee with your response, contact the Clerk of the above-named court.

DATED this 9 day of October, 2003.

CLERK OF THE DISTRICT COURT

By



Deputy Clerk

Gary L. Cooper (ISB No. 1814)
Ron Kerl (ISB No. 1768)
James P. Price (ISB No. 5129)
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IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BANNOCK

POCATELLO DENTAL GROUP, P.C.,)
an Idaho professional corporation,)
)
Plaintiff,)
)
vs.)
)
INTERDENT SERVICE CORPORATION,)
a Washington corporation,)
)
Defendant.)
_____)

Case No. CV-03-4902-DC

VERIFIED COMPLAINT
and
DEMAND FOR JURY TRIAL

COMES NOW Plaintiff, Pocatello Dental Group, P.C. ("the Group") and for its cause of action against the above-named Defendant states and alleges:

1. The Group is a professional services corporation existing under the laws of the State of Idaho and doing business at the Pineridge Mall in Chubbuck, Idaho. The Group has formerly done business as Pocatello Dental Group, a partnership; Pocatello Dental Group, PLLC, a professional limited liability company; and Idaho Dental Group, P.A., a professional association.

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STOEL RIVES LLP
By dmv 10/14/03

2. InterDent Service Corporation ("InterDent") is a Washington corporation which is registered as a foreign corporation in the State of Idaho. InterDent provides management services to the Group as an independent contractor at the Pineridge Mall in Chubbuck, Idaho. InterDent is believed to be the successor-by-merger of GMS Dental Group Management, Inc. and Gentle Dental.

3. On October 11, 1996, Idaho Dental Group, P.A., entered into a Dental Group Management Agreement ("Management Agreement") with GMS Dental Group Management, Inc., a wholly owned subsidiary of GMS Dental. Idaho Dental then filed Articles of Amendment with the Idaho Secretary of State's office on October 18, 1996, changing its name to Pocatello Dental Group, P.C.

4. In October 1996, each of the shareholders-dentists of the Group, including Dr. Romriell, signed employment agreements with the Group. Article III of Dr. Romriell's agreement provided that:

The term of this Agreement (the "Term") shall commence on the effective date of the merger [October 11, 1996] between Pocatello Dental Group and Company and shall continue in effect until the seventh anniversary of such date, unless renewed as set forth below or terminated earlier pursuant to the provisions of this Agreement. After the seventh anniversary, this Agreement shall renew each year for a one year period unless either party gives the other party at least six (6) month's notice of its intent not to renew this Agreement.

5. On April 11, 2003, Dr. Romriell provided written notice to the Group that he did not intend to renew the agreement.

6. In early August 2003, when it became apparent that Dr. Romriell may not have a physical location to treat patients by October 11, 2003, the Group became concerned about ensuring that its patients would be properly cared for after October 11th. Dr. Romriell is certified in and

focuses his practice on the treatment of craniomandibular disorders, often referred to as "TMJ." No other dentist in the Group or in the geographical area has the expertise of Dr. Romriell in the treatment of TMJ. The Group took action, in the best interests of the patients, to ensure that patients could continue to receive treatment from Dr. Romriell after October 11, 2003 and until he was able to treat them elsewhere. It entered into a Dentist's Employment Agreement ("2003 Employment Agreement") with Dr. Romriell on August 26, 2003, to take effect on October 12, 2003.

7. The Group provided a copy of the 2003 Employment Agreement to InterDent. InterDent responded by claiming that the 2003 Employment Agreement must be authorized by the Joint Operations Committee ("JOC"). There are five members of the JOC. Of those members, only Drs. Romriell and Ormond are licensed dentists in the state of Idaho.

8. In the past, employment agreements between dentists and the Group have been signed by the president of the Group without any authorization or approval of the JOC. Nonetheless, Dr. Romriell, as a member of the JOC, sent a fax to InterDent requesting that a JOC meeting be held. InterDent never responded to the fax.

9. InterDent also responded to the 2003 Employment Agreement by threatening to physically exclude Dr. Romriell from the premises after October 11, 2003.

10. The Group responded to InterDent's positions and threats in a letter dated September 19, 2003. InterDent never replied to the letter.

11. On October 1, 2003, InterDent advised all of Dr. Romriell's staff that they were being terminated from employment effective October 11, 2003. InterDent did this without warning and without consulting with the Group or Dr. Romriell. Dr. Romriell's staff include highly trained and specialized TMJ assistants and hygienist. No other staff employed by the Group is trained to

perform the unique functions associated with Dr. Romriell's practice. Without his staff, Dr. Romriell would be unable to adequately and timely treat his patients with care.

12. Most of Dr. Romriell's patients are in the course of treatment. The treatment of TMD involves phases, known as Phase I and Phase II TMD treatment. Successful treatment is contingent upon completion of both phases. Interruption in the treatment process can have deleterious effects upon a patient. It is also in the best interest of patients that they be treated by someone who is familiar with their condition. If they are unable to see Dr. Romriell and be treated as scheduled or planned, they run the risk of physical harm which, in turn, subjects the Group to substantial professional liability. Abandoning patients in the course of treatment violates the professional, ethical and legal obligations of the dentists individually and the Group as a professional corporation and employer.

13. The treatment of TMJ patients requires special diagnostic equipment. Currently, the only place in this part of the state that has such equipment is at the Group's facility at Pineridge Mall.

14. Patient scheduling is controlled by InterDent. Upon information and belief, InterDent is refusing to schedule Dr. Romriell's patients for appointments after October 11, 2003 and is canceling appointments already made.

15. If Dr. Romriell is unable to treat patients, such patients will have to forego treatment or otherwise travel long distances, to Boise or Utah, for treatment similar to that offered by Dr. Romriell. It is in the best interests of the Group, the Group's and Dr. Romriell's patients and the community that he allowed to continue his employment with the Group according to the 2003 Employment Agreement.

FIRST CAUSE OF ACTION
Declaratory Judgment

16. The Group realleges the allegations contained in paragraphs 1 to 15 above and incorporates the same herein by reference as if fully set forth.

17. The Group has an interest in the Management Agreement and is therefore entitled to have determined any question of construction or validity arising under the Management Agreement and obtain a declaration of its rights, status or other legal relations thereunder.

18. Paragraph 5.2(b) of the Management Agreement purports to give the JOC authority to control the negotiation and execution of employment agreements between the Group and dentists.

19. Paragraph 5.2(b) of the Management Agreement is in conflict with other terms thereof which vest authority in the Group to enter into contracts with dentists and to control the practice of dentistry.

20. Paragraph 5.2(b) of the Management Agreement violates public policy because it allows individuals who are not licensed to practice dentistry in Idaho to practice dentistry by setting the terms of employment of a licensed dentist.

21. By reason of the foregoing, the Group is entitled to a declaration that (1) paragraph 5.2(b) is invalid and unenforceable, (2) that the Group was authorized to enter into the 2003 Employment Agreement with Dr. Romriell, and (3) that InterDent's failure to recognize the 2003 Employment Agreement constitutes a material breach of the Management Agreement.

SECOND CAUSE OF ACTION
Breach of Contract

22. The Group realleges the allegations contained in paragraphs 1 to 15 and 17 to 21 above and incorporates the same herein by reference as if fully set forth.

23. InterDent's failure to recognize the 2003 Employment Agreement and its threats to exclude Dr. Romriell from the premises constitute a breach of the Management Agreement.

24. InterDent is obligated under the terms of the Management Agreement to provide the Group and its dentists with a facility, equipment, supplies and support personnel. By terminating Dr. Romriell's staff and threatening to exclude Dr. Romriell from the premises, InterDent is in breach of the Management Agreement.

25. InterDent breached and continues to breach the Management Agreement by terminating Dr. Romriell's staff without the consent of the Group.

26. InterDent breached and continues to breach the Management Agreement by failing to schedule and/or canceling appointments between Dr. Romriell and his patients.

27. The Group is entitled to restrain and enjoin InterDent's breaches of the Management Agreement.

THIRD CAUSE OF ACTION
Injunctive Relief

28. The Group realleges the allegations contained in paragraphs 1 to 15, 17 to 21, and 22 to 27 above and incorporates the same herein by reference as if fully set forth.

29. The Group will suffer immediate and irreparable injury unless InterDent and its principals, agents and employees are restrained, without prior notice, and enjoined from the following acts:

- a. Physically excluding Dr. Dwight Romriell from the premises of the Pocatello Dental Group practice at the Pineridge Mall in Chubbuck, Idaho.

- b. Refusing to pay Dr. Dwight Romriell compensation and benefits according to the 2003 Employment Agreement.
 - c. Terminating, refusing to pay compensation and benefits to , or reducing the hours of Dr. Dwight Romriell's staff, including Shonda Bauer, Elyse Harper, Tangi Kutler, Sheri Yerbick and Autumn Hoskins, without his consent.
 - d. Refusing to schedule Dr. Dwight Romriell's patients, including existing and new patients, for appointments.
 - e. Cancelling appointments scheduled for Dr. Dwight Romriell without his consent.
 - f. Committing any act which interferes with the relationship between Dr. Dwight Romriell and his patients or in any way inhibits his ability to treat his patients in an efficient and effective manner.
30. The threatened injury to the Group outweighs whatever damage the proposed order of injunction may cause by restraining or enjoining InterDent.
31. There is a substantial likelihood that the Group will prevail on the merits of this action.

FOURTH CAUSE OF ACTION
Additional Breaches of Contract

32. InterDent filed for filed for bankruptcy on May 9, 2003 in the United States Bankruptcy Court for the Central District of California ("Bankruptcy Court").

33. On October 3, 2003 the Bankruptcy Court entered its Order confirming InterDent's Chapter 11 Plan. The effective date of the Plan is currently set for October 31, 2003.

34. Since October 4, 2003, in addition to the breaches set forth above, InterDent has breached and continued to breach the Management Agreement by its:

- a. failure to include in dentists' compensation the dentists' share of interest charged on patients' accounts;
- b. failure to deposit accounts receivable in an account approved by the Group;
- c. failure to pay the claims and obligations of the Group;
- d. interference with the Group's practice of dentistry;
- e. failure to hire and train all non-dentist personnel necessary for the operation of the practice;
- f. charging paid time off, a benefit, to dentists as direct wages;
- g. failure to maintain practice as the preeminent group practice in the Pocatello and surrounding area;
- h. failure to provide and maintain equipment and supplies necessary for the efficient and effective operation of the practice;
- i. failure to provide an experienced manager;
- j. failure to provide financial statements and accounting records;
- k. denial of access to patients' records; and
- l. violation of laws and public policy related to the practice of dentistry.

35. The Group reserves the right, upon notification to this Court that InterDent's Chapter 11 Plan is in effect, to assert claims for damages and other relief, including termination of the Management Agreement, occasioned by the foregoing breaches of the Management Agreement.

REQUEST FOR ATTORNEYS FEES

36. The Group realleges the allegations contained in paragraphs 1-35 above, and incorporates the same herein by reference as if fully set forth.

37. The Group has been required to retain the services of Cooper & Larsen, Chartered, to prosecute this action on its behalf. The Group reserves the right, after the effective date of InterDent's Chapter 11 Plan, to assert a claim for the recovery its attorney fees pursuant to applicable law, including without limitation, Idaho Code §§ 12-120(3), 12-121 and 10-1210 in such sums as the Court deems reasonable, together with actual costs incurred herein.

WHEREFORE, the Group prays for judgment against InterDent as follows:

- A. For a declaration that paragraph 5.2(b) of the Management Agreement is invalid and unenforceable;
 - B. For a declaration that the Group had authority to enter into the 2003 Employment Agreement;
 - C. For a declaration that InterDent materially breached the Management Agreement by refusing to recognize the 2003 Employment Agreement;
 - D. For injunctive relief as set forth herein;
 - E. After the effective date of InterDent's Chapter 11 Plan, for damages for breach of contract in an amount to be determined at trial and for termination of the Management Agreement;
 - F. After the effective date of InterDent's Chapter 11 Plan, for attorneys fees and costs;
- and
- G. For such other and further relief as the Court deems just and equitable under the premises.

DEMAND FOR JURY TRIAL

The Group hereby demands a trial by jury on all issues so triable.

DATED this 9th day of October, 2003.

COOPER & LARSEN

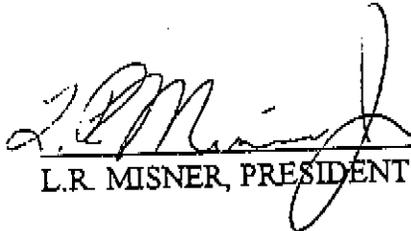

for GARY L. COOPER

VERIFICATION

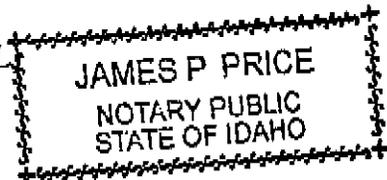
STATE OF IDAHO)
 :SS
County of Bannock)

L.R. MISNER, JR., being first duly sworn, deposes and says:

I am the duly elected and acting President of Pocatello Dental Group, P.C., the Plaintiff herein. I have read the foregoing document, know the contents thereof, and that the facts therein stated are true to the best of my knowledge and belief.


L.R. MISNER, PRESIDENT

SUBSCRIBED AND SWORN TO before me this 9th day of October, 2003.

(SEAL) 


NOTARY PUBLIC FOR IDAHO
Residing at: Pocatello, ID
My Commission expires: 2-3-05

Gary L. Cooper (ISB No. 1814)
Ron Kerl (ISB No. 1768)
James P. Price (ISB No. 5129)
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IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BANNOCK

POCATELLO DENTAL GROUP, P.C.,)
an Idaho professional corporation,)
)
Plaintiff,)
)
vs.)
)
INTERDENT SERVICE CORPORATION,)
a Washington corporation,)
)
Defendant.)
)

Case No. CV-03-4962-DC

MOTION FOR TEMPORARY
RESTRAINING ORDER, ORDER
TO SHOW CAUSE AND
PRELIMINARY INJUNCTION

COMES NOW Plaintiff and pursuant to Rule 65 of the Idaho Rules of Civil Procedure hereby requests that the Court temporarily restrain, and preliminarily enjoin Defendant, their officers, agents, servants, employees, attorneys and those persons in active concert or participation with them from:

1. Physically excluding Dr. Dwight Romriell from the premises of the Pocatello Dental Group practice at the Pineridge Mall in Chubbuck, Idaho.

MOTION FOR TEMPORARY RESTRAINING ORDER, ORDER TO SHOW CASE AND PRELIMINARY INJUNCTION - PAGE 1

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By dmw 10/14/03

2. Refusing to pay Dr. Dwight Romriell compensation and benefits according to a Dentist's Employment Agreement entered into between Pocatello Dental Group, P.C. and Dwight Romriell, DMD, on August 26, 2003.

3. Terminating, refusing to pay compensation and benefits to , or reducing the hours of Dr. Dwight Romriell's staff, including Shonda Bauer, Elyse Harper, Tangi Kutler, Sheri Yerbick and Autumn Hoskins, without his consent.

4. Refusing to schedule Dr. Dwight Romriell's patients, including existing and new patients, for appointments.

5. Cancelling appointments scheduled for Dr. Dwight Romriell without his consent.

6. Committing any act which interferes with the relationship between Dr. Dwight Romriell and his patients or in any way inhibits his ability to treat his patients in an efficient and effective manner.

Further, Plaintiff moves the Court for an order requiring Defendant to appear and present testimony, if any it has, at a date and time certain, why an order should not be entered preliminarily enjoining Defendant from engaging in the conduct described above.

Further, Plaintiff moves the Court for a preliminary injunction which will continue in full force and effect during the pendency of this action or until agreement of the parties or further order of this Court.

This motion is supported by the Affidavits of L.R. Misner, Jr., Dwight G. Romriell, Jeffrey S. Dean, Mark E. Baker and Eric Johnson, the Declaration of James P. Price, Verified Complaint and memorandum filed herewith. The showing of irreparable harm required by Rule 65(b) is established

by the pleadings. The temporary restraining order is sought without notice or hearing, as such would provide Defendant with an opportunity to further damage and retaliation, causing irreparable loss and damage to Plaintiff.

DATED this 9th day of October, 2003.

COOPER & LARSEN


for GARY L. COOPER

Gary L. Cooper (ISB No. 1814)
Ron Kerl (ISB No. 1768)
James P. Price (ISB No. 5129)
COOPER & LARSEN
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Telephone (208) 235-1145
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FILED
LARRY W. GHAN
CLERK OF THE COURT
'03 OCT 10 PM 12 25
BY _____
DEPUTY CLERK

IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BANNOCK

POCATELLO DENTAL GROUP, P.C.,)
an Idaho professional corporation,)
)
Plaintiff,)
)
vs.)
)
INTERDENT SERVICE CORPORATION,))
a Washington corporation,)
)
Defendant.)
_____)

Case No. CV-03-4962-0C

TEMPORARY RESTRAINING ORDER
AND ORDER TO SHOW CAUSE

TO: INTERDENT SERVICE CORPORATION, a Washington Corporation.

Upon application of Pocatello Dental Group, P.C. ("the Group"), and after review of the Group's Verified Complaint; Affidavits of L. R. Misner, Jr., Dwight G. Romriell, Jeffrey S. Dean, Mark E. Baker and Eric Johnson; Declaration of James P. Price; Motion for Temporary Restraining Order, Order to Show Cause, and Preliminary Injunction; and Memorandum in Support of Motion for Temporary Restraining Order, Order to Show Cause, and Preliminary Injunction, all filed herein; and the Court having found that the Group has made a sufficient showing for the issuance of a Temporary Restraining Order and Order to Show Cause, pursuant to Rule 65(b) of the Idaho Rules

of Civil Procedure, and that the Group will suffer immediate and irreparable injury as a result of Defendant interfering with the continued treatment of the Group's patients after October 11, 2003, and it further appearing that irreparable damage will result to the Group before this matter can be set for hearing and notice served upon the Defendant, as a result of the continued hostilities between the Defendant and the Group and Dr. Romriell;

Now, therefore, it appearing that this Temporary Restraining Order must issue without notice to the Defendant in order to avoid irreparable harm which will result to the Group, and for other good cause;

IT IS HEREBY ORDERED that INTERDENT SERVICE CORPORATION, and its officers, agents, servants, employees, attorneys and those persons in active concert or participation with it are restrained from:

1. Physically excluding Dr. Dwight Romriell from the premises of the Pocatello Dental Group practice at the Pineridge Mall in Chubbuck, Idaho.
2. Refusing to pay Dr. Dwight Romriell compensation and benefits according to a Dentist's Employment Agreement entered into between Pocatello Dental Group, P.C. and Dwight Romriell, DMD, on August 26, 2003.
3. Terminating, refusing to pay compensation and benefits to, or reducing the hours of Dr. Dwight Romriell's staff, including Shonda Bauer, Elyse Harper, Tangi Kutler, Sheri Yerbick and Autumn Hoskins, without his consent.
4. Refusing to schedule Dr. Dwight Romriell's patients, including existing and new patients, for appointments.
5. Cancelling appointments scheduled for Dr. Dwight Romriell without his consent.

6. Committing any act which interferes with the relationship between Dr. Dwight Romriell and his patients or in any way inhibits his ability to treat his patients in an efficient and effective manner.

IT IS FURTHER ORDERED that Defendant is restrained from pursuing any other acts or conduct that would interfere with the treatment of Dr. Dwight Romriell's patients by Dr. Dwight Romriell or his staff.

IT IS FURTHER ORDERED that this Temporary Restraining Order shall expire within fourteen (14) days of entry hereof, unless extended pursuant to the terms of I.R.C.P. 65(b).

IT IS FURTHER ORDERED that Defendant appear at the courtroom of the above-entitled Court, at the Bannock County Courthouse located at 624 East Center, Pocatello, Idaho, on the 27th day of October, 2003, at the hour of 2:30 p.m., to show cause, if any it has, why the Temporary Restraining Order issued herein should not be made permanent during the pendency of this action to maintain the status quo and prevent irreparable injury and harm to the Group.

~~Defendant is further given notice of its right to elect to produce testimony and evidence at~~
the hearing and/or to cross-examine the Group's representatives by first giving at least twenty-four hours notice to the Court and counsel before the Show Cause hearing. The Group's motion and supporting affidavits shall be served upon Defendant, or counsel appearing on its behalf, no later than October 17, 2003.

DATED this 10th day of October, 2003 at the hour of 12:32 p.m.

Don Z. Handberg
District Judge

Bank to be
posted
\$10,000.00
WZK

Gary L. Cooper (ISB No. 1814)
Ron Kerl (ISB No. 1768)
James P. Price (ISB No. 5129)
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IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT
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POCATELLO DENTAL GROUP, P.C.,)
an Idaho professional corporation,)
)
Plaintiff,)
)
vs.)
)
INTERDENT SERVICE CORPORATION,)
a Washington corporation,)
)
Defendant.)
_____)

Case No. CV-03-4967-DC

MEMORANDUM IN SUPPORT
OF MOTION FOR TEMPORARY
RESTRAINING ORDER, ORDER
TO SHOW CAUSE AND
PRELIMINARY INJUNCTION

COMES NOW Plaintiff, Pocatello Dental Group, P.C. ("the Group"), through counsel and submits this memorandum in support of its Motion for Temporary Restraining Order, Order to Show Cause and Preliminary Injunction.

RECEIVED
STOEL RIVES LLP
By amy iolitto 3

INTRODUCTION

The Group is a professional services corporation which provides a wide range of dental services to patients. There are currently five shareholder-dentists in the Group, including Drs. L.R. Misner, Gregory Romriell, Dwight Romriell, Errol Ormond and Arnold Goodliffe ("member dentists"). The member dentists have practiced together for approximately twenty years under a variety of business entities. The Group also employs several "employee" dentists who are not shareholders in the Group.

In 1996, the Group entered into a Dental Group Management Agreement ("Management Agreement") with GMS Dental Group Management, Inc. ("GMS"). The purpose was to allow the dentists to focus on their practices while GMS handled the business aspects of the practice, such as billing and collecting accounts receivable, ordering supplies, scheduling appointments, and the like. The arrangement worked fairly well until a few years ago when Defendant, InterDent Service Corporation ("InterDent"), allegedly merged with GMS, or its successor-in-interest, and allegedly acquired the rights and obligations under the Management Agreement.

Shortly after InterDent took over management responsibilities, troubles began and continue to this day. In short, InterDent wanted to control all aspects of the Group, including its practice and treatment decisions. InterDent lost sight that it was to serve the needs of the Group and, instead, assumed the role of dictator.

Not surprisingly, in May of this year, InterDent filed for Chapter 11 bankruptcy in California. The Group filed claims against InterDent in the bankruptcy case, but ultimately withdrew those claims for financial reasons caused by InterDent denying the Group access to any funds to prosecute

the claims. On October 3, 2003, the bankruptcy court in California entered its order confirming InterDent's Chapter 11 plan.

As described in greater detail below, Dr. Dwight Romriell, one of the shareholders-dentists, has an employment agreement with the Group that expires on October 11, 2003. Dr. Romriell's practice is specialized and unique in this area of the state. Dr. Romriell's patients are patients of the Group. Both Dr. Romriell and the Group have professional, ethical and legal responsibilities to the patients to ensure that their dental needs are met and that they are not abandoned in the course of treatment. Because it did not appear that Dr. Romriell would be able to treat these patients at another location after October 11, 2003, the Group entered into an employment agreement with Dr. Romriell to take effect on October 12, 2003 and continue on a month-to-month basis.

InterDent, in an attempt to dictate how and by whom Dr. Romriell's patients would be treated, objected to the new employment agreement, claiming it required approval by a Joint Operations Committee ("JOC"). Such approval had not been necessary in the past; InterDent likely ~~made the assertion out of personal animosity toward Dr. Romriell and perhaps in retaliation for the~~ Group filing claims in the bankruptcy action. InterDent threatened to exclude Dr. Romriell from the premises after October 11, 2003. On October 1, 2003, without warning or the consent of the Group or Dr. Romriell, InterDent terminated all of Dr. Romriell's staff.

InterDent's threatened and actual conduct puts the Group at risk for serious and irreparable harm. InterDent has, without any legal authority, abandoned Dr. Romriell's patients, thereby subjecting the Group to the risk of professional liability claims, statutory penalties and disciplinary

action. InterDent's actions also place a significant burden on Dr. Romriell's TMJ patients who would have to travel to Boise or Utah to obtain or continue treatment.

The Management Agreement makes it clear that practice issues are the exclusive authority of the Group. To the extent that any provision of the Management Agreement allows InterDent, or a JOC member who is not licensed to practice dentistry in Idaho, to make or control practice decisions, it violates public policy. Three of the five members of the JOC are not licensed to practice dentistry in Idaho.

A temporary restraining order is necessary to preserve the status quo until the respective rights of the parties under the Management Agreement can be determined through litigation.

STATEMENT OF FACTS

The following facts demonstrate that the Group is entitled to a temporary restraining order and preliminary injunction:

1. What is now Pocatello Dental Group, P.C., started in 1983 as a partnership known as Pocatello Dental Group. Affidavit of L.R. Misner, Jr. ("Misner Affidavit"), ¶ 4. In December 1993, Pocatello Dental Group reorganized as an Idaho professional limited liability company known as Pocatello Dental Group, PLLC ("the PLLC"). *Id.* The PLLC owned the assets of the business, including without limitation all equipment, furniture, fixtures, inventory, and accounts receivable and its members provided professional services to the patients of the PLLC. *Id.*

2. In 1996, the PLLC negotiated an agreement with GMS Dental Group, Inc. (GMS Dental) whereby GMS Dental would purchase the hard assets of the PLLC, such as equipment and inventory, and then provide the member dentists with management services in exchange for a fee.

Id., ¶¶ 5 and 6. As part of the parties' agreement, all of the "Dental Practice Assets" were transferred to a new entity, Idaho Dental Group, P.A. ("Idaho Dental"), which was incorporated as an Idaho professional association for the purpose of carrying on the dental practice, and owned by the same dentists who owned the PLLC.

3. On October 11, 1996, Idaho Dental entered into a Dental Group Management Agreement ("Management Agreement") with GMS Dental Group Management, Inc., a wholly owned subsidiary of GMS Dental. *Id.*, ¶ 7. Idaho Dental then filed Articles of Amendment with the Idaho Secretary of State's office on October 18, 1996, changing its name to Pocatello Dental Group, P.C. ("the Group"), a wholly distinct entity from the PLLC which shared the similar name. *Id.* Allegedly, over the years, GMS Dental merged into Gentle Dental, which later merged into InterDent. *Id.*, ¶ 8.

4. In October 1996, the shareholders-dentists of the Group each signed employment agreements with the Group.¹ *Id.*, ¶ 9. Article III of Dr. Romriell's agreement provided that:

The term of this Agreement (the "Term") shall commence on the effective date of the merger [October 11, 1996] between Pocatello Dental Group and Company and shall continue in effect until the seventh anniversary of such date, unless renewed as set forth below or terminated earlier pursuant to the provisions of this Agreement. After the seventh anniversary, this Agreement shall renew each year for a one year period unless either party gives the other party at least six (6) month's notice of its intent not to renew this Agreement.

5. On April 11, 2003, Dr. Romriell provided written notice to the Group that he did not intend to renew the agreement. *Id.*, ¶ 10.

¹ Dr. Romriell's agreement will be referred to hereafter as the 1996 Employment Agreement.

6. In early August 2003, when it became apparent that Dr. Romriell may not have a physical location to treat patients by October 11, 2003, the Group became concerned about ensuring that the patients would be properly cared for after October 11th. *Id.*, ¶ 11. Dr. Romriell is certified in and focuses his practice on the treatment of craniomandibular disorders, often referred to as "TMJ." *Id.*; Affidavit of Dwight G. Romriell ("Romriell Affidavit"), ¶ 2. No other dentist in the Group or in the geographical area has the expertise of Dr. Romriell in the treatment of TMJ. Misner Affidavit, ¶ 11; Affidavit of Eric Johnson ("Johnson Affidavit"), ¶ 2. The Group took action, in the best interests of the patients, to ensure that patients could continue to receive treatment from Dr. Romriell after October 11, 2003 and until he was able to treat them elsewhere. Misner Affidavit, ¶ 11. It entered into a Dentist's Employment Agreement ("2003 Employment Agreement") with Dr. Romriell on August 26, 2003, to take effect on October 12, 2003. *Id.*

7. As a matter of courtesy, the Group provided a copy of the 2003 Employment Agreement to InterDent. *Id.*, ¶ 12. InterDent responded by claiming that the 2003 Employment Agreement must be authorized by the Joint Operations Committee ("JOC"). *Id.* There are five members of the JOC: Ivar Chhina, Kevin Webb, Dr. Gerald Aaron, Dr. Romriell and Dr. Ormond. *Id.* Of those members, only Drs. Romriell and Ormond are licensed dentists in the state of Idaho. *Id.* Gerald Aaron, an employee of InterDent, is a dentist, but is not licensed in Idaho. *Id.* Messrs. Chhina and Webb, who are upper-level managers in the InterDent hierarchy, are not dentists. *Id.*

8. In the past, employment agreements between dentists and the Group have been signed by the president of the Group without any authorization or approval of the JOC. *Id.* Nonetheless,

Dr. Romriell, as a member of the JOC, sent a fax to InterDent requesting that a JOC meeting be held. Romriell Affidavit, ¶ 12. InterDent never responded to the fax. *Id.*

9. InterDent also responded to the 2003 Employment Agreement by threatening to physically exclude Dr. Romriell from the premises after October 11, 2003. Misner Affidavit, ¶ 12.

10. The Group responded to InterDent's positions and threats in a letter dated September 19, 2003. *Id.*, ¶ 13. InterDent never replied to the letter. *Id.* The Group does not know, but assumes, that InterDent still intends to attempt to exclude Dr. Romriell from the premises after October 11, 2003. *Id.*

11. On October 1, 2003, InterDent advised all of Dr. Romriell's staff that they were being terminated from employment effective October 11, 2003. *Id.*, ¶ 14. InterDent did this without warning and without consulting with the Group or Dr. Romriell. *Id.*; Affidavit of Dwight G. Romriell, ¶ 13. Dr. Romriell's staff include highly trained and specialized TMI assistants and hygienist. *Id.*, ¶¶ 13 and 14. No other staff employed by the Group is trained to perform the unique functions associated with Dr. Romriell's practice. *Id.*, ¶ 14. Without his staff, Dr. Romriell would be unable to adequately and timely treat his patients with care. *Id.*

12. Many, if not most, of Dr. Romriell's patients are in the course of treatment. *Id.*, ¶ 14 and 17. The treatment of TMD involves phases, known as Phase I and Phase II TMD treatment. Johnson Affidavit, ¶ 4. Successful treatment is contingent upon completion of both phases. *Id.* Interruption in the treatment process can have deleterious effects upon a patient. *Id.* It is also in the best interest of patients that they be treated by someone who is familiar with their condition. *Id.* If they are unable to see Dr. Romriell and be treated as scheduled or planned, they run the risk of

physical harm which, in turn, subjects the Group to substantial professional liability. Misner Affidavit, ¶ 15. Abandoning patients in the course of treatment violates the professional, ethical and legal obligations of the dentists individually and the Group as a professional corporation and employer. *Id.*; Romriell Affidavit, ¶ 17.

13. The treatment of TMJ patients requires special diagnostic equipment. *Id.*, ¶ 15. Currently, the only place in this part of the state that has such equipment is at the Group's facility at Pineridge Mall. *Id.*; Johnson Affidavit, ¶ 3. If Dr. Romriell is barred from the Group's premises at the Pineridge Mall, his patients will not be able to get treatment without going to Boise or Utah. Romriell Affidavit, ¶ 15.

14. Patient scheduling is controlled by InterDent. Misner Affidavit, ¶ 16. Based upon the current calendar and compared to past scheduling, it appears that InterDent is refusing to schedule Dr. Romriell's patients for appointments after October 11, 2003 and is canceling appointments already made. *Id.*; Romriell Affidavit, ¶ 17.

15. It is also imperative that Dr. Romriell be available to accept new patients. Most of Dr. Romriell's patients are referred to him by medical doctors and dentists throughout the region in addition to physical therapists, chiropractors and others. *Id.*, ¶ 16. Such professionals have literature about Dr. Romriell and his practice, including the Group's location and telephone number, or have routinely referred patients to him. *Id.* If Dr. Romriell is barred from the premises or lacks sufficient staff to accept new patients, such patients will likely be referred to specialists in Boise or Salt Lake at longer distances from their residents than Pocatello. *Id.*; Affidavit of Jeffrey S. Dean ("Dean Affidavit"), ¶ 2; Affidavit of Mark E. Baker ("Baker Affidavit"), ¶ 2. If Dr. Romriell could not

continue to treat patients, it would be a tremendous loss to the community and to the TMJ patients who live here. Dean Affidavit, ¶ 3; Baker Affidavit, ¶ 3; Johnson Affidavit, ¶¶ 3 and 4.

STANDARD OF REVIEW

The issuance of a temporary restraining order ("TRO") is governed by Rule 65(b) of the Idaho Rules of Civil Procedure. A TRO may be granted without notice to the adverse party or its attorney when (1) it appears from specific facts shown by affidavit or verified complaint that immediate and irreparable injury, loss, or damage will result to the applicant before the adverse party or the party's attorney can be heard in opposition, and (2) the applicant's attorney certifies to the court in writing the efforts, if any, which have been made to give the notice and the reasons supporting the part's claim that notice should not be required.

Rule 65(e) identifies the types of cases in which a preliminary injunction may be granted, including:

- (1) When it appears by the complaint that the plaintiff is entitled to the relief demanded, and such relief, or any part thereof, consists in restraining the commission or continuance of the acts complained of, either for a limited period or perpetually.
- (2) When it appears by the complaint or affidavit that the commission or continuance of some act during the litigation would produce waste, or great or irreparable injury to the plaintiff.
- (3) When it appears during the litigation that the defendant is doing, or threatens, or is about to do, or is procuring or suffering to be done, some act in violation of the plaintiff's rights, respecting the subject of the action, and tending to render the judgment ineffectual.

A TRO or preliminary injunction requires the giving of security, in the form of a surety bond or undertaking, by the applicants, in such sum as the court deems proper, for the payment of costs

and damages incurred by any party found to be wrongfully enjoined or restrained. I.R.C.P. 65(c). Recoverable attorney fees are those incurred in a proceeding to dissolve a TRO or a preliminary injunction, rather than those earned through defending the merits of the action. *Devine v. Cluff*, 110 Idaho 1, 713 P.2d 437 (Ct.App. 1985).

ARGUMENT

I. INTERDENT INTENDS TO MATERIALLY BREACH THE MANAGEMENT AGREEMENT, THEREBY CAUSING IMMEDIATE AND IRREPARABLE HARM AND INTERFERING WITH THE GROUP'S RIGHTS TO CONTROL ITS PRACTICE AND THE TREATMENT OF ITS PATIENTS.

A. InterDent is prohibited under the terms of the Management Agreement and Idaho law from practicing dentistry.

The Management Agreement vests responsibility for practice-related decisions in the Group, as evidenced by the following provisions:

Nothing in this Agreement shall be construed to alter or in any way affect the legal, ethical and professional relationship between and among Provider² 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. Management Agreement, ¶ 2.1 (emphasis added).

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 [InterDent] due to [InterDent's] non-licensed status. Management Agreement, ¶ 3.2 (emphasis added).**

² "Provider" is defined as licensed individuals who provide dental services to the patients of the Group. Management Agreement, Recital B.

... nor shall [InterDent] have or exercise any control or direction over the methods by which Group shall practice dentistry. Management Agreement, ¶ 3.3.

Group shall have the sole responsibility and authority for *all* aspects of the practice of dentistry and *delivery* of dental services by Providers. Management Agreement, ¶ 3.4(a)(1)(emphasis added).

Except in unusual circumstances approved by the Joint Operations Committee, [InterDent] shall not employ or contract with any Providers for the provision of dental services. Management Agreement, ¶ 3.8(a)(emphasis added).

Group shall employ or contract with the number of Providers Group deems necessary for the efficient operation of the Practice³ and in accordance with quality assurance, credentialing and utilization management protocols approved by [InterDent]. Group shall provide full and prompt dental coverage for the Practice. . . Management Agreement, ¶ 5.2(a)(emphasis added).

These provisions of the Management Agreement are consistent with Idaho law which prohibits the practice of dentistry by persons who are not licensed to practice dentistry in Idaho. I.C. § 54-905(1). The practice of dentistry includes the examining, diagnosing and treating of patients. I.C. § 54-901. Furthermore, the Rules of the Idaho State Board of Dentistry prohibit the abandonment of patients before completion of a phase of treatment without first advising the patient of such abandonment and that further treatment is necessary. IDAPA 19.01.01.040.10. Abandonment of patients constitutes unprofessional conduct. IDAPA 19.01.01.040. Penalties for unprofessional conduct include disciplinary action such as non-renewal, revocation, suspension of a license and administrative penalties of up to \$10,000 per violation. I.C. § 54-924(8).

³ "Practice" is broadly defined as all activities of the Group subject to the Management Agreement. Management Agreement, Recital C.

Read together, the Management Agreement and Idaho law give the Group the right and obligation to continue Dr. Romriell's employment and to enter into a contract with him. Conversely, InterDent cannot contract with a dentist for the provision of dental services and cannot decide how patients will be treated. Success or failure of treatment often depends on the competence of the person providing it. It is indisputable that Dr. Romriell is highly qualified and competent to treat patients. As a group of licensed dentists, the Group is qualified to determine who should treat a particular patient. InterDent is not. InterDent's primary concern is whether a patient pays his/her bill. InterDent's threat to exclude Dr. Romriell from the premises and deny his patients the opportunity to be treated by him offends the patients' rights, breaches the Management Agreement and violates Idaho law.

InterDent relies upon paragraph 5.2(b) of the Management Agreement to claim that the 2003 Employment Agreement is invalid. That paragraph reads:

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.⁴

InterDent's members of the JOC are three of its high-ranking managers, including its Chief Financial Officer and one of its Regional Vice-Presidents. The Group is represented by only two members. If 5.2(b) were valid, it would give InterDent control over the employment of licensed dentists. However, the paragraph is invalid and unenforceable.

⁴ The Joint Operations Committee is comprised of five individuals, two of which are designated by the Group and the remaining three are designated by InterDent. See, Management Agreement ¶ 3.5(a).

First, this single paragraph is in conflict with the purpose and intent of the several paragraphs cited above including paragraphs 2.1, 3.2, 3.3, 3.4(a)(1), 3.8(a) and 5.2(a). In *Morgan v. Firestone Tire & Rubber Co.*, 68 Idaho 506, 201 P.2d 976 (1948), the Court stated:

While the provisions of a contract are to be read together and harmonized whenever possible, yet if two clauses relating to the same thing are so repugnant that they cannot stand together, the first will be received and the later one rejected, especially when the latter is inconsistent the general purpose and intent of the instrument and would nullify it.

Paragraph 3.8(a) states that InterDent shall not employ or contract with any dentists for the provision of dental services and yet paragraph 5.2 effectively gives InterDent the right to do just that. Paragraph 5.2(a) requires the Group to employ dentists and the remainder of the paragraphs cited show a clear purpose and intent for the Group to control practice issues. Paragraph 5.2 must be rejected.

Furthermore, paragraph 5.2(b) violates public policy. In *Worlton v. Davis*, 73 Idaho 217, 221-2, 249 P.2d 810, 813 (1952), the Court cited *Messner v. Bd. of Dental Examiners of California*, 87 Ca.App. 199, 204-5, 262 P. 58, 60 (Cal. Dist. Ct. App. 1927), as follows:

Had it been shown that Cohn had authority to participate in the employment or discharge of those engaged to do professional work and the fixing of their compensation a different question would arise. **The power to hire and discharge and to fix compensation of an employee necessarily implies the power to control his work.**

(Emphasis added.) The question in *Wolton* was whether a contract of employment between a partnership, which was comprised of licensed professionals and one unlicensed person, and a licensed professional was void as against public policy. The unlicensed person acted as the partnership's business manager. Relying upon the language cited above from *Messner*, the Court

concluded that the "layman" was impermissibly attempting to practice medicine without a license and that the employment agreement was therefore void *ab initio* as against public policy.

Paragraph 5.2(b) of the Management Agreement allegedly gives approval power to the JOC over professional employment issues. By doing so, it impermissibly grants unlicensed persons authority over professional matters. If InterDent's members of the JOC were to exercise their purported authority under that paragraph, they would be engaging in the illegal practice of dentistry. Paragraph 5.2(b) is void as against public policy.

It is further noted that it has never been the practice of the JOC to authorize the Group to sign employment agreements.

Because InterDent has no authority to approve or reject the 2003 Employment Agreement, it must honor its terms as it would any other employment agreement between the Group and its dentists.

B. InterDent is obligated to provide Dr. Romriell with a facility, staff, equipment and materials.

Having determined that the Group has a right to continue to employ Dr. Romriell after October 11, 2003, InterDent is obligated to provide support to Dr. Romriell so that he is able to treat his patients in an efficient and effective manner. The following provisions of the Management Agreement demonstrate InterDent's responsibilities:

... [InterDent] shall employ all non-Prover personnel necessary for the operation of the Practice. Management Agreement, ¶ 3.8(b).

... [InterDent] shall provide or arrange for the provision to Group of all support services reasonably necessary and appropriate for the efficient operation of the Practice. Management Agreement, ¶ 4.1.



[InterDent] 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, [InterDent] shall obtain the consent of the Group, which consent will not be unreasonably withheld. Management Agreement, ¶ 4.4(b).

When appropriate, [InterDent] 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. Management Agreement, ¶ 4.2.

InterDent should be enjoined from failing to meet these obligations.

II. IN THE ABSENCE OF A TRO AND PRELIMINARY INJUNCTION, THE GROUP WILL SUFFER IMMEDIATE AND IRREPARABLE INJURY, LOSS OR DAMAGE.

InterDent is threatening to exclude Dr. Romriell from the premises after October 11, 2003 and has already terminated his staff. Patients are scheduled to see Dr. Romriell next week and through November 11, 2003. Those patients are patients of the Group and the Group has an obligation to ensure that they are properly treated and are not abandoned.

Based upon Dr. Romriell's calendar, it appears that InterDent has been refusing to schedule appointments and/or canceling them. In doing so, InterDent is refusing treatment to patients who need it. That is a practice decision that InterDent cannot make. InterDent's actions are placing the Group at risk of professional liability claims from patients and violations of the Idaho statutes and regulations governing the practice of dentistry. The liability claims and penalties are potentially substantial. For the patients, the potential risk to their health should also be considered.

InterDent's actions also place a burden upon patients and other practitioners who have routinely referred patients to Dr. Romriell. The services Dr. Romriell is able to provide are unique

in this part of Idaho. If he cannot continue to practice and treat patients, they will be required to travel long distances for treatment. The extra time and expense required and insurance coverage issues may result in patients deciding to forego treatment, potentially worsening their conditions. There is a strong public policy component in this case weighing in favor of allowing Dr. Romriell to continue his employment with the Group.

A TRO should be issued without notice to InterDent. Notice would simply allow InterDent to take retaliatory actions such as canceling all of the patients who are still scheduled to see Dr. Romriell. Each patient canceled is a potential violation for abandonment of a patient which could result in a penalty of \$10,000.00 and disciplinary action. There are 45 patients scheduled. That could result in penalties up to \$450,000.00, in addition to the professional liability claims that might also result from the abandonment.

A preliminary injunction is necessary to prevent the same type of irreparable harm during the pendency of this action. The breaches of the Management Agreement and potential violations of law and public policy have been explained above. The facts of this case make it likely that the Group will be successful on the merits. In addition to the potential for great or irreparable harm to the Group, if a preliminary injunction is not issued, an ultimate judgment in favor in the Group may be ineffectual. It will be too late by then to avoid the damages caused by abandoning the patients now.

III. INTERDENT WILL NOT BE DAMAGED BY THE ISSUANCE OF A TRO AND PRELIMINARY INJUNCTION. IN FACT, INTERDENT WILL BENEFIT FROM THE CONTINUED EMPLOYMENT OF DR. ROMRIELL.

The compensation schemes of the 1996 and 2003 Employment Agreements are virtually the same.⁵ Under both agreements, Dr. Romriell's compensation is set at 38 percent of his net collections, leaving a large enough margin for InterDent to pay overhead, labor and laboratory expenses and still make a considerable profit from Dr. Romriell's efforts. InterDent will benefit from the revenues generated by Dr. Romriell's services during his continued employment.

The amount of security to be required under I.R.C.P. 65(c) is a determination that is left to the discretion of the court. The facts of this case, however, warrant that the amount of security be minimal. In the end, InterDent bears the burden of paying the cost of any security required.

According to the Management Agreement:

[InterDent] shall be responsible for paying all claims and obligations associated with the operation of Group pursuant to this Agreement... Management Agreement, ¶ 2.6(b).

The Group's only liquid asset is its accounts receivable, which happen to be controlled entirely by InterDent at the present time. Because of InterDent's control of the accounts receivable, the Group will have to borrow money to pay for a bond or deposit an undertaking and then seek to obtain reimbursement from InterDent under the provision cited above. The individual shareholders of the Group could not be liable to InterDent for those fees because there is no basis to pierce the corporate veil. If InterDent is liable to pay for the bond or undertaking from the accounts receivable

⁵ Comparing the two agreements, it is readily apparent that the 1996 Employment Agreement was used as a framework for the 2003 Employment Agreement.

of the Group, thereby reducing its own profit, it makes little sense to require a bond or undertaking of any significant amount.⁶

CONCLUSION

Given the combination of probable success on the merits and the possibility of irreparable injury, the Group is entitled to a TRO and preliminary injunction. The Group is entitled to orders temporarily restraining, and preliminarily enjoining Defendant, their officers, agents, servants, employees, attorneys and those persons in active concert or participation with them from:

1. Physically excluding Dr. Dwight Romriell from the premises of the Pocatello Dental Group practice at the Pineridge Mall in Chubbuck, Idaho.
2. Refusing to pay Dr. Dwight Romriell compensation and benefits according to a Dentist's Employment Agreement entered into between Pocatello Dental Group, P.C. and Dwight Romriell, DMD, on August 26, 2003.
3. Terminating, refusing to pay compensation and benefits to, or reducing the hours of Dr. Dwight Romriell's staff, including Shonda Bauer, Elyse Harper, Tangi Kutler, Sheri Yerbick and Autumn Hoskins, without his consent.
4. Refusing to schedule Dr. Dwight Romriell's patients, including existing and new patients, for appointments.
5. Cancelling appointments scheduled for Dr. Dwight Romriell without his consent.

⁶ Also because of InterDent's control of the accounts receivable, it is doubtful that a bonding company will issue a bond to the Group. Accordingly, it is likely that the Group will have to deposit an undertaking.

6. Committing any act which interferes with the relationship between Dr. Dwight Romriell and his patients or in any way inhibits his ability to treat his patients in an efficient and effective manner.

DATED this 9th day of October, 2003.

COOPER & LARSEN

for 
GARY L. COOPER

Gary L. Cooper (ISB No. 1814)
Ron Kerl (ISB No. 1768)
James P. Price (ISB No. 5129)
COOPER & LARSEN
151 North 3rd Avenue, Suite 210
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Telephone (208) 235-1145
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IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BANNOCK

POCATELLO DENTAL GROUP, P.C.,)
an Idaho professional corporation,)
)
Plaintiff,)
)
vs.)
)
INTERDENT SERVICE CORPORATION,)
a Washington corporation,)
)
Defendant.)
_____)

Case No. CV-03-4962-DC

DECLARATION OF
JAMES P. PRICE

I, James P. Price, declare as follows:

1. I am one of the attorneys for the plaintiff, Pocatello Dental Group, P.C. ("the Group").

I have personal knowledge of the matters set forth in this declaration.

2. On October 1, 2003, I received telephone calls from Drs. L.R. Misner and Dwight Romriell, informing me that Defendant, InterDent Service Corporation ("InterDent") had terminated all of Dr. Romriell's staff effective October 11, 2003. Drs. Misner and Romriell advised me that

DECLARATION OF JAMES P. PRICE - PAGE 1

RECEIVED
STOEL RIVES LLP

By dmv 10/14/03

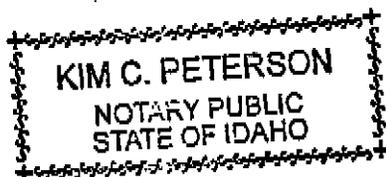
these terminations came without warning and without the knowledge or consent of the Group or Dr. Romriell.

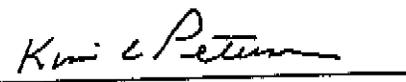
3. I have been involved in the representation of the Group for approximately one year. In my opinion it is the intent of InterDent to suppress the rights and wills of the dentists who practice with the Group. I recommended that the Group file this action and request a temporary restraining order and preliminary injunction without notice to InterDent because I do not want to afford InterDent the opportunity to further retaliate and/or cause further harm against the Group, Dr. Romriell and/or his patients before a hearing could be held.

DATED this 9th day of October, 2003.


JAMES P. PRICE

SUBSCRIBED AND SWORN TO before me this 9th day of October, 2003.




NOTARY PUBLIC FOR IDAHO
Residing at: Bannock Co
My commission expires: 11/26/07

Gary L. Cooper (ISB No. 1814)
Ron Kerl (ISB No. 1768)
James P. Price (ISB No. 5129)
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IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BANNOCK

POCATELLO DENTAL GROUP, P.C.,)
an Idaho professional corporation,)
)
Plaintiff,)
)
vs.)
)
INTERDENT SERVICE CORPORATION,)
a Washington corporation,)
)
Defendant.)
_____)

Case No. *CV-03-4962-DC*

AFFIDAVIT OF JEFFREY S. DEAN

STATE OF IDAHO)
 : ss
County of Bannock)

JEFFREY S. DEAN, being duly sworn, deposes and states:

1. I have been a licensed dentist in the state of Idaho since 1997. I specialize in oral and maxillofacial surgery at Facial and Oral Surgery Associates in Pocatello, Idaho. I have known Dr. Dwight Romriell since coming to Pocatello in 1997.

AFFIDAVIT OF JEFFREY S. DEAN - PAGE 1

RECEIVED
STOEL RIVES LLP

By *Amv 10/14/03*

2. Dr. Romriell has expertise in the filed of temporomandibular joint disorders and craniofacial treatment. He has distinguished himself in this area of care and treatment. His expertise is unique in southeast Idaho. If Dr. Romriell were prohibited from treating his patients, such patients would have to travel to Boise or Utah (Logan or Salt Lake City) to find similar care and treatment.

3. I have treated numerous patients jointly with Dr. Romriell. Because of Dr. Romriell's dedication to continuous education and research in the field, his treatment is outstanding. He is a valuable asset in this area to those patients who require the type of services he can provide. If he were prohibited from practicing, it would be a tremendous loss to the community and a detriment to the TMJ patients who live here.

DATED this 8th day of October, 2003.

Jeffrey S. Dean, DDS, MD
 JEFFREY S. DEAN, DDS, MD

SUBSCRIBED AND SWORN to before me this 8th day of October, 2003.

Genevieve M. Stuart
 NOTARY PUBLIC FOR IDAHO
 Residing at: 1657 N. 14th
 My commission expires: May 15, 2003

NOTARY	COUNTY OF	MY APPOINTMENT EXPIRES
	Bannock ID	ON: 5-15-03
	Subscribed to and sworn before me this	
	8 th day of Oct 2003	
SIGNATURE		
*Genevieve M. Stuart		

Gary L. Cooper (ISB No. 1814)
Ron Kerl (ISB No. 1768)
James P. Price (ISB No. 5129)
COOPER & LARSEN
151 North 3rd Avenue, Suite 210
P.O. Box 4229
Pocatello, Idaho 83205-4229
Telephone (208) 235-1145
Facsimile (208) 235-1182

IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BANNOCK

POCATELLO DENTAL GROUP, P.C.,)
an Idaho professional corporation,)
)
Plaintiff,)
)
vs.)
)
INTERDENT SERVICE CORPORATION,))
a Washington corporation,)
)
Defendant.)
_____)

Case No.

AFFIDAVIT OF MARK E. BAKER

STATE OF IDAHO)
 : ss)
County of Bannock)

MARK E. BAKER, being duly sworn, deposes and states:

1. I have been a licensed dentist in the state of Idaho since 1992. I specialize in oral and maxillofacial surgery at Facial and Oral Surgery Associates in Pocatello, Idaho. I have known Dr. Dwight Romriell since coming to Pocatello in 1992.

AFFIDAVIT OF MARK E. BAKER - PAGE 1

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By Don IDAHO-3

2. Dr. Romriell has expertise in the filed of temporomandibular joint disorders and craniofacial treatment. He has distinguished himself in this area of care and treatment. His expertise is unique in southeast Idaho. If Dr. Romriell were prohibited from treating his patients, such patients would have to travel to Boise or Utah (Logan or Salt Lake City) to find similar care and treatment.

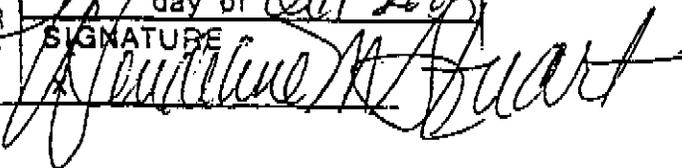
3. I have treated numerous patients jointly with Dr. Romriell. Because of Dr. Romriell's dedication to continuous education and research in the field, his treatment is outstanding. He is a valuable asset in this area to those patients who require the type of services he can provide. If he were prohibited from practicing, it would be a tremendous loss to the community and a detriment to the TMJ patients who live here.

DATED this 8th day of October, 2003.


MARK E. BAKER, D.D.S.

SUBSCRIBED AND SWORN to before me this 8th day of October, 2003.


NOTARY PUBLIC FOR IDAHO
Residing at: 1457 N. 14th
My commission expires: 5-15-04

NOTARY	COUNTY OF <u>Bannock</u>	MY APPOINTMENT EXPIRES ON: <u>5-15-04</u>
	Subscribed to and sworn before me this	
	<u>8</u> day of <u>Oct</u> <u>2003</u>	
SIGNATURE 		

Gary L. Cooper (ISB No. 1814)
Ron Kerl (ISB No. 1768)
James P. Price (ISB No. 5129)
COOPER & LARSEN
151 North 3rd Avenue, Suite 210
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IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BANNOCK

POCATELLO DENTAL GROUP, P.C.,)
an Idaho professional corporation,)
)
Plaintiff,)
)
vs.)
)
INTERDENT SERVICE CORPORATION,)
a Washington corporation,)
)
Defendant.)
_____)

Case No. CV-03-4962-DC

AFFIDAVIT OF ERIC JOHNSON

STATE OF IDAHO)
) : ss
County of Bannock)

ERIC JOHNSON, being duly sworn, deposes and states:

1. I graduated from the University of Nebraska, Medical Center College of Dentistry with a Doctorate in Dental Surgery (DDS). I continued my education in an Orthodontic residency at the Mayo (Clinic) Graduate School of Medicine, Department of Dentistry. While at the Mayo Clinic, I served on the Temporo-Mandibular Disorder (TMD) Team for approximately three years.

AFFIDAVIT OF ERIC JOHNSON - PAGE 1

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STOEL RIVES LLP

By dmv 10/14/03

2. I came to Pocatello in July of 1993. I was introduced then to Dr. Dwight Romriell, who at the time had oriented most of his practice time to the treatment of TMD. Under the ethical laws of our profession, dentists are required to refer a patient for treatment to another individual, who practices within a reasonable referring distance, when that individual possesses greater skill in the particular treatment area. Once I became acquainted with Dr. Romriell's knowledge and skills in the treatment of TMD, I realized that despite the training I had received at the Mayo Clinic, Dr. Romriell's knowledge and skills surpassed my own and I started referring patients with the disorder to Dr. Romriell for treatment. I have specialized and focus my practice in Orthodontics and Dento-facial orthopedics. I practice with the Pocatello Dental Group, P.C., as an employee and also maintain my own independent practice in Pocatello, Idaho.

3. Over the course of the years I have known Dr. Romriell, I have observed Dr. Romriell's dedication to the study, research and treatment of TMD. Dr. Romriell utilizes special diagnostic equipment and techniques that are unavailable anywhere else in the surrounding communities. Because of Dr. Romriell's unique skills and knowledge, Dr. Romriell is an important asset to the Southeastern Idaho community.

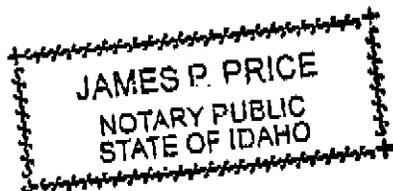
4. I currently treat in excess of 60 patients with Dr. Romriell. The treatment of TMD involves phases, known as Phase I and Phase II TMD treatment. Successful treatment is contingent upon completion of both phases. Interruption in the treatment process can have deleterious effects upon a patient. It is also in the best interest of patients that they be treated by someone who is familiar with their condition. Dr. Romriell's patients should be given the opportunity to continue to receive the quality and unique care that Dr. Romriell is able to provide. It is my opinion that it would be a great loss to the general community and to the dental community to not have the abilities

of Dr. Romriell available. It is further my opinion that the treatment of many hundreds of patients with disabling TMD would be compromised without the continued care of Dr. Romriell.

DATED this 9 day of October, 2003.


ERIC JOHNSON, DDS, MS

SUBSCRIBED AND SWORN to before me this 9th day of October, 2003.




NOTARY PUBLIC FOR IDAHO
Residing at:ocatello, Id
My commission expires: 3-3-06

Gary L. Cooper (ISB No. 1814)
Ron Kerl (ISB No. 1768)
James P. Price (ISB No. 5129)
COOPER & LARSEN
151 North 3rd Avenue, Suite 210
P.O. Box 4229
Pocatello, Idaho 83205-4229
Telephone (208) 235-1145
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IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BANNOCK

POCATELLO DENTAL GROUP, P.C.,)
an Idaho professional corporation,)
)
Plaintiff,)
)
vs.)
)
INTERDENT SERVICE CORPORATION,)
a Washington corporation,)
)
Defendant.)
_____)

Case No. CV-03-4962-DC

AFFIDAVIT OF
DWIGHT G. ROMRIELL

STATE OF IDAHO)
 : ss
County of Bannock)

DWIGHT G. ROMRIELL, being duly sworn, declares:

1. I am over the age of eighteen. The matters contained in this affidavit are within my personal knowledge.
2. I received a DMD degree from the University of Louisville in 1976. I am certified in the treatment of craniomandibular disorders ("TMJ") and a Diplomat of the American Academy

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By DMR 10/14/03

of Pain Management. My credentials are set forth in my curriculum vitae, a copy of which is attached hereto as Exhibit A.

3. I am licensed to practice dentistry in the state of Idaho.

4. In 1983 I became a partner in Pocatello Dental Group. At that time, Pocatello Dental Group was a partnership comprised of 11 partners-dentists. In December 1993, Pocatello Dental Group reorganized as an Idaho professional limited liability company known as Pocatello Dental Group, PLLC ("the PLLC").

5. In approximately March 1996, Grant Sadler and Kenneth Davis of GMS Dental Group, Inc. (GMS Dental) began soliciting the PLLC concerning dental practice management services. Over the course of several months, GMS Dental and the PLLC negotiated an agreement whereby GMS Dental would purchase the hard assets of the PLLC, such as equipment and inventory, and then provide the member dentists with management services in exchange for a fee. As part of the parties' agreement, all of the "Dental Practice Assets" were transferred to a new entity, Idaho Dental Group, P.A. ("Idaho Dental"), which was incorporated as an Idaho professional association for the purpose of carrying on the dental practice.

8. On October 11, 1996, Idaho Dental entered into a Dental Group Management Agreement ("Management Agreement") with GMS Dental Group Management, Inc., a wholly owned subsidiary of GMS Dental. Idaho Dental then filed Articles of Amendment with the Idaho Secretary of State's office on October 18, 1996, changing its name to Pocatello Dental Group, P.C. ("the Group"), a wholly distinct entity from the PLLC which shared the similar name. I have been a member of the Group since its creation. The Group operates its practice at the Pineridge Mall in Chubbuck, Idaho.

9. In October 1996, I signed an Employment Agreements with the Group. A copy of the agreement is attached hereto as Exhibit B. Article III of the agreement states:

The term of this Agreement (the "Term") shall commence on the effective date of the merger [October 11, 1996] between Pocatello Dental Group and Company and shall continue in effect until the seventh anniversary of such date, unless renewed as set forth below or terminated earlier pursuant to the provisions of this Agreement. After the seventh anniversary, this Agreement shall renew each year for a one year period unless either party gives the other party at least six (6) month's notice of its intent not to renew this Agreement.

10. On April 11, 2003, I provided written notice to the Group that I did not intend to renew the agreement.

11. In early August, I spoke with Dr. Misner, who is president of the Group about the treatment of my patients after October 11, 2003. I informed Dr. Misner that I was in the process of establishing an independent office, but that it may not be operational by October 11, 2003. Dr. Misner asked me if I would be willing to stay with the Group and treat my patients and some of the other dentists' patients for some period of time. After some discussions, I signed an Employment Agreement, a copy of which is attached hereto as Exhibit C ("2003 Employment Agreement") to be effective during my professional transition.

12. Shortly thereafter, InterDent advised me of its position that the 2003 Employment Agreement was not effective because it had not been authorized by the Joint Operations Committee ("JOC"), despite the fact that besides Dr. Ormond and myself, none of the others members of the JOC are even licensed to practice dentistry in Idaho and the continued treatment of my patients is a practice issue which can only be addressed by dentists licensed to practice in Idaho. I was also advised that InterDent would have me evicted from the premises if I attempted to honor the new

agreement. Therefore, as a member of the JOC I sent a fax to InterDent requesting that a JOC meeting be held. A copy of my fax is attached hereto as Exhibit D. InterDent has never responded to the fax.

13. On October 1, 2003, I was advised by all of my staff that InterDent had advised them that they were being terminated from employment effective October 11, 2003. InterDent did this without consulting with me as the doctor, or as a member of the JOC. My staff are highly trained and critical to my ability to treat my patients. My staff includes:

Shonda Bauer - Receptionist and TMJ Certified Dental Assistant. Shonda has worked for me for fourteen years. In addition to receptionist duties, she assists with patients and trains other staff on an ongoing basis. She is the only certified member of the American Academy of Head, Neck and Facial Pain in the state of Idaho.

Elyse Harper - Hygienist. Elyse has worked for me for thirteen years. While teeth cleaning can be unpleasant for healthy patients, for TMJ patients it is particularly traumatic and require additional skill and training to deal with the fragility of a TMJ disorder. Elyse has that extra experience in dealing specifically with TMJ patients, whereas other hygienists who work for the Group do not.

Tangi Kutler, Sheri Yerbick and Autumn Hoskins - TMJ Assistants. Tangi has worked for me for four years; Sheri and Autumn have worked for me for three years. These assistants take TMJ x-rays, gather data, take impressions of teeth, perform electromyography (EMG), joint vibration analysis (JVA) and electrognathography (EGN), use appliances, and make adjustment to appliances.

All of these staff are necessary and essential personnel.

14. My staff is trained to perform unique functions that no other staff for the Group is trained to perform. With the assistance of my staff, I am able to see three to four times as many patients as I otherwise could without them. Because of the number of my patients, it would be impossible for me to give them adequate and timely care without the above staff. The nearest TMJ

specialists with training and experience similar to mine are in Boise and Salt Lake. Requiring my patients to travel long distances for treatment places a substantial burden on my patients. Most of my TMJ patients require ongoing treatment over the course of a least one year.

15. The treatment of TMJ patients also requires special equipment. Currently, the only place in this part of the state that has such equipment is at the Group's facility at Pineridge Mall. If I am barred from the Group's premises at the Pineridge Mall, my patients will not be able to get treatment without going to Boise or Salt Lake.

16. Most of my patients are referred to me by medical doctors and dentists throughout the region in addition to physical therapists, chiropractors and others. Such professionals have literature about me and my practice, including my location and telephone number, or have routinely referred patients to me. If I am barred from the premises or lack sufficient staff to accept new patients, such patients will likely be referred to specialists in Boise or Salt Lake at longer distances from their residents than Pocatello.

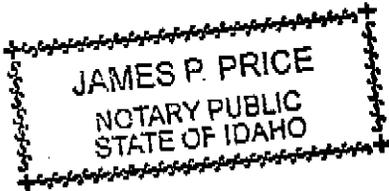
17. In reliance on the interim agreement, I currently have 45 patients scheduled through November 11, 2003. More than one-half of those patients are scheduled through October 15. After that, the number of patients scheduled drops significantly and is totally at odds with historical scheduling. Patient scheduling is currently controlled by InterDent. Given the low number of appointments after October 15th, it appears that InterDent is refusing to schedule my patients for appointments after October 11, 2003 and has canceled appointments already made. Many of my patients are in the course of treatment and some have already paid for additional services. I have a professional, ethical and legal duty to ensure that my patients are properly treated and not abandoned. If InterDent bars me from the premises, terminates my staff, refuses to schedule

appointments and/or cancels appointments, I cannot meet my professional and fiduciary duties to my patients. My patients will suffer harm and I will be placed at risk for professional liability claims.

DATED this 9th day of October, 2003.


DWIGHT G. ROMRIELL, DMD

SUBSCRIBED AND SWORN to before me this 9th day of October, 2003.




NOTARY PUBLIC FOR IDAHO
Residing at: Prattville, IL
My commission expires: 3-3-06

EXHIBIT A

CURRICULUM VITAE

DWIGHT G. ROMRIELL, DMD DAAPM

Pocatello Dental Group

4155 Yellowstone Highway

Pocatello, Idaho 83202

06/15/03

Birth Date: July 26, 1948 Pocatello, Idaho

Personal: Married. Six Children. Ten Grandchildren

EDUCATION

Highland High School 1966

Idaho State University BS 1966-1972

University of Louisville, Kentucky DMD 1972-1976

BUSINESS

Private Practice Dental Practice 1976-Present

Owner Pocatello Dental Group P.C.

Owner Mission Dental Service

Manager E-Riter LLC

Northwest Bec.-Corp. Consultant

APPOINTMENTS

Bannock Regional Medical Center Staff 1978 - Present

Helping Hand Sanctuary of Idaho - Board of Directors

(Health care for medically indigent. Not for profit corporation)

Portneuf Valley Hospital and Rehabilitation Center - Staff

Joint Committee on Audiology and Cranio-mandibular Disorders

American Academy of Cranio-facial Disorders Committee on Audiology

Clinical Instructor. - Idaho State University Health Science Dental Hygiene

Medical Director Coordinator for North West Bec-Corp

Externship Instructor University of Louisville Ky.

PROFESSIONAL SERVICES AGREEMENTS

National Dental Health

Blue Cross of Idaho

MEMBERSHIP AND OFFICES

American Dental Association

Idaho Dental Association

Upper Snake River District Society

President of Pocatello Dental Society 1983-1985

Sleep Disturbance Evaluation Team

Chairman PRMC Dental Staff 1981-03

Chairman Idaho Chapter Pierre Fuchard Honorary Academy 1999-2001

Academy of Dental Sleep Medicine

Honors

American Academy of Head Neck and Facial Pain

International College of Cranio-Mandibular Orthopedics

Diplomat of the American Academy of Pain Management

Invited Member of the Pierre Fuchard Honorary Academy

DENTAL LICENSE

Idaho

Certificates

Cardio-Pulmonary Resuscitation (CPR) AHA 2003

Patient Assessment for TMD

Osteo-integrated Implants

Dental Office Safety & Disinfection, Idaho Dept. of Health and Welfare

Trigger point Therapy, Dr. J. Travel

Cranial-Sacral Therapeutics, Dr. V. Fryman

Doppler Assessment of the TMJ

Trauma Assessment (Whiplash), Texas A & M

Collision Reconstruction & Bio-Mechanics of Human Injury, Texas A & M

Electromyography, Bio-Research

Computerized Mandibular Jaw Tracking, Bio-Research

Joint Vibration Analysis (JVA), Bio-Research

Sleep Apnea - Appliance Therapy & Maintenance,

Academy of Dental Sleep Medicine

Whiplash and TMD-Assessment and Treatment, O' Expert Resources

PRESENTATIONS

Pocatello Insurance Claims Adjuster - Symptoms and Recognition's of TM Disorders

Eastern Idaho Chiropractors Association - Cervical Relationship to TMJ

Physical Therapists Study Group - Rehabilitation of the TM Patient

Physicians Bannock Regional Medical Center - Recognition and Treatment of TM Disorder

Upper Snake River District Dental Society 1996 - Recognition and Treatment of the TMD Patient in the General Practice

American Association of Audiologists 1997 - TMJ Disorders and their Considerations in CIC Treatment-planning, Retention, and Feedback

American Academy of Head, Neck, Facial Pain 1997 - Protocol for Comprehensive Medical Examination and Insurance Considerations

Medical Insurance Considerations for the TMD Practice
Orthodontic Summit Minneapolis Minnesota 1997

USRDS Exam. Diagnosis, & Treatment Objectives of the TMD Patient
Salmon Idaho 6 hours October, 1997

FBI Feb. 19, 2000 Trauma & TMJ Injury 3 hours

SEIDS Computer Diagnostics and TMJ Disorders Nov. 9 2000 *2 hours.

Proliferative Therapy & Gaanglion Nerve Blocks - Rational and Technique of Administration for the Healing and Stabilization of TMD
Milwaukee Wisconsin April, 2003 4 hours

CONTINUING EDUCATION RELATED TO JAW INJURIES

Roy Smudde, DDS, MS - Las Vegas 1978
Harold Gelb, DDS - Provo 1979
Roy Smudde, DDS, MS - Pocatello 1980
Harold Gelb, DDS - Provo 1981
Dr. V. Fryman - Des Moines 1982
V.A. Symposium Biochemistry & Nutrition Dec. 1983
Roy Smudde, DDS, MS - Boise 1983
Dr. Peter Dawson Diagnosis & Treatment of TMJ Dec. 1984
Dr. V. Fryman - Pamona 1984
Dr. James Guinn - Salt Lake City 1985
Dr. Baskar - Pathology & Diagnosis Dec. 1985
BYU Academy Provo Aug. 1986
Patterson- Asepsis in Dental Office Aug. 1986
Dr. W. Brown Diagnosis & Treatment of Root Canals Dec. 1986
Peter Dawson, DDS - Seattle 1986
Parker Mahan, DDS - Seattle 1987
Dr. M. Monegni -Seattle 1987
Dr. G. Christensen Dental Materials Jan. 1987
Dr. Piper - Doppler - Diagnosis of Myofascial Pain June 1987
Dr. James Guinn - Salt Lake City 1988
American Academy of Head, Neck, Facial Pain - Baltimore 1989
Dr. Owen Rogal - Baltimore 1989
Jack Haden, DDS - Kansas City 1990
Janet Travel, DDS - Pocatello 1991
John Char, DDS - Las Vegas 1992
American Academy of Head, Neck, Facial Pain - Anaheim 1993
Bio Research Seminar - Milwaukee April, 1994
(EMG JVA GVA)
James Booth, DDS - Bozeman 1994
American Academy of Head, Neck, Facial Pain - Scottsdale January 1995
Bio Research Seminar - Milwaukee April 1995
(EMG, Sonography, Jaw Tracking, Nutrition, Phase II Treatment Plans)
Experdent Seminar Hosted by John Char, DDS - Las Vegas June 7-8, 1995
American Academy of Pain Management - Dallas September 10-14, 1995
American Academy of Head, Facial Pain - Scottsdale January 18-20, 1996
Academy of General Dentistry (Implant 7 CME Credits) - February 1, 1996
Bio Research Seminar (Milwaukee) - April 26-29, 1996

The only Idaho doctor to be invited and attend the National Institutes of Health & the National Institute of Dental Research (NIH) Technology Assessment Conference on Management of Temporomandibular Disorders. Participated in position paper (14 CME Credits) - April 29-May 1-3, 1996

Idaho State Dental Association - Dr. Terry Tanoka June 19-20, 1996
Upper Snake River District Dental Ass. - Salmon Id. Nov. 1996
American Academy of Head, Neck, Facial Pain -Ft. Worth July 23-27, 1996
American Academy of Head Neck, Pain -Bermuda January 19-21,1997
American Association of Audiologists (AAA) - April 17-19, 1997
Integrated Health Technologies -Sleep Apnea Recognition and Treatment - April 1, 1997
American Academy of Head, Neck, Facial Pain - Boston Aug. 13-16, 1997
Ortho. Summit Dr. Whitzig Minneapolis Nov 6-8, 97
International College of Cranio-Mandibular Orthopedics Phoenix Nov. 20-23, 1997
American Academy of Head Neck, Pain Scottsdale AZ. Jan 15-17 1998
Myofascial Disease: Diagnosis and Treatment
Dr. O'Shaughnessy - Las Vegas, Feb 27, March 1, 1998 Orthopedic Trauma
Idaho State Dental Association - March 27, 1998, Pocatello, ID, Dr. Michael Schuster
Idaho State Dental Association - May 21, 1998, Pocatello, ID, Dr. Lowder
Dr. O'Shaughnessy - Las Vegas - Diagnosis and Treatment - June 26-27, 1998 16 Hrs.
Dr. O'Shaughnessy - Las Vegas - Whiplash and TMD Assessment and Treatment - 1998
Idaho State Dental Association - Endodontic Treatment - 1998
AAFNFP July 29-31 1999 Differential Diagnosis and Treatment of TMD and Pain Houston, Texas 22 hours
Texas A&M III Soft Tissue Injuries Lit. Review Feb.5-6 2000 16 Hrs.
Texas A&M IV Preparation and Discovery March 18-19 2000 Dallas 18 Hrs
Texas A&M Collision reconstruction for health care provider- W.R. (Rusty) Haight- Dallas Texas 100 hours Jan.- April 2000
Texas A&M Collision V Live Human Crash Test April 8-9 Dallas 12 Hrs.
Examination
American Academy of Head, Neck, Facial pain, Diagnosis, Case Planning, Splint Construction, Joint Replacement & Implications, Cleveland Ohio July 27-29, 2000 20Hrs.
AA Pain Management Clinical Meeting Las Vegas Sept. 21-24 2000 24 hrs

American Academy of Craniofacial pain, Soft Tissue Injuries Resulting
 from MVA Biomechanics Diagnosis part I, Phoenix, January 10, 2001,
 Wes Shankland, PHD, DMD, and Chris Brown, DMD, MS, 12hr.
 AACP MVA Biomechanics Part II Dallas TX. April 20, 21 2001 Exam
 Bio-Research, Neuromuscular dentistry, Joint vibration analysis, EMG, Jaw
 movement, March 17, 2001, Dr. Steve Rose, California, 12 hr.
 American Academy of Craniofacial pain, Soft Tissue Injuries Resulting
 From MVA: Biomechanics & Diagnosis Part I Dallas, April 20-21, 2001
 Wes Shankland, PHD, DMD, and Chris Brown, DMD, MS, 12 hr.
 American Academy of Craniofacial pain, Trauma and Reconstruction,
 Part II and Certification examination, Dallas, April 20-21, 2001,
 Wes Shankland, PHD, DMD, and Chris Brown, DMD, MS, 14 hr. Exam
 N. Lee Smith MD Pain Management and Treatment of Arthritis
 Pocatello City Lights April 24 2001 1.5 Hr.
 Prolotherapy and Ganglion Nerve Blocks & their application to TM Joint
 Rehabilitation. Hand on with 5 patients Dr. Jack Haden Study group Kansas
 City March 8-9, 2002 12hrs
 American Academy of Craniofacial Pain, Clinical Guidelines of Craniofacial
 Pain and TMD Related to Occlusion & Esthetic Restorative Dentistry, Las
 Vegas, July 26, 27 2002, 12 hr.
 AA Pain Management Reno, Nevada Sept. 26-28 2002 18 Hrs.
 American Academy of Craniofacial Pain Sleep Disorders, Craniofacial Pain
 & TMD: Their Inter-relationship Jan24-25,2003 Phoenix AZ. 12 hrs.
 American Academy of Craniofacial Pain Sleep Disorders:
 Implementing Treatment in the Dental Practice 12 hrs.
 Bio-Research Annual Update Session Milwaukee April 24-27, 2003 24 Hrs.

RESEARCH ACTIVITIES

Oro-Facial Pain in Temporomandibular Disorders and their Non-Surgical Management

Relationship of Conservative Temporomandibular Treatment to the Relief of Ear, Noise & Throat Symptoms (American Academy of Audiology)

National Institutes of Health (NIH) Outcome Study by Sixty Two Doctors in the Conservative Treatment of the TMD Patient (> 6000 patients/4 refereed papers)

AAHNFP/AAA TM Disorders & their Effect on CIC Retention or Failure

GENERAL DENTAL SEMINARS

Create a Practice for 2001, Today, 5 hours continuing education, March 24, 2000 by Dr. Randolph Shoup Pocatello

Medical Savings, Flexible Spending, Speed up your accounts receivable, 2 hours continuing education, Thursday May 11, 2000, Presented by Terry R. Arp, CIC, RPLU Southeast Idaho Dental Society

Endodontic Techniques, Tulsa Dental, Division of Dentsply, Dr. Jacobson, 4 hours continuing education, May 6, 2000

Endodontic Advance Techniques, Tulsa Dental, May 19 2000, 21st

Century Endo Dr. Boyd Jacobson 4 Hrs.

Dr. Kurz, 7hours continuing education, September 8, 2000.

AA Pain Management Clinical Meeting Las Vegas Sept. 21-24 2000 24 hrs

Sterilization Universal Percussion, Physicians Research, 2/hours continuing education, August 2001.

Composites, Dentsply Company, Salt Lake City, Utah, 5/hours continuing education, November 2001.

Oral and Systemic Disease in Women Dr. Marjorie Jeffcoat Boise Feb. 14, 2002 4 Hrs.

Management and Leadership of High Performance Teams Boise Feb. 15, 2002 7Hrs.

HIPPA Compliance in the Dental Office April 9, 2003 1Hr.

Pocatello Fire Dept. Fire Safety in the Dental Office June 11, 2003 1 Hr.

EXHIBIT B

DENTIST'S EMPLOYMENT AGREEMENT

This Dentist's Employment Agreement (this "Agreement") is made and entered into this 11th day of October, 1996 by and between Idaho Dental Group, P.A., an Idaho professional corporation ("Group"), whose primary office is located at Pine Ridge Mall, Chubbuck, Idaho 83202 and Dwight Romriell, DMD ("Provider"), whose address is 13840 N. Moonglow Lane, Pocatello, ID 83202.

RECITALS

WHEREAS, Group is a professional corporation organized under the laws of the State of Idaho to provide the professional services of dentistry;

WHEREAS, Provider was previously affiliated as a member in Pocatello Dental Group P.L.L.C., an Idaho professional limited liability company (the "Pocatello Dental Group");

WHEREAS, Pocatello Dental Group has been merged (the "Merger") with and into GMS Dental Group, Inc., a Delaware corporation ("Company"), the sole shareholder of GMS Dental Group Management, Inc., with which Group has an affiliation;

WHEREAS, prior to the Merger, pursuant to the terms of that certain Assignment Agreement dated as of October 11, 1996, all of Pocatello Dental Group's right, title and interest in all contracts with dentist employees and independent contractors and other licensed health professional employees and independent contractors, all independent physician association and managed care plan contracts, all patient records, and any and all other assets required by statute, rule or regulation to be owned or held by an entity licensed to practice dentistry, together with all goodwill associated with the foregoing (collectively, the "Dental Practice Assets") were assigned to Group;

WHEREAS, Group desires to enter into employment agreements with dentists licensed to practice dentistry in the State of Idaho to provide dental services to patients of Group;

WHEREAS, Provider possesses a valid, unrestricted license to practice dentistry in Idaho and specializes in the area or areas of dentistry indicated on Appendix A attached hereto and incorporated herein by reference;

WHEREAS, Group wishes to employ Provider to provide dental services to the patients of Group and Provider wishes to accept

WHEREAS, Group and Provider desire that this Agreement supersede all prior employment or employment-related agreements, including, but not limited to, any member or pre-member agreement with the Pocatello Dental Group (collectively, the "Prior Employment Agreements"),

NOW, THEREFORE, in consideration of the recitals, covenants, conditions and promises contained herein, the parties agree as follows:

ARTICLE I
EMPLOYMENT AND DUTIES

1.1 Employment. Group employs Provider for the purpose of rendering professional dental services to patients on behalf of Group and Provider hereby accepts employment on the terms and conditions set forth herein.

1.2 Outline of Duties. During the term of this Agreement, Provider shall serve Group faithfully, and to the best of his ability in the practice of dentistry, shall devote his time, energy and skill to such employment and, at the request of Group, shall perform such services, advisory or otherwise, and shall act in such capacity or office for Group without compensation beyond that which is provided herein. Provider shall perform the duties and meet the obligations described herein, including the duties and obligations described in Appendix B attached to this Agreement and incorporated herein by reference.

1.3 Rights and Duties of Group.

(a) Group shall direct and supervise the duties and work of Provider but shall not impose employment duties or constraints of any kind which would require Provider to infringe the ethics of the dental profession or violate any ordinance or law.

(b) Group shall determine (i) whether an individual will be accepted as a patient of Group and (ii) which managed care plans (HMO's, PPO's, EPO's, etc.) Group contracts with and the amount of the fees or other payments to be charged with respect to professional services rendered by or available from Provider. Provider shall have the option to participate in each managed care plan or in the state welfare program. For each such plan, Provider will make an election to participate or not to participate, with such election being for a minimum period of one year from the date of such election. Notwithstanding anything to contrary herein, Provider may dismiss a patient from the practice if a satisfactory dentist-patient relationship cannot be achieved.

(c) Group shall have the right to assign patients among its dentist employees (and to change such assignments) pursuant to a process and plan for patient distribution similar to the process

utilized by Pocatello Dental Group in September 1996 with due regard to established dentist-patient relationships, the economic well being of Group and the acuity, specialty, skills and workload of dentists.

(d) Group shall establish clinical hours and days when Provider shall perform Provider's duties (including call rotation) pursuant to a process and plan implemented by Group which shall be subject to change to meet Group's needs.

(e) Group shall determine the place or places at which Provider's duties will be performed pursuant to a process and plan which takes into account Provider's wishes, patient volume, patient expectations and the wishes of other dentists and employees.

(f) Group will provide, at its sole expense, professional liability insurance with per occurrence and aggregate limits as established from time to time by Group's Board of Directors. At a minimum, Provider shall be insured pursuant to a policy that will provide policy limits not less than the limits in the policy that insured Provider at August 1, 1996 during his tenure as a dentist for the Pocatello Dental Group. Provider will be insured under the same policy, and with the same limits, that Group provides its other dentist employees. Notwithstanding the foregoing, in the event that the premium cost for Provider exceeds the standard rate charged by the insurer for dentists with the same practice specialty as Provider, Group shall have the right, at its option, to require Provider to reimburse Group for the excess premiums.

for a period of seven years,

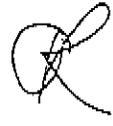
ARTICLE II
HOURS AND RESTRICTIONS

2.1 Hours. Provider shall be available to work the hours and days scheduled by Group. Provider shall devote Provider's entire productive professional time, ability and attention to the business of Group. In general, Provider is expected to work for Group a minimum of 1200 hours per year; provided, however, that unless otherwise mutually agreed to by Provider and Group, Provider shall not be obligated to work more than 1200 hours per year. Group may authorize Provider to work a lesser schedule, in which event it shall appropriately adjust Provider's compensation payable pursuant to Article IV.

2.2 Restrictions. During the term of this Agreement, Provider shall not directly or indirectly render or agree to render any services of a professional dental nature to or on behalf of any other person or organization, for compensation or otherwise (except as otherwise agreed in writing by Group) and shall not render any services of a business or commercial nature which Group determines is likely to reflect adversely on Group or Provider with respect to the practice of dentistry; provided,

however, that nothing in this Agreement shall prohibit Provider from teaching at a dental school and/or dental hygiene school. Notwithstanding anything to the contrary, Provider shall be allowed to continue ownership, management and use of Mission Dental Services, for the purpose of providing laboratory services only.

ARTICLE III
TERM OF EMPLOYMENT

Seventh. 

The term of this Agreement (the "Term") shall commence on the effective date of the merger between Pocatello Dental Group and Company and shall continue in effect until the ~~tenth~~ anniversary of such date, unless renewed as set forth below or terminated earlier pursuant to the provisions of this Agreement. After the ~~tenth~~ anniversary, this Agreement shall renew each year for a one year period unless either party gives the other party at least six (6) month's notice of its intent not to renew this Agreement.

Seventh


ARTICLE IV
COMPENSATION

4.1 Compensation. Group shall pay to Provider the compensation set forth on Appendix C attached hereto and incorporated herein by reference in accordance with the provisions set forth therein.

4.2 Assignment of Professional Fees. Provider hereby assigns to Group all amounts directly or indirectly payable as a result of professional services provided by Provider for Group during the term of this Agreement (including, in the case of capitated payments, professional services which Provider is prepared to provide or has provided), including by way of example and not by way of limitation amounts paid by patients, amounts paid by any insurance company, amounts paid pursuant to any governmental program (Medicaid, etc.), amounts paid pursuant to any workers' compensation program, amounts paid by employers or employer plans and amounts paid by any other third party payor (collectively, "third party payors").

4.3 Tax Withholding. Except as otherwise provided by law, all amounts payable pursuant to Article IV, V, VI and IX shall be subject to all required or authorized payroll withholding, including, but not limited to, withholding for state, federal and local income or payroll tax.

ARTICLE V
EMPLOYMENT BENEFITS

During the term of this Agreement, Provider shall be entitled to participate, in accordance with their terms, in all plans of accident, medical, health, disability, pension, savings and similar benefits which are generally made available to employees of Group, as such benefits may be increased, decreased, modified or discontinued from time to time by Group. The benefits to be provided at this time shall be those set forth on Appendix D hereto.

ARTICLE VI
TERMINATION

6.1 Termination by Provider. Provider may terminate this Agreement by giving Group a written notice of termination. Such termination shall be effective upon the earlier of 60 days after the date of such notice or the expiration of the term of this Agreement (the "Effective Date"). Prior to the Effective Date and after the date of such termination notice, Provider shall continue to be entitled to the compensation and benefits which are payable hereunder. After the Effective Date, Provider shall have no right to receive salary or benefits except to the extent legally mandated or accrued and payable at such date. Notwithstanding any other provision of this Agreement, Group may exclude Provider from some or all of its facilities or from providing professional services to Group patients at any time prior to the Effective Date but such exclusion shall not otherwise affect Provider's rights and obligations hereunder. In the event Group elects to exclude Provider from its facilities or from providing professional services at any time prior to the Effective Date, Group shall pay Provider as salary during the period that Provider is so excluded an amount equal to the compensation Provider received during the equivalent time period immediately prior to Provider's delivery of written notice of termination. The equivalent time period shall be measured by counting backwards from the date the termination notice was delivered the number of days Provider is excluded by Group from Group's facilities or from providing professional services.

6.2 Termination by Group Without Cause.

During the term of this Agreement, Group may terminate this Agreement without cause by providing Provider a written notice of termination. If Group elects to terminate Provider's employment without cause, then (a) Provider shall be entitled to receive an amount equal to the compensation paid to Provider over the twelve month period immediately preceding such termination, and shall be paid in twelve equal monthly installments, (b) subject to applicable legal requirements, Provider shall be entitled to continued benefit coverage pursuant to Article V during the period for which compensation is payable and (c) Provider shall have no

right to any bonus which is determined after the date of the termination notice. Except as provided in this Section 6.2, Provider shall have no rights to any salary, bonus, benefits or other compensation as a result of such termination. Notwithstanding any other provision of this Agreement, Group may, at any time after the termination notice, exclude Provider from some or all of the facilities of Group or from providing services to patients of Group, but such exclusion shall not otherwise affect Provider's rights and obligations hereunder.

6.3 Termination by Group With Cause. Notwithstanding any other provision in this Agreement, Group shall have the right to terminate this Agreement for cause upon written notice to Provider, subject to any applicable due process rights of Provider. Upon a termination for cause, Provider shall not be entitled to receive compensation, continued benefit coverage (except to the extent legally mandated) or any other compensation. For the purposes of this Agreement, cause shall be defined as:

(a) Restriction, suspension or revocation of Provider's license to practice dentistry in the state of Idaho;

(b) Conviction of Provider of a felony or conviction of a misdemeanor involving moral turpitude;

(c) Determination by Group in its sole and absolute discretion that Provider is professionally incompetent;

(d) The material breach of any term of this Agreement by Provider unless such breach can reasonably be cured within thirty (30) days and is in fact cured within thirty (30) days after Provider receives written notice of the breach from Group;

(e) Failure to qualify or be eligible for professional malpractice insurance in amounts required by Group for its professional employees or, if such insurance can only be obtained at higher than standard rates, failure of Provider to pay that portion of the premium which is in excess of the standard rate;

(f) Material failure of Provider to comply with Group's peer review, quality assurance or utilization review procedures or availability and accessibility standards as established from time to time by Group; and

(g) Material failure of Provider to comply with Group's policies and procedures, including but not limited to failure of Provider to conduct his/her personal and professional affairs in such a manner as to reflect favorably upon Group.

ARTICLE VII
REPRESENTATIONS

7.1 Representations by Group.

(a) Group hereby represents and warrants that it is an Idaho professional corporation in good standing with the State of Idaho.

(b) Group represents and warrants, subject to the compensation requirements of Appendix C, that it will furnish all apparatus, instruments, equipment, supplies, laboratory services and support personnel reasonably necessary to permit Provider to conduct the practice of dentistry in accordance with this Agreement.

7.2 Representations by Provider.

(a) Provider hereby represents and warrants that he is currently, and during the term of this Agreement shall remain, a dentist duly licensed to practice dentistry in the state of Idaho and in good standing with the applicable Board of Dental Examiners or equivalent.

(b) Provider hereby represents and warrants to Group and Group relies on Provider's representation that by entering into this Agreement he is not in any way breaching any other agreement, whether written or oral.

ARTICLE VIII
DENTAL RECORDS

With respect to each patient to whom Provider provides service, Provider shall maintain in legible form a standard dental record in such form and containing such information as are required by Group and Group will provide support services and systems to assist Provider in doing so. Notwithstanding the foregoing, Group shall have custody of and shall be the sole owner of all dental records concerning patients of Group.

ARTICLE IX
PROPRIETARY INFORMATION; NON SOLICITATION; NON-COMPETITION

It is understood that Provider is a fiduciary of Group with regard to proprietary information. "Proprietary Information" includes all information and any idea which a reasonable person would believe is confidential, in whatever form, tangible or intangible, pertaining in any manner to the business of Group, unless (i) the information is or becomes publicly known through lawful means, (ii) the information was rightfully in Provider's possession or part of his general knowledge prior to his employment with Group or (iii) the information is subsequently disclosed to Provider by a third party without breach of this

Agreement and without restriction on its use. Provider agrees to hold all Proprietary Information in confidence and not to directly or indirectly disclose, use, copy, publish, summarize or remove from Group's premises any Proprietary Information, except (i) during the term of this Agreement, to the extent necessary to carry out his responsibilities under this Agreement or (ii) after termination of this Agreement as specifically authorized in writing by Group.

All writing or works, including but not limited to training materials, practice guides, practice development aids, methodologies, books, marketing proposals and brochures, pamphlets, systems, computer programs, operation instructions, and all other documentation, techniques, or methods created or conceived by Provider during the term of this Agreement and related to the specific performance of Provider's duties to Group, Company Sub or any affiliate or subsidiary of either Group or Company Sub, and any and all intellectual property right therein, shall at all times become and remain the exclusive property of Group, provided, however, that this Agreement does not require assignment of an invention which qualifies fully for protection under applicable state law in the state in which Provider has his permanent residence. Provider shall, upon request by Group, execute any documents necessary to give effect to the terms of this Article IX. Notwithstanding anything to the contrary, Provider may continue in the development of processes, techniques and systems for computer assisted case management for TMJ Practices and any such items developed shall be the proprietary property of Provider.

In the event of termination of Provider's employment with Group for any reason, Provider shall return, or cause to be returned, to Group any and all of Group's property, including but not limited to the above-listed property and property which is in Provider's control or possession at such time. Provider shall be entitled to copies of patient dental records in the event of claims or litigation alleging professional liability against Provider or pursuant to a duly authorized request by or on behalf of the patient.

For a period of two (2) years after termination of Provider's employment, Provider shall not, directly or indirectly (a) solicit in any way on behalf of himself or in conjunction with others any patient being or having been under the care and treatment of Provider and/or Group or any subsidiary, affiliate or successor in interest to Group at any time during the term of this Agreement for the purpose of providing dental benefits or dental care, or (b) solicit in any way or make offers of employment to, on behalf of himself or in conjunction with others, any person employed by Group, Company Sub or any subsidiary or affiliate of Group or Company Sub, during the period of such person's employment by Group or Company Sub and for a period of one year thereafter. This provision shall not prohibit Provider from announcing in a

newspaper of general circulation his practice relocation upon termination of employment hereunder.

Provider agrees that, during the two (2) year period immediately following termination of his employment hereunder unless such termination is effected by Group pursuant to Section 6.2 or Section 10.2 hereof, Provider shall not, serve as an employee, independent contractor, consultant or otherwise, directly or indirectly, perform services for a person or entity or own or operate any entity engaged in the business of providing dental benefits or dental care (a "Dental Business"), within a twenty mile radius of the location of any facility at which Group engages in a Dental Business, except as specifically permitted in Section 2.2 above. For purposes of this Agreement, ownership of less than 2% of the outstanding securities of a Dental Business shall not constitute a violation of this Agreement. It is agreed by the parties hereto that the restrictions set forth in this Article IX are reasonable and necessary to protect the confidentiality of the trade secrets, and other confidential information concerning Group.

The parties agree that the remedy at law for any breach of such covenant or of the related covenants set forth herein would be inadequate, and that therefor Group or any other person entitled to enforce such covenants shall be entitled to injunctive relief thereon in addition to its rights to monetary damages.

In the event the provisions of this Article IX should ever be adjudicated by a court of competent jurisdiction to exceed the time or geographic or other limitations permitted by applicable law, then such provisions shall be deemed reformed to the maximum time or geographic or other limitations permitted by applicable law, as determined by such court in such action.

ARTICLE X. DISABILITY

10.1 Disability of Provider. In the event that Provider shall be absent from work due to physical or mental incapacity ("disability"), Group agrees to advance to the Provider during his absence the full amount of his compensation for up to sixty days, subject to the monthly reconciliation requirements detailed in Appendix C of this Agreement. Moreover, at the request of Provider, Group shall for a period of sixty (60) days after Provider has become disabled, arrange for other dentists employed by the Group to assume the responsibility for the continuing care of disabled Provider's scheduled patients, and will complete all cases in progress that cannot reasonably wait for his return. All fees so generated during the sixty (60) day period will be credited to the collections of disabled Provider.

10.2 Leave of Absence. After sixty days, as specified in the preceding paragraph 10.1, Group shall determine whether or not

Provider should be placed on a leave of absence. In that event Provider shall receive no further compensation advances but shall participate in the monthly reconciliation, pursuant to Appendix C. If under the compensation formula, Provider is entitled to compensation, Group shall promptly pay Provider accordingly. If Provider has taken more compensation than he is entitled to under the compensation formula, Provider shall promptly reimburse the Group. If after 12 months Provider's disability still prevents him from returning to work, Group may in its sole discretion terminate Provider. During Provider's leave of absence, Provider also shall be entitled to receive any benefits for which he is eligible pursuant to the benefit programs described in Article V, but, after the effective date of termination, he shall not be entitled to any other benefits, unless legally mandated.

10.3 Partial Disability. If Provider is partially disabled but could still perform the functions of his work with reasonable accommodation, Group will determine whether such accommodation will cause an undue hardship to Group. If Provider cannot perform the functions of his dental practice or the accommodation required would cause an undue hardship on the Group, Group shall have the right to declare Provider totally disabled, in which event the provisions of 10.1-10.2 shall apply.

10.4 Participation in Disability Support. In the event another dentist employee becomes disabled, and at that time Provider is not disabled, Provider agrees to participate, together with the other non-disabled dentists, in the treatment of the disabled employee's patients, pursuant to the same arrangement that, pursuant to 10.1, would be available to Provider in the event of his disability.

10.5 Voluntary Leave of Absence. Upon the consent of Group, which may not be unreasonably withheld, Provider may take a leave of absence for religious reasons or to engage in activities believed to be in the best interest of Group. In that event Provider shall receive no further compensation advances but shall participate in the monthly reconciliation, pursuant to Appendix C. If under the compensation formula, Provider is entitled to compensation, Group shall promptly pay Provider accordingly. If Provider has taken more compensation than he is entitled to under the compensation formula, Provider shall promptly reimburse the Group. If Provider does not return to work at the end of such leave, Group may in its sole discretion terminate Provider. During Provider's leave of absence, Provider also shall be entitled to receive any benefits for which he is eligible pursuant to the benefit programs described in Article V, but, after the effective date of termination, he shall not be entitled to any other benefits, unless legally mandated. In no event shall a leave of absence permitted under this paragraph 10.5 exceed 18 months. A Provider may not take more than one leave of absence under this paragraph 10.5.

ARTICLE XI
USE OF NAME/ LIKENESS

Subject to Provider's prior consent, which consent shall not be unreasonably withheld, Provider hereby grants to Group and third party payors which contract with Group, the right to use his name and likeness during the term of the Agreement (and for a period of one year thereafter with respect to materials prepared prior to such termination) in their promotional activities, rosters, directories and marketing campaigns; provided, however, that Provider's consent shall not be required with respect to promotional activities, rosters, directories and marketing campaigns prepared and conducted in accordance with the activities, rosters, directories and marketing campaigns conducted by Pocatello Dental Group.

ARTICLE XII
MISCELLANEOUS PROVISIONS

12.1 Notices. All notices required to be given hereunder shall be in writing and shall be deemed delivered if personally delivered or dispatched by certified or registered mail, return receipt requested, postage prepaid, addressed to the parties as follows:

Group: Idaho Dental Group, P.A.
Pine Ridge Mall
Chubbuck, Idaho, 83202
Attn: Porter Sutton

Provider: Dwight G Romriell, DMD
13849 N Moonslaw
Pocatello Idaho 83202

Notice shall be deemed given on the date it is deposited in the mail in accordance with the foregoing. Any party may change the address to which to send notices by notifying the other party of such change of address in writing in accordance with foregoing.

12.2 Gender and Pronouns. Whenever appropriate from the context of this Agreement, the use of any gender shall include any and all other genders and the single gender shall include the plural and the plural number shall include the singular.

12.3 Governing Law. The existence, validity and construction of this Agreement shall be governed by laws of the State of Idaho.

12.4 Assignment. This Agreement shall be binding on the parties and their respective successors and assigns. Neither party shall assign this Agreement without the prior written consent of the other party, except that subject to applicable law, Group may assign this Agreement to Company, Company Sub or any of its affiliates. In such event, Provider shall be deemed to have

agreed to the assignment until the end of the term of this Agreement.

12.5 Waiver. The waiver by either party to this Agreement of any one of more defaults, if any, on the part of the other, shall not be construed to operate as waiver of any other or future defaults, under the same or different terms, conditions or covenants contained in this Agreement.

12.6 Caption and Headings. The captions and headings contained in this Agreement are for convenience of reference only and shall in no way be held or deemed to be a part of or affect the interpretation of this Agreement.

12.7 Entire Agreement. This Agreement states the entire contract between the parties in respect to the subject matter of this Agreement and supersedes any oral or written proposals, statements, discussions, negotiations, or other agreements before or contemporaneous to this Agreement. This Agreement may be modified only by mutual agreement of the parties provided that, before any modification shall be operative or valid, it be reduced to writing and signed by both parties.

12.8 Supersession. Provider agrees that this Agreement supersedes all Prior Employment Agreements subject to Company as the successor to Pocatello Dental Group, also agreeing to such supersession and that, as a consequence, neither Provider, Pocatello Dental Group, Group (as the assignee of any such Prior Employment Agreements) nor Company shall have any rights, duties or obligations under any Prior Employment Agreement.

12.9 Arbitration Provision. Any dispute or controversy arising out of or relating to this Agreement shall be settled exclusively by arbitration, in accordance with the rules of the American Arbitration Association, except where federal or Idaho law requires otherwise. The parties acknowledge and agree that Bannock County, Idaho is an appropriate forum for any such arbitration. Judgment may be entered on the arbitrator's award in any court having proper jurisdiction. The costs of such arbitration shall be borne by the prevailing party in such arbitration, who shall be entitled to recover from the non-prevailing party, as part of any award entered, his or its reasonable expenses including attorneys' fees, costs and other out-of-pocket disbursements.

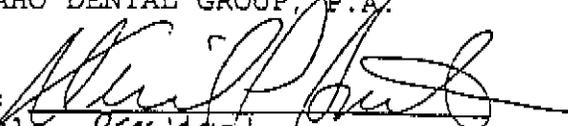
12.10 Partial Invalidity. If any provision of this Agreement is held to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way and any provision held to be too restrictive shall be modified so as to give effect to the intent thereof.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year set forth hereinabove.

Dated: October 11, 1996

David Porter Sutton

IDAHO DENTAL GROUP, P.A.

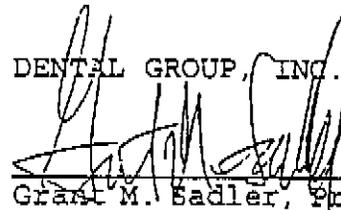
By: 
Title: President

PROVIDER


Dwight Rommel, DMD

GMS Dental Group, Inc., as successor to Pocatello Dental Group, hereby agrees to Section 12.8 of this Agreement.

GMS DENTAL GROUP, INC.

By: 
Grant M. Badler, President

APPENDIX A

States in which Licensed:

Idaho

Dental Specialties:

APPENDIX B

DUTIES AND OBLIGATIONS OF PROVIDER

1. Normal and Customary Functions. Provider agrees to perform the normal and customary functions of a dentist practicing dentistry in his specialty(ies).

2. Compliance with Law and Ethical Standards. Provider shall, at all times during the term of this Agreement, comply with all applicable federal, state or municipal statutes or ordinances, all applicable rules and regulations of any board or other licensing or regulatory body and the ethical standards of the American Dental Association and the dental association of any state in which Provider practices dentistry.

3. Continuing Education. During the term of this Agreement, Provider shall maintain his professional competence and skills commensurate with the dental standards of Group, and as required by law, by attending and participating in continuing education courses.

4. Compliance with Articles, Bylaws and Group Rules. Provider agrees to be bound by and comply with all of the provisions of the Articles of Incorporation, Bylaws, plans, programs, policies and procedures of Group as well as all provisions of any process and plan established by Group or any determinations made by Group pursuant to a provision of this Agreement. Provider recognizes that the Articles of Incorporation, Bylaws, plans, programs, policies, procedures or processes and plans and Group determinations (collectively, the "Rules") may be terminated, modified or amended from time to time by the members of Group and agrees to be bound by and comply with such Rules as so terminated, modified or amended; provided, however, that no termination, modification or amendment shall be adopted which substantially reduces the overall benefits to Provider while this Agreement is in effect.

5. Peer Review, Etc. Provider agrees to participate in and abide by the provisions and determinations of any peer review, utilization review or quality assurance program which is established by Group or to which Group has agreed to be subject.

6. Cooperation. Provider agrees to reasonably cooperate with Group in helping Group to meet its obligations to third parties.

7. Discrimination. Provider agrees not to differentiate or discriminate in the provision of services to patients due to race, color, nation origin, ancestry, religion, sex, marital status, disability, sexual orientation or age, except as medically indicated.

8. Compliance with OSHA. Provider agrees to comply with all pertinent state, local, OSHA or similar requirements, including receiving specific immunizations, and to comply with activities necessary to insure Group's "drug free" environment status.

9. Enhancement of Professional Practice. Provider agrees to reasonably promote, to the extent permitted by law and professional ethics, the professional practice of Group by maintaining and improving rapport with peers, patients, referring dentists and managed care plans.

10. After Hours/Emergency Coverage. Provider shall be available for after hours and emergency coverage for patients on a 24 hours a day, 365 days a year basis pursuant to a process and plan which fairly allocates such coverage among Group's dentist employees.

11. Call Rotation. Provider shall serve Group's call rotation in accordance with call rotation practices approved by Group after consultation with Provider's clinical department.

APPENDIX C

Compensation

Provider's annual compensation shall be (i) 38% of Provider's Net Collections, less (ii) 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 19% of his Net Collections; and

(b) direct laboratory expenses in excess of 8.5% 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 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 amounts advanced during the preceding month, Group shall immediately pay to Provider the difference between the amounts advanced and the actual compensation. In the event Provider's actual Salary is less than the amounts advanced during the

preceding month, then Provider shall immediately Pay to Group the surplus advances received.

Appendix D
Benefit Plans

1. Non contributory 401K Plan
2. Cafeteria Plan
3. Dental benefits for Provider
4. Medical benefits for Provider

Addendum to Dentist Employment Agreement

The material breach of any term of this Agreement entered into by the Provider with the Group, unless such breach can be reasonably cured within thirty (30) days, and is in fact cured within thirty (30) days, after Group receives written notice of the breach from the Provider, then the terms of this Agreement will be considered non-binding on the Provider.

W. Lomiel MD 10-7-94

Ms. Perdue

EXHIBIT C

DENTIST'S EMPLOYMENT AGREEMENT

This Dentist's Employment Agreement (this "Agreement") is made and entered into this 26th day of August, 2003, and effective October 12, 2003, between POCATELLO DENTAL GROUP, P.C., an Idaho professional corporation ("Group"), whose primary office is located at Pine Ridge Mall, Chubbuck, Idaho, 83202 and Dwight Romriell, DMD ("Provider").

RECITALS

WHEREAS, Group is a professional corporation organized under the laws of the State of Idaho;

WHEREAS, Provider possesses a valid, unrestricted license to practice dentistry in Idaho;

WHEREAS, Provider is certified in the treatment of craniomandibular disorders (also known as "TMJ") and has provided such treatment to patients of the Group;

WHEREAS, Provider and Idaho Dental Group, P.A., entered into a Dentist's Employment Agreement on October 11, 1996, which agreement will be terminated on October 11, 2003, because Provider gave timely notice of his intent not to renew said agreement;

WHEREAS, the parties anticipate that patients of the Group requiring treatment of TMJ and other patients currently being treated by Provider will continue to need such treatment after October 11, 2003;

WHEREAS, no other dentist in the Group has the expertise or experience of Provider in treating TMJ disorders;

WHEREAS, Provider's patients will continue to require treatment and services;

WHEREAS, it is in the best interest of the Group and its patients for Provider to continue to provide services to patients after October 11, 2003, and for a time to be determined by the parties;

NOW, THEREFORE, in consideration of the recitals, covenants, conditions and promises contained herein, the parties agree as follows:

ARTICLE I
EMPLOYMENT AND DUTIES

1.1 **Employment.** Group employs Provider for the purpose of rendering professional dental services to patients on behalf of Group and Provider hereby accepts employment on the terms and conditions set forth herein.

1.2 **Outline of Provider's Duties.** Provider shall serve Group faithfully, and to the best of his ability in the practice of dentistry, shall devote his time, energy and skill to such employment and, at the request of the Group, shall perform such services, advisory or otherwise, and shall act in such capacity or office for Group without compensation beyond that which is provided herein. Provider shall perform the duties and meet the obligations described herein, including the following:

(a) **Hours.** Provider shall be available to work the hours and days scheduled by Group.

(b) **Normal and Customary Functions.** Provider agrees to perform the normal and customary functions of a dentist practicing dentistry in his specialty.

(c) **Compliance with Law and Ethical Standards.** Provider shall, at all times during the term of this Agreement, comply with all applicable federal, state or municipal statutes or ordinances, all applicable rules and regulations of any board or other licensing or regulatory body and the ethical standards of the American Dental Association and the dental association of any state in which Provider practices dentistry.

(d) **Continuing Education.** During the term of this Agreement, Provider shall maintain his professional competence and skills commensurate with the dental standards of Group, and as required by law, by attending and participating in continuing education courses.

(e) **Compliance with Articles, Bylaws and Group Rules.** Provider agrees to be bound by and comply with all of the provisions of the Articles of Incorporation, Bylaws, plans, programs, policies and procedures of Group as well as all provisions of any process and plan established by Group or any determinations made by Group pursuant to a provision of this Agreement. Provider recognizes that the Articles, Bylaws, plans, programs, policies, procedures or processes and plans and Group determinations (collectively, the "Rules") may be terminated, modified or amended from time to time by the Board of Directors of Group and agrees to be bound by and comply with such

Rules as so terminated, modified or amended.

(f) Peer Review, Etc. Provider agrees to participate in and abide by the provisions and determinations of any peer review, utilization review or quality assurance program which is established by Group or to which Group has agreed to be subject.

(g) Cooperation. Provider agrees to cooperate with Group in helping Group to meet its obligations to third parties.

(h) Discrimination. Provider agrees not to differentiate or discriminate in the provision of services to patients due to race, color, national origin, ancestry, religion, sex, marital status, disability, sexual orientation or age, except as medically indicated.

(i) Compliance with OSHA and Other Regulations. Provider agrees to comply with all pertinent state, local, OSHA, or similar requirements, including receiving specific immunizations, and to comply with activities necessary to insure Group's "drug free" environment status.

(j) Enhancement of Professional Practice. Provider agrees to promote, to the extent permitted by law and professional ethics, the professional practice of Group by maintaining and improving rapport with peers, patients, referring dentists and managed care plans.

(k) After Hours/Emergency Coverage. Provider shall be available for after hours and emergency coverage for patients on a 24-hours-a-day, 365-days-a-year basis pursuant to a process and plan which fairly allocates such coverage among Group's dentist employees.

(l) Call Rotation. Provider shall serve Group's call rotation in accordance with call rotation practices approved by Group after consultation with Provider's clinical department. If Provider is scheduled less than 15 hours per week, Provider shall not be required to participate in the call rotation.

1.3 Rights and Duties of Group. In addition to the rights and duties set forth herein, Group shall have the following:

(a) Group shall direct and supervise the duties and work of Provider but shall not impose employment duties or constraints of any kind which would require Provider to infringe the ethics of the dental profession or violate any ordinance or law.

(b) Group shall determine whether an individual will be accepted as a patient of Group. Group shall determine which managed care plans (HMO's, PPO's, EPO's, etc.) Group contracts with and the amount of the fees or other payments to be charged with respect to professional services rendered by or available from Provider. Notwithstanding anything to the contrary herein, Provider may dismiss a patient from the practice if a satisfactory dentist-patient relationship cannot be achieved.

(c) Group shall have the right to assign patients among its dentist employees and to change such assignments. New patients requiring treatment of TMJ will be assigned to Provider. The Group, in its sole discretion, may assign new patients requiring general dentistry care to Provider.

(d) Group shall establish clinical hours and days when Provider shall perform Provider's duties (including call rotation).

(e) In consultation with Provider, Group shall determine the place or places at which Provider duties will be performed.

(f) Group will provide, at its sole expense, professional liability insurance with per occurrence and aggregate limits as established from time to time by Group. At a minimum, Provider shall be insured pursuant to a policy that will provide policy limits not less than the limits in force prior to October 11, 2003. Group's obligation to provide such professional liability is subject to its availability on economically reasonable terms. At the beginning of each year, Group will provide Providers with written evidence of the professional liability insurance.

ARTICLE II

COMPENSATION

2.1 **Compensation.** Provider's compensation under this Agreement shall be Thirty-Eight Percent of Providers Net Collections.

2.2 **Net Collections Defined.** "Net Collections" as used herein shall be the *actual* cash collected, *however and whenever collected*, resulting from professional services of Provider to patients on or after October 12, 2003. The term "Net Collections" contemplates that there will be circumstances where no fee is charged, or, where an initially anticipated collection from services rendered is ultimately a lesser amount because of such things as billing errors, a fee adjustment between a patient and the Provider, courtesy discounts, patient refunds or other reimbursement, charges incidental to accepting payment by credit card, bad checks, or refunds to an insurer. "Net collections" is, thus, intended to mean *actual net* funds received. In payment to Provider as set forth herein, that *actual* net sum

may not be artificially reduced or offset by any other *theoretical* sum that *might have* been received but for some other event nor may it be reduced further for any other overhead item.

2.3 Advance. Provider shall receive as an advance against his compensation the sum of Six Thousand Dollars on the 10th day of the month beginning October 10, 2003, of each month. The actual compensation calculation, as outlined above, shall be completed by the 25th of the following month. If the calculation indicates that Provider is entitled to additional compensation, over and above the advances received during the previous month, the Group shall immediately pay him the difference. If the calculations show that Provider's compensation for the preceding month is less than the advances received during the preceding month, Provider shall immediately reimburse the Group for the surplus received.

2.4. Prior Contract Payments. Provided, further, Group shall pay to Provider *in addition to the above*, 38% of all net sums collected for services provided to patients prior to October 12, 2003, *whenever collected* without regard to the term of this Agreement.

2.5 Assignment of Professional Fees. Provider hereby assigns to Group all amounts directly payable as a result of professional services provided by Provider during the term of this Agreement, including by way of example but not limited to, amounts paid by patients, insurers, governmental entities, employers, third-party payors, and any workers' compensation program.

ARTICLE III **EMPLOYMENT BENEFITS**

During the term of this Agreement, Provider shall be entitled to participate, in accordance with their terms, in all plans of accident, medical, health, disability, pension, dental, 401K, Cafeteria plan, savings plan, and similar benefits which are generally made available to employees of the Group, as such benefits may be increased, decreased, modified or discontinued from time to time by Board of Directors of Group.

ARTICLE IV **EFFECTIVE DATE - TERMINATION**

4.1 Effective Date/Termination. This Agreement is effective as of October 12, 2003. Either party may terminate this Agreement by giving the other party written notice of termination at least one-month prior to the termination date.

ARTICLE V **TERMINATION**

5.2 Termination by Group for Cause. Notwithstanding any other provision in

this Agreement, Group shall have the right to terminate this Agreement for cause effective immediately upon written notice to Provider. For the purposes of this Agreement, cause shall be defined as, but shall not be limited to:

- (a) Restriction, suspension or revocation of Provider's license to practice dentistry in the state or states in which Provider is licensed;
- (b) Conviction of Provider of a felony or conviction of a misdemeanor involving moral turpitude;
- (c) Determination by the Board of Directors of Group in its sole and absolute discretion that Provider is professionally incompetent;
- (d) The material breach of any term of this Agreement by Provider unless such breach can be reasonably cured within thirty (30) days of and is in fact cured within thirty (30) days after Provider receives written notice of the breach from Group;
- (e) Failure to qualify or be eligible for professional malpractice insurance in amounts required by Group for its professional employees or, if such insurance can only be obtained at higher than standard rates, failure of Provider to pay that portion of the premium which is in excess of the standard rate;
- (f) Material failure of Provider to comply with Group's peer review, quality assurance or utilization review procedures or availability and accessibility standards as established from time to time by Group;
- (g) Material failure of Provider to comply with Group's policies and procedures, including but not limited to failure of Provider to conduct his/her personal and professional affairs in such a manner as to reflect favorably upon Group;
- (h) Disagreement between the parties over a courtesy discount.

5.3 Termination by Provider for Cause. Notwithstanding any other provision in this Agreement, Provider shall have the right to terminate this Agreement for cause effective immediately upon written notice to Group. For the purposes of this Agreement, cause shall be defined as, but shall not be limited to:

- (a) Failure to provide necessary equipment or adequately-trained certified personnel necessary to the providing of professional services;
- (b) Detrimental interference with the physician-patient relationship absent specific prior written consent of Provider, including, but not limited to: advising a patient services will not be provided contrary to the physician's agreement to provide

services; altering the fee agreement established by the physician with the patient; making payment demands of patients in contravention of the payment agreement made by the physician with the patient;

- (c) Failure to timely make the payments required by this Agreement Restriction;
- (d) Change in the ownership of Group;
- (e) Disagreement between the parties over a courtesy discount.

ARTICLE VI **PROPRIETARY INFORMATION**

All writing or works, and all techniques or method created or conceived by Provider during the term of this Agreement and related to the specific performance of Provider's duties to Group, and any an all intellectual property right therein, shall at all times become and remain the exclusive property of Provider. Specifically, Provider may continue in the development of processes, techniques and systems for computer-assisted case management for TMJ Practices and Electromyography ("EGN"), Joint Vibration Analysis ("JVA"), and Electrognathology ("EGN") and the entirety of any such items developed shall be the proprietary property of Provider.

ARTICLE VII **REPRESENTATIONS**

7.1 Representations by Group.

(a) Group hereby represents and warrants that it is a professional corporation in good standing with the State of Idaho.

(b) Group represents and warrants that it will furnish all apparatus, instruments, equipment, supplies, laboratory services, and certified support personnel reasonably necessary to permit Provider to conduct the practice of dentistry in accordance with this Agreement.

7.2 Representations by Provider.

(a) Provider hereby represents and warrants that he is currently, and during the term of this Agreement shall remain, a dentist duly licensed to practice dentistry in the state of Idaho and in good standing with the Idaho State Board of Dentistry.

(b) Provider hereby represents and warrants to Group and Group relies on

Provider's representation that by entering into this Agreement he is not in any way breaching any other agreement, whether written or oral.

ARTICLE VIII
DENTAL RECORDS

With respect to each patient to whom Provider provides service, Provider shall maintain in legible form a standard dental record in such form and containing such information as are required by Group and Group will provide support services and systems to assist Provider in doing so.

ARTICLE IX
USE OF NAME/LIKENESS

Provider hereby grants to Group and third party payors which contract with Group, the right to use his name and likeness during the term of the Agreement (and for a period of one year thereafter with respect to materials prepared prior to such termination) in their billings, promotional activities, rosters, directories and marketing campaigns.

ARTICLE X
MISCELLANEOUS PROVISIONS

10.1 Notices. All notices required to be given hereunder shall be in writing and shall be deemed delivered if personally delivered or dispatched by certified or registered mail, return receipt requested, postage prepaid, addressed to the parties as follows:

Group: Pocatello Dental Group, P.C.	Provider: Dwight G. Romriell
Pine Ridge Mall	13840 N. Moonglow Lane
Chubbuck, Idaho 83202	Pocatello, Idaho 83202
Attn: President	

Notice shall be deemed given on the date it is deposited in the mail in accordance with the foregoing. Any party may change the address to which to send notices by notifying the other party of such change of address in writing in accordance with foregoing.

10.2 Governing Laws. The existence, validity and construction of this Agreement shall be governed by laws of the State of Idaho.

10.3 Waiver. The waiver by either party to this Agreement of any one of more defaults, if any, on the part of the other, shall not be construed to operate as waiver of any other or future defaults, under the same or different terms, conditions or covenants contained in this Agreement.

10.4 Entire Agreement. This Agreement states the entire contract between the parties as it relates to employment by Group of Provider after October 12, 2003. It does not, however, waive or negate any of the rights or obligations existing under any prior written agreement between the parties. This Agreement may be modified only by a mutual agreement of the parties provided that, before any modification shall be operative or valid, it be reduced to writing and signed by both parties. This Agreement shall not be construed to be a renewal of any prior employment agreement. Notwithstanding the foregoing, nothing contained herein shall alter Provider's right to compensation under previous agreements and as set forth herein. Provider shall be entitled to compensation under the previous contract for work performed on or before October 11, 2003 as set forth in such prior agreement and as provided herein.

10.5 Partial Invalidity. If any provision of this Agreement is held to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way and any provision held to be too restrictive shall be modified so as to give effect to the intent thereof.

10.6 No Third Party Beneficiaries. The parties agree that this Agreement and the covenants made in it are expressly and solely for the benefit of the parties and that no person or entity is entitled or deemed to be entitled to any benefits or rights under this Agreement, nor be authorized or entitled to enforce any rights, claims or remedies under or by reason of this Agreement.

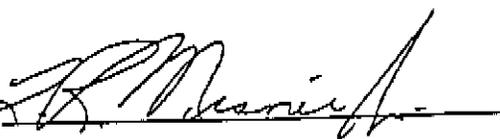
10.7 Non Assignment. This Agreement shall not be assigned by either party.

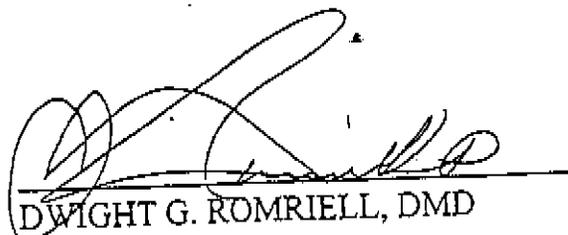
IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective October 12, 2003.

"GROUP"

"PROVIDER"

POCATELLO DENTAL GROUP, P.C.

By: 


DWIGHT G. ROMRIELL, DMD

Title: President POC PC

EXHIBIT D

Pocatello Dental Group
4155 Yellowstone
Pocatello, Idaho 83202

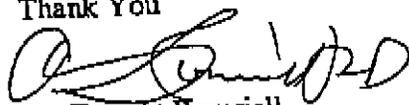
Ivar Chinna
222 North Sepulveda Blvd. Suite 740
El Segundo, California 90245

Dear Mr. Chinna

We are requesting a meeting of the Joint Operating Committee to be held as was recommended by Interdent's attorney Mr. Kim J Dockstader from the office of Stoel Rives.

I have included for your review a copy of the Stoel Rives letter dated Sept. 8, 2003.

Thank You


Dr. Dwight Romriell
Member of the JOC

Gary L. Cooper (ISB No. 1814)
Ron Kerl (ISB No. 1768)
James P. Price (ISB No. 5129)
COOPER & LARSEN
151 North 3rd Avenue, Suite 210
P.O. Box 4229
Pocatello, Idaho 83205-4229
Telephone (208) 235-1145
Facsimile (208) 235-1182

IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BANNOCK

POCATELLO DENTAL GROUP, P.C.,)
an Idaho professional corporation,)
)
Plaintiff,)
)
vs.)
)
INTERDENT SERVICE CORPORATION,)
a Washington corporation,)
)
Defendant.)
_____)

Case No. CV-03-4902-DC

AFFIDAVIT OF L.R. MISNER, JR.

STATE OF IDAHO)
 : ss
County of Bannock)

L.R. MISNER, JR., being duly sworn, declares:

1. I am over the age of eighteen. The matters contained in this declaration are within my personal knowledge.

2. I received a DDS degree from Creighton University in 1971. I obtained a Specialty Certificate in Pediatric Dentistry from the University of Nebraska Medical Center in 1976.

AFFIDAVIT OF L.R. MISNER, JR.- PAGE 1

RECEIVED
STOEL RIVES LLP

By dmv 10/19/03

3. I am licensed to practice dentistry in the states of Wyoming (since 1971) and Idaho (since 1972).

4. In 1983 I became a partner in Pocatello Dental Group. At that time, Pocatello Dental Group was a partnership comprised of approximately 11 partners-dentists. In December 1993, Pocatello Dental Group reorganized as an Idaho professional limited liability company known as Pocatello Dental Group, PLLC ("the PLLC"). Its members included Porter Sutton, Ernest Sutton, Gregory Romriell, Dwight Romriell, Errol Ormond, Arnold Goodliffe and me. The PLLC owned the assets of the business, including without limitation all equipment, furniture, fixtures, inventory, and accounts receivable and its members provided professional services to the patients of the PLLC.

5. In approximately March 1996, Grant Sadler and Kenneth Davis of GMS Dental Group, Inc. (GMS Dental) began soliciting the PLLC concerning dental practice management services. They offered to manage the business operations of the PLLC so that the dentists could focus on the practice of dentistry. They represented that GMS would not interfere with the practice of dentistry.

6. Over the course of several months, GMS Dental and the PLLC negotiated an agreement whereby GMS Dental would purchase the hard assets of the PLLC, such as equipment and inventory, and then provide the member dentists with management services in exchange for a fee. As part of the parties' agreement, all of the "Dental Practice Assets" were transferred to a new entity, Idaho Dental Group, P.A. ("Idaho Dental"), which was incorporated as an Idaho professional association for the purpose of carrying on the dental practice. "Dental Practice Assets" included 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 licensed to practice dentistry.

7. On October 11, 1996, Idaho Dental entered into a Dental Group Management Agreement ("Management Agreement") with GMS Dental Group Management, Inc., a wholly owned subsidiary of GMS Dental. A copy of the agreement is attached hereto as Exhibit A. Idaho Dental then filed Articles of Amendment with the Idaho Secretary of State's office on October 18, 1996, changing its name to Pocatello Dental Group, P.C. ("the Group"), a wholly distinct entity from the PLLC which shared the similar name. I have been a member of the Group since its creation and the President of the Group for approximately the past 20 months. The Group operates its practice at the Pineridge Mall in Chubbuck, Idaho.

8. I am unsure how the Group went from dealing with GMS Dental Group Management to InterDent Service Corporation (InterDent), the defendant in this action. I have been told that GMS Dental merged into Gentle Dental, which later merged into InterDent. I have made several requests on behalf of the Group for documentation of the relationship between GMS Dental and InterDent and evidence of any assignment of the Management Agreement to InterDent. However, InterDent has refused to provide such documentation or evidence.

9. In October 1996, the shareholders-dentists of the Group each signed Employment Agreements with the Group. A copy of the agreement signed by Dr. Dwight Romriell is attached hereto as Exhibit B. Article III of Dr. Romriell's agreement states:

The term of this Agreement (the "Term") shall commence on the effective date of the merger [October 11, 1996] between Pocatello Dental Group and Company and shall continue in effect until the seventh anniversary of such date, unless renewed as set forth below or terminated earlier pursuant to the provisions of this Agreement.

After the seventh anniversary, this Agreement shall renew each year for a one year period unless either party gives the other party at least six (6) month's notice of its intent not to renew this Agreement.

10. On April 11, 2003, Dr. Romriell provided written notice to the Group that he did not intend to renew the agreement.

11. In early August, I spoke with Dr. Romriell about whether he had a physical location to go to after October 11, 2003. He indicated he did not. I was concerned about the treatment of Dr. Romriell's patients after October 11th. Dr. Romriell's practice focuses on the treatment of craniomandibular disorders, often referred to as "TMJ." I am familiar with the dentists who practice in this part of Idaho. No other dentist in this area has the expertise of Dr. Romriell in the treatment of TMJ. I also became aware that Dr. Romriell did not anticipate having another office set up to treat patients by October 11. I took this matter to the shareholders of the Group who unanimously gave me authority to enter into an employment agreement with Dr. Romriell whereby he would continue to serve his patients. Copies of the Consent to Take Action without a Meeting and Dentist's Employment Agreement ("2003 Employment Agreement") are attached hereto as Exhibit C. It is in the best interests of the Group and Dr. Romriell's patients that he be allowed to continue serving those patients.

12. As the Group has done in the past as a matter of courtesy, I provided a copy of the 2003 Employment Agreement to InterDent. In response, I received a letter from InterDent's counsel, dated September 8, 2003. A copy of the letter is attached as Exhibit D. In the letter, InterDent claims that the 2003 Employment Agreement must be authorized by the Joint Operations Committee ("JOC"). There are five members of the JOC: Ivar Chhina, Kevin Webb, Gerald Aaron, Dr. Romriell and Dr. Ormond. Of those members, only Drs. Romriell and Ormond are licensed dentists in the

state of Idaho. Gerald Aaron is a dentist, but is not licensed in Idaho. Messrs. Chhina and Webb are not dentists. In the past, employment agreements between dentists and the Group have been signed by the president of the Group without any authorization or approval of the JOC. As far as I am aware, the JOC has not authorized or approved of employment agreements between a dentist and the Group. The Group's counsel has asked for minutes of any JOC meeting where authorization was given to sign an employment agreement. InterDent has not provided any such minutes. InterDent's letter of September 8, 2003, also threatens to physically exclude Dr. Romriell from the premises after October 11, 2003.

13. On September 19, 2003, the Group's counsel sent a response to InterDent's September 8, 2003 letter. A copy of the response is attached hereto as Exhibit E. InterDent has not replied to the letter. The Group does not know if InterDent still intends to attempt to exclude Dr. Romriell from the premises after October 11, 2003.

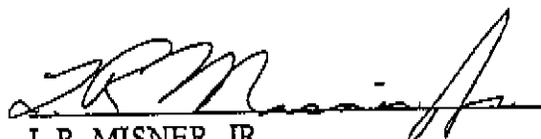
14. On October 1, 2003, InterDent verbally advised all of Dr. Romriell's staff that they were being terminated from employment effective October 11, 2003. InterDent did this without consulting with the Group or Dr. Romriell.

15. InterDent's unilateral decision to terminate all of Dr. Romriell's staff and potentially exclude him from the premises will cause serious and irreparable harm to the Group. Dr. Romriell has patients scheduled after October 11, 2003. No other dentist in the Group is qualified to treat those TMJ patients. Many, if not most, of the patients are in the course of treatment. If they are unable to see Dr. Romriell and be treated as scheduled, they run the risk of physical harm which, in turn, subjects the Group to substantial professional liability. Abandoning patients in the course of

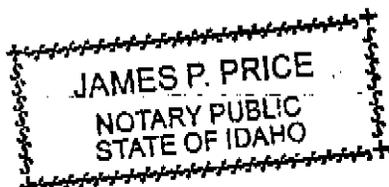
treatment violates the professional, ethical and legal obligations of the dentists individually and the Group as a professional corporation.

16. Patient scheduling is currently controlled by InterDent. The possibility exists that InterDent is refusing to schedule Dr. Romriell's patients for appointments after October 11, 2003 and/or will cancel appointments already made. Such conduct would place the Group at risk as discussed above and should be prohibited.

DATED this 6th day of October, 2003.


L.R. MISNER, JR.

SUBSCRIBED AND SWORN to before me this 6th day of October, 2003.




NOTARY PUBLIC FOR IDAHO
Residing at: Pocatello, ID
My commission expires: 3-3-06

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 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.

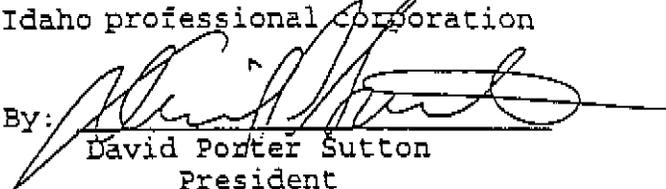
10.12 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an

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"

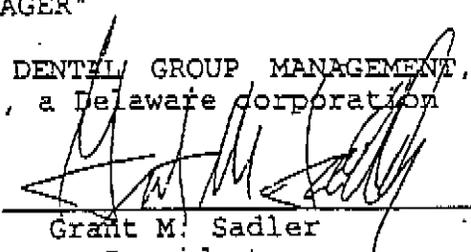
IDAHO DENTAL GROUP, P.A., an
Idaho professional corporation

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) Payor 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

DENTIST'S EMPLOYMENT AGREEMENT

This Dentist's Employment Agreement (this "Agreement") is made and entered into this 11th day of October, 1996 by and between Idaho Dental Group, P.A., an Idaho professional corporation ("Group"), whose primary office is located at Pine Ridge Mall, Chubbuck, Idaho 83202 and Dwight Romriehl, DMD ("Provider"), whose address is 13840 N. Moonglow Lane, Pocatello, ID 83202.

RECITALS

WHEREAS, Group is a professional corporation organized under the laws of the State of Idaho to provide the professional services of dentistry;

WHEREAS, Provider was previously affiliated as a member in Pocatello Dental Group P.L.L.C., an Idaho professional limited liability company (the "Pocatello Dental Group");

WHEREAS, Pocatello Dental Group has been merged (the "Merger") with and into GMS Dental Group, Inc., a Delaware corporation ("Company"), the sole shareholder of GMS Dental Group Management, Inc., with which Group has an affiliation;

WHEREAS, prior to the Merger, pursuant to the terms of that certain Assignment Agreement dated as of October 11, 1996, all of Pocatello Dental Group's right, title and interest in all contracts with dentist employees and independent contractors and other licensed health professional employees and independent contractors, all independent physician association and managed care plan contracts, all patient records, and any and all other assets required by statute, rule or regulation to be owned or held by an entity licensed to practice dentistry, together with all goodwill associated with the foregoing (collectively, the "Dental Practice Assets") were assigned to Group;

WHEREAS, Group desires to enter into employment agreements with dentists licensed to practice dentistry in the State of Idaho to provide dental services to patients of Group;

WHEREAS, Provider possesses a valid, unrestricted license to practice dentistry in Idaho and specializes in the area or areas of dentistry indicated on Appendix A attached hereto and incorporated herein by reference;

WHEREAS, Group wishes to employ Provider to provide dental services to the patients of Group and Provider wishes to accept

WHEREAS, Group and Provider desire that this Agreement supersede all prior employment or employment-related agreements, including, but not limited to, any member or pre-member agreement with the Pocatello Dental Group (collectively, the "Prior Employment Agreements"),

NOW, THEREFORE, in consideration of the recitals, covenants, conditions and promises contained herein, the parties agree as follows:

ARTICLE I
EMPLOYMENT AND DUTIES

1.1 Employment. Group employs Provider for the purpose of rendering professional dental services to patients on behalf of Group and Provider hereby accepts employment on the terms and conditions set forth herein.

1.2 Outline of Duties. During the term of this Agreement, Provider shall serve Group faithfully, and to the best of his ability in the practice of dentistry, shall devote his time, energy and skill to such employment and, at the request of Group, shall perform such services, advisory or otherwise, and shall act in such capacity or office for Group without compensation beyond that which is provided herein. Provider shall perform the duties and meet the obligations described herein, including the duties and obligations described in Appendix B attached to this Agreement and incorporated herein by reference.

1.3 Rights and Duties of Group.

(a) Group shall direct and supervise the duties and work of Provider but shall not impose employment duties or constraints of any kind which would require Provider to infringe the ethics of the dental profession or violate any ordinance or law.

(b) Group shall determine (i) whether an individual will be accepted as a patient of Group and (ii) which managed care plans (HMO's, PPO's, EPO's, etc.) Group contracts with and the amount of the fees or other payments to be charged with respect to professional services rendered by or available from Provider. Provider shall have the option to participate in each managed care plan or in the state welfare program. For each such plan, Provider will make an election to participate or not to participate, with such election being for a minimum period of one year from the date of such election. Notwithstanding anything to contrary herein, Provider may dismiss a patient from the practice if a satisfactory dentist-patient relationship cannot be achieved.

(c) Group shall have the right to assign patients among its dentist employees (and to change such assignments) pursuant to a process and plan for patient distribution similar to the process

utilized by Pocatello Dental Group in September 1996 with due regard to established dentist-patient relationships, the economic well being of Group and the acuity, specialty, skills and workload of dentists.

(d) Group shall establish clinical hours and days when Provider shall perform Provider's duties (including call rotation) pursuant to a process and plan implemented by Group which shall be subject to change to meet Group's needs.

(e) Group shall determine the place or places at which Provider's duties will be performed pursuant to a process and plan which takes into account Provider's wishes, patient volume, patient expectations and the wishes of other dentists and employees.

(f) Group will provide, at its sole expense, professional liability insurance with per occurrence and aggregate limits as established from time to time by Group's Board of Directors. At a minimum, Provider shall be insured pursuant to a policy that will provide policy limits not less than the limits in the policy that insured Provider at August 1, 1996 during his tenure as a dentist for the Pocatello Dental Group. Provider will be insured under the same policy, and with the same limits, that Group provides its other dentist employees. Notwithstanding the foregoing, in the event that the premium cost for Provider exceeds the standard rate charged by the insurer for dentists with the same practice specialty as Provider, Group shall have the right, at its option, to require Provider to reimburse Group for the excess premiums.

for a period of seven years,

ARTICLE II
HOURS AND RESTRICTIONS

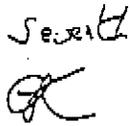
2.1 Hours. Provider shall be available to work the hours and days scheduled by Group. Provider shall devote Provider's entire productive professional time, ability and attention to the business of Group. In general, Provider is expected to work for Group a minimum of 1200 hours per year; provided, however, that unless otherwise mutually agreed to by Provider and Group, Provider shall not be obligated to work more than 1200 hours per year. Group may authorize Provider to work a lesser schedule, in which event it shall appropriately adjust Provider's compensation payable pursuant to Article IV.

2.2 Restrictions. During the term of this Agreement, Provider shall not directly or indirectly render or agree to render any services of a professional dental nature to or on behalf of any other person or organization, for compensation or otherwise (except as otherwise agreed in writing by Group) and shall not render any services of a business or commercial nature which Group determines is likely to reflect adversely on Group or Provider with respect to the practice of dentistry; provided,

however, that nothing in this Agreement shall prohibit Provider from teaching at a dental school and/or dental hygiene school. Notwithstanding anything to the contrary, Provider shall be allowed to continue ownership, management and use of Mission Dental Services, for the purpose of providing laboratory services only.

seventl. 

ARTICLE III
TERM OF EMPLOYMENT

Seventl. 

The term of this Agreement (the "Term") shall commence on the effective date of the merger between Pocatello Dental Group and Company and shall continue in effect until the ~~tenth~~ anniversary of such date, unless renewed as set forth below or terminated earlier pursuant to the provisions of this Agreement. After the ~~tenth~~ anniversary, this Agreement shall renew each year for a one year period unless either party gives the other party at least six (6) month's notice of its intent not to renew this Agreement.

ARTICLE IV
COMPENSATION

4.1 Compensation. Group shall pay to Provider the compensation set forth on Appendix C attached hereto and incorporated herein by reference in accordance with the provisions set forth therein.

4.2 Assignment of Professional Fees. Provider hereby assigns to Group all amounts directly or indirectly payable as a result of professional services provided by Provider for Group during the term of this Agreement (including, in the case of capitated payments, professional services which Provider is prepared to provide or has provided), including by way of example and not by way of limitation amounts paid by patients, amounts paid by any insurance company, amounts paid pursuant to any governmental program (Medicaid, etc.), amounts paid pursuant to any workers' compensation program, amounts paid by employers or employer plans and amounts paid by any other third party payor (collectively, "third party payors").

4.3 Tax Withholding. Except as otherwise provided by law, all amounts payable pursuant to Article IV, V, VI and IX shall be subject to all required or authorized payroll withholding, including, but not limited to, withholding for state, federal and local income or payroll tax.

ARTICLE V
EMPLOYMENT BENEFITS

During the term of this Agreement, Provider shall be entitled to participate, in accordance with their terms, in all plans of accident, medical, health, disability, pension, savings and similar benefits which are generally made available to employees of Group, as such benefits may be increased, decreased, modified or discontinued from time to time by Group. The benefits to be provided at this time shall be those set forth on Appendix D hereto.

ARTICLE VI
TERMINATION

6.1 Termination by Provider. Provider may terminate this Agreement by giving Group a written notice of termination. Such termination shall be effective upon the earlier of 60 days after the date of such notice or the expiration of the term of this Agreement (the "Effective Date"). Prior to the Effective Date and after the date of such termination notice, Provider shall continue to be entitled to the compensation and benefits which are payable hereunder. After the Effective Date, Provider shall have no right to receive salary or benefits except to the extent legally mandated or accrued and payable at such date. Notwithstanding any other provision of this Agreement, Group may exclude Provider from some or all of its facilities or from providing professional services to Group patients at any time prior to the Effective Date but such exclusion shall not otherwise affect Provider's rights and obligations hereunder. In the event Group elects to exclude Provider from its facilities or from providing professional services at any time prior to the Effective Date, Group shall pay Provider as salary during the period that Provider is so excluded an amount equal to the compensation Provider received during the equivalent time period immediately prior to Provider's delivery of written notice of termination. The equivalent time period shall be measured by counting backwards from the date the termination notice was delivered the number of days Provider is excluded by Group from Group's facilities or from providing professional services.

6.2 Termination by Group Without Cause.

During the term of this Agreement, Group may terminate this Agreement without cause by providing Provider a written notice of termination. If Group elects to terminate Provider's employment without cause, then (a) Provider shall be entitled to receive an amount equal to the compensation paid to Provider over the twelve month period immediately preceding such termination, and shall be paid in twelve equal monthly installments, (b) subject to applicable legal requirements, Provider shall be entitled to continued benefit coverage pursuant to Article V during the period for which compensation is payable and (c) Provider shall have no

right to any bonus which is determined after the date of the termination notice. Except as provided in this Section 6.2, Provider shall have no rights to any salary, bonus, benefits or other compensation as a result of such termination. Notwithstanding any other provision of this Agreement, Group may, at any time after the termination notice, exclude Provider from some or all of the facilities of Group or from providing services to patients of Group, but such exclusion shall not otherwise affect Provider's rights and obligations hereunder.

6.3 Termination by Group With Cause. Notwithstanding any other provision in this Agreement, Group shall have the right to terminate this Agreement for cause upon written notice to Provider, subject to any applicable due process rights of Provider. Upon a termination for cause, Provider shall not be entitled to receive compensation; continued benefit coverage (except to the extent legally mandated) or any other compensation. For the purposes of this Agreement, cause shall be defined as:

(a) Restriction, suspension or revocation of Provider's license to practice dentistry in the state of Idaho;

(b) Conviction of Provider of a felony or conviction of a misdemeanor involving moral turpitude;

(c) Determination by Group in its sole and absolute discretion that Provider is professionally incompetent;

(d) The material breach of any term of this Agreement by Provider unless such breach can reasonably be cured within thirty (30) days and is in fact cured within thirty (30) days after Provider receives written notice of the breach from Group;

(e) Failure to qualify or be eligible for professional malpractice insurance in amounts required by Group for its professional employees or, if such insurance can only be obtained at higher than standard rates, failure of Provider to pay that portion of the premium which is in excess of the standard rate;

(f) Material failure of Provider to comply with Group's peer review, quality assurance or utilization review procedures or availability and accessibility standards as established from time to time by Group; and

(g) Material failure of Provider to comply with Group's policies and procedures, including but not limited to failure of Provider to conduct his/her personal and professional affairs in such a manner as to reflect favorably upon Group.

ARTICLE VII
REPRESENTATIONS

7.1 Representations by Group.

(a) Group hereby represents and warrants that it is an Idaho professional corporation in good standing with the State of Idaho.

(b) Group represents and warrants, subject to the compensation requirements of Appendix C, that it will furnish all apparatus, instruments, equipment, supplies, laboratory services and support personnel reasonably necessary to permit Provider to conduct the practice of dentistry in accordance with this Agreement.

7.2 Representations by Provider.

(a) Provider hereby represents and warrants that he is currently, and during the term of this Agreement shall remain, a dentist duly licensed to practice dentistry in the state of Idaho and in good standing with the applicable Board of Dental Examiners or equivalent.

(b) Provider hereby represents and warrants to Group and Group relies on Provider's representation that by entering into this Agreement he is not in any way breaching any other agreement, whether written or oral.

ARTICLE VIII
DENTAL RECORDS

With respect to each patient to whom Provider provides service, Provider shall maintain in legible form a standard dental record in such form and containing such information as are required by Group and Group will provide support services and systems to assist Provider in doing so. Notwithstanding the foregoing, Group shall have custody of and shall be the sole owner of all dental records concerning patients of Group.

ARTICLE IX
PROPRIETARY INFORMATION; NON SOLICITATION; NON-COMPETITION

It is understood that Provider is a fiduciary of Group with regard to proprietary information. "Proprietary Information" includes all information and any idea which a reasonable person would believe is confidential, in whatever form, tangible or intangible, pertaining in any manner to the business of Group, unless (i) the information is or becomes publicly known through lawful means, (ii) the information was rightfully in Provider's possession or part of his general knowledge prior to his employment with Group or (iii) the information is subsequently disclosed to Provider by a third party without breach of this

Agreement and without restriction on its use. Provider agrees to hold all Proprietary Information in confidence and not to directly or indirectly disclose, use, copy, publish, summarize or remove from Group's premises any Proprietary Information, except (i) during the term of this Agreement, to the extent necessary to carry out his responsibilities under this Agreement or (ii) after termination of this Agreement as specifically authorized in writing by Group.

All writing or works, including but not limited to training materials, practice guides, practice development aids, methodologies, books, marketing proposals and brochures, pamphlets, systems, computer programs, operation instructions, and all other documentation, techniques, or methods created or conceived by Provider during the term of this Agreement and related to the specific performance of Provider's duties to Group, Company Sub or any affiliate or subsidiary of either Group or Company Sub, and any and all intellectual property right therein, shall at all times become and remain the exclusive property of Group, provided, however, that this Agreement does not require assignment of an invention which qualifies fully for protection under applicable state law in the state in which Provider has his permanent residence. Provider shall, upon request by Group, execute any documents necessary to give effect to the terms of this Article IX. Notwithstanding anything to the contrary, Provider may continue in the development of processes, techniques and systems for computer assisted case management for TMJ Practices and any such items developed shall be the proprietary property of Provider.

In the event of termination of Provider's employment with Group for any reason, Provider shall return, or cause to be returned, to Group any and all of Group's property, including but not limited to the above-listed property and property which is in Provider's control or possession at such time. Provider shall be entitled to copies of patient dental records in the event of claims or litigation alleging professional liability against Provider or pursuant to a duly authorized request by or on behalf of the patient.

For a period of two (2) years after termination of Provider's employment, Provider shall not, directly or indirectly (a) solicit in any way on behalf of himself or in conjunction with others any patient being or having been under the care and treatment of Provider and/or Group or any subsidiary, affiliate or successor in interest to Group at any time during the term of this Agreement for the purpose of providing dental benefits or dental care, or (b) solicit in any way or make offers of employment to, on behalf of himself or in conjunction with others, any person employed by Group, Company Sub or any subsidiary or affiliate of Group or Company Sub, during the period of such person's employment by Group or Company Sub and for a period of one year thereafter. This provision shall not prohibit Provider from announcing in a

newspaper of general circulation his practice relocation upon termination of employment hereunder.

Provider agrees that, during the two (2) year period immediately following termination of his employment hereunder unless such termination is effected by Group pursuant to Section 6.2 or Section 10.2 hereof, Provider shall not, serve as an employee, independent contractor, consultant or otherwise, directly or indirectly, perform services for a person or entity or own or operate any entity engaged in the business of providing dental benefits or dental care (a "Dental Business"), within a twenty mile radius of the location of any facility at which Group engages in a Dental Business, except as specifically permitted in Section 2.2 above. For purposes of this Agreement, ownership of less than 2% of the outstanding securities of a Dental Business shall not constitute a violation of this Agreement. It is agreed by the parties hereto that the restrictions set forth in this Article IX are reasonable and necessary to protect the confidentiality of the trade secrets, and other confidential information concerning Group.

The parties agree that the remedy at law for any breach of such covenant or of the related covenants set forth herein would be inadequate, and that therefor Group or any other person entitled to enforce such covenants shall be entitled to injunctive relief thereon in addition to its rights to monetary damages.

In the event the provisions of this Article IX should ever be adjudicated by a court of competent jurisdiction to exceed the time or geographic or other limitations permitted by applicable law, then such provisions shall be deemed reformed to the maximum time or geographic or other limitations permitted by applicable law, as determined by such court in such action.

ARTICLE X DISABILITY

10.1 Disability of Provider. In the event that Provider shall be absent from work due to physical or mental incapacity ("disability"), Group agrees to advance to the Provider during his absence the full amount of his compensation for up to sixty days, subject to the monthly reconciliation requirements detailed in Appendix C of this Agreement. Moreover, at the request of Provider, Group shall for a period of sixty (60) days after Provider has become disabled, arrange for other dentists employed by the Group to assume the responsibility for the continuing care of disabled Provider's scheduled patients, and will complete all cases in progress that cannot reasonably wait for his return. All fees so generated during the sixty (60) day period will be credited to the collections of disabled Provider.

10.2 Leave of Absence. After sixty days, as specified in the preceding paragraph 10.1, Group shall determine whether or not

Provider should be placed on a leave of absence. In that event Provider shall receive no further compensation advances but shall participate in the monthly reconciliation, pursuant to Appendix C. If under the compensation formula, Provider is entitled to compensation, Group shall promptly pay Provider accordingly. If Provider has taken more compensation than he is entitled to under the compensation formula, Provider shall promptly reimburse the Group. If after 12 months Provider's disability still prevents him from returning to work, Group may in its sole discretion terminate Provider. During Provider's leave of absence, Provider also shall be entitled to receive any benefits for which he is eligible pursuant to the benefit programs described in Article V, but, after the effective date of termination, he shall not be entitled to any other benefits, unless legally mandated.

10.3 Partial Disability. If Provider is partially disabled but could still perform the functions of his work with reasonable accommodation, Group will determine whether such accommodation will cause an undue hardship to Group. If Provider cannot perform the functions of his dental practice or the accommodation required would cause an undue hardship on the Group, Group shall have the right to declare Provider totally disabled, in which event the provisions of 10.1-10.2 shall apply.

10.4 Participation in Disability Support. In the event another dentist employee becomes disabled, and at that time Provider is not disabled, Provider agrees to participate, together with the other non-disabled dentists, in the treatment of the disabled employee's patients, pursuant to the same arrangement that, pursuant to 10.1, would be available to Provider in the event of his disability.

10.5 Voluntary Leave of Absence. Upon the consent of Group, which may not be unreasonably withheld, Provider may take a leave of absence for religious reasons or to engage in activities believed to be in the best interest of Group. In that event Provider shall receive no further compensation advances but shall participate in the monthly reconciliation, pursuant to Appendix C. If under the compensation formula, Provider is entitled to compensation, Group shall promptly pay Provider accordingly. If Provider has taken more compensation than he is entitled to under the compensation formula, Provider shall promptly reimburse the Group. If Provider does not return to work at the end of such leave, Group may in its sole discretion terminate Provider. During Provider's leave of absence, Provider also shall be entitled to receive any benefits for which he is eligible pursuant to the benefit programs described in Article V, but, after the effective date of termination, he shall not be entitled to any other benefits, unless legally mandated. In no event shall a leave of absence permitted under this paragraph 10.5 exceed 18 months. A Provider may not take more than one leave of absence under this paragraph 10.5.

ARTICLE XI
USE OF NAME/ LIKENESS

Subject to Provider's prior consent, which consent shall not be unreasonably withheld, Provider hereby grants to Group and third party payors which contract with Group, the right to use his name and likeness during the term of the Agreement (and for a period of one year thereafter with respect to materials prepared prior to such termination) in their promotional activities, rosters, directories and marketing campaigns; provided, however, that Provider's consent shall not be required with respect to promotional activities, rosters, directories and marketing campaigns prepared and conducted in accordance with the activities, rosters, directories and marketing campaigns conducted by Pocatello Dental Group.

ARTICLE XII
MISCELLANEOUS PROVISIONS

12.1 Notices. All notices required to be given hereunder shall be in writing and shall be deemed delivered if personally delivered or dispatched by certified or registered mail, return receipt requested, postage prepaid, addressed to the parties as follows:

Group: Idaho Dental Group, P.A.
Pine Ridge Mall
Chubbuck, Idaho, 83202
Attn: Porter Sutton

Provider: Dwight G Romriell, DMD
13846 N. Mony Lane
Pocatello Idaho 83202

Notice shall be deemed given on the date it is deposited in the mail in accordance with the foregoing. Any party may change the address to which to send notices by notifying the other party of such change of address in writing in accordance with foregoing.

12.2 Gender and Pronouns. Whenever appropriate from the context of this Agreement, the use of any gender shall include any and all other genders and the single gender shall include the plural and the plural number shall include the singular.

12.3 Governing Law. The existence, validity and construction of this Agreement shall be governed by laws of the State of Idaho.

12.4 Assignment. This Agreement shall be binding on the parties and their respective successors and assigns. Neither party shall assign this Agreement without the prior written consent of the other party, except that subject to applicable law, Group may assign this Agreement to Company, Company Sub or any of its affiliates. In such event, Provider shall be deemed to have

agreed to the assignment until the end of the term of this Agreement.

12.5 Waiver. The waiver by either party to this Agreement of any one of more defaults, if any, on the part of the other, shall not be construed to operate as waiver of any other or future defaults, under the same or different terms, conditions or covenants contained in this Agreement.

12.6 Caption and Headings. The captions and headings contained in this Agreement are for convenience of reference only and shall in no way be held or deemed to be a part of or affect the interpretation of this Agreement.

12.7 Entire Agreement. This Agreement states the entire contract between the parties in respect to the subject matter of this Agreement and supersedes any oral or written proposals, statements, discussions, negotiations, or other agreements before or contemporaneous to this Agreement. This Agreement may be modified only by mutual agreement of the parties provided that, before any modification shall be operative or valid, it be reduced to writing and signed by both parties.

12.8 Supersession. Provider agrees that this Agreement supersedes all Prior Employment Agreements subject to Company as the successor to Pocatello Dental Group, also agreeing to such supersession and that, as a consequence, neither Provider, Pocatello Dental Group, Group (as the assignee of any such Prior Employment Agreements) nor Company shall have any rights, duties or obligations under any Prior Employment Agreement.

12.9 Arbitration Provision. Any dispute or controversy arising out of or relating to this Agreement shall be settled exclusively by arbitration, in accordance with the rules of the American Arbitration Association, except where federal or Idaho law requires otherwise. The parties acknowledge and agree that Bannock County, Idaho is an appropriate forum for any such arbitration. Judgment may be entered on the arbitrator's award in any court having proper jurisdiction. The costs of such arbitration shall be borne by the prevailing party in such arbitration, who shall be entitled to recover from the non-prevailing party, as part of any award entered, his or its reasonable expenses including attorneys' fees, costs and other out-of-pocket disbursements.

12.10 Partial Invalidity. If any provision of this Agreement is held to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way and any provision held to be too restrictive shall be modified so as to give effect to the intent thereof.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year set forth hereinabove.

Dated: October 11, 1996

David Porter Sutton
→

IDAHO DENTAL GROUP, P.A.

By: [Signature]
Title: President

PROVIDER

[Signature]
Dwight Rommel, DMD

GMS Dental Group, Inc., as successor to Pocatello Dental Group, hereby agrees to Section 12.8 of this Agreement.

GMS DENTAL GROUP, INC.

By: [Signature]
Grant M. Sadler, President

APPENDIX A

States in which Licensed:

Idaho

Dental Specialties:

APPENDIX B

DUTIES AND OBLIGATIONS OF PROVIDER

1. Normal and Customary Functions. Provider agrees to perform the normal and customary functions of a dentist practicing dentistry in his specialty(ies).

2. Compliance with Law and Ethical Standards. Provider shall, at all times during the term of this Agreement, comply with all applicable federal, state or municipal statutes or ordinances, all applicable rules and regulations of any board or other licensing or regulatory body and the ethical standards of the American Dental Association and the dental association of any state in which Provider practices dentistry.

3. Continuing Education. During the term of this Agreement, Provider shall maintain his professional competence and skills commensurate with the dental standards of Group, and as required by law, by attending and participating in continuing education courses.

4. Compliance with Articles, Bylaws and Group Rules. Provider agrees to be bound by and comply with all of the provisions of the Articles of Incorporation, Bylaws, plans, programs, policies and procedures of Group as well as all provisions of any process and plan established by Group or any determinations made by Group pursuant to a provision of this Agreement. Provider recognizes that the Articles of Incorporation, Bylaws, plans, programs, policies, procedures or processes and plans and Group determinations (collectively, the "Rules") may be terminated, modified or amended from time to time by the members of Group and agrees to be bound by and comply with such Rules as so terminated, modified or amended; provided, however, that no termination, modification or amendment shall be adopted which substantially reduces the overall benefits to Provider while this Agreement is in effect.

5. Peer Review, Etc. Provider agrees to participate in and abide by the provisions and determinations of any peer review, utilization review or quality assurance program which is established by Group or to which Group has agreed to be subject.

6. Cooperation. Provider agrees to reasonably cooperate with Group in helping Group to meet its obligations to third parties.

7. Discrimination. Provider agrees not to differentiate or discriminate in the provision of services to patients due to race, color, nation origin, ancestry, religion, sex, marital status, disability, sexual orientation or age, except as medically indicated.

8. Compliance with OSHA. Provider agrees to comply with all pertinent state, local, OSHA or similar requirements, including receiving specific immunizations, and to comply with activities necessary to insure Group's "drug free" environment status.

9. Enhancement of Professional Practice. Provider agrees to reasonably promote, to the extent permitted by law and professional ethics, the professional practice of Group by maintaining and improving rapport with peers, patients, referring dentists and managed care plans.

10. After Hours/Emergency Coverage. Provider shall be available for after hours and emergency coverage for patients on a 24 hours a day, 365 days a year basis pursuant to a process and plan which fairly allocates such coverage among Group's dentist employees.

11. Call Rotation. Provider shall serve Group's call rotation in accordance with call rotation practices approved by Group after consultation with Provider's clinical department.

APPENDIX C

Compensation

Provider's annual compensation shall be (i) 38% of Provider's Net Collections, less (ii) 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 19% of his Net Collections; and
- (b) direct laboratory expenses in excess of 8.5% 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 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 amounts advanced during the preceding month, Group shall immediately pay to Provider the difference between the amounts advanced and the actual compensation. In the event Provider's actual Salary is less than the amounts advanced during the

- preceding month, then Provider shall immediately Pay to Group the surplus advances received.

Appendix D
Benefit Plans

1. Non contributory 401K Plan
 2. Cafeteria Plan
 3. Dental benefits for Provider
 4. Medical benefits for Provider
-

Addendum to Dentist Employment Agreement

The material breach of any term of this Agreement entered into by the Provider with the Group, unless such breach can be reasonably cured within thirty (30) days, and is in fact cured within thirty (30) days, after Group receives written notice of the breach from the Provider, then the terms of this Agreement will be considered non-binding on the Provider.

[Handwritten Signature] 10-7-96

[Handwritten Signature]
President

EXHIBIT C

CONSENT TO TAKE ACTION WITHOUT A MEETING

The undersigned, being all the shareholders and directors of Pocatello Dental Group, P.C. ("the Group"), by their respective signatures below hereby pass the following resolution.

WHEREAS, Dwight Romriell's Employment Agreement with the Group, will be terminated on October 11, 2003, because he gave timely notice of his intent not to renew said agreement;

WHEREAS, Dwight is certified in the treatment of craniomandibular disorders ("TMJ") and has provided such treatment to patients of the Group;

WHEREAS, the Group is obligated to provide for the treatment of Dwight's patients after October 11, 2003;

WHEREAS, no other dentist in the Group has the expertise or experience of Dwight in treating TMJ;

WHEREAS, Dwight is available to treat patients for the Group for an indefinite period following October 11, 2003;

WHEREAS, given the current problems with InterDent and the uncertainty of the future of the Group as a result of those problems, it is not advisable to hire a replacement for Dwight;

WHEREAS, it is in the best interest of the Group and its patients for Dwight to continue to provide services to patients after October 11, 2003, and for a time to be determined by the parties;

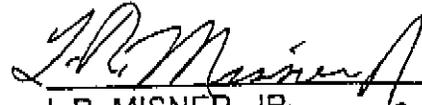
NOW THEREFORE BE IT RESOLVED THAT:

Russ Misner, as President of the Group, shall be and is hereby authorized and directed to sign and execute an Employment Agreement with Dwight substantially in the form shown on Exhibit A. Russ shall have the authority to negotiate and finalize the Employment Agreement upon such terms and conditions as he determines are in the best interest of the Group.

This resolution is consented to and passed by all the shareholders and directors of the Group. This consent may be executed and delivered or transmitted by facsimile in

counterpart, each of which when so executed and delivered or transmitted shall be original, but such counterparts shall together constitute the same stipulation.

Dated: August 16, 2003


L.R. MISNER, JR.

Dated: _____


ERROL K. ORMOND

Dated: 8-16-03


DWIGHT G. ROMRIELL

Dated: 8-18-03


GREGORY E. ROMRIELL

Dated: 8-19-03


ERNEST P. SUTTON

Dated: _____


ARNOLD J. GOODLIFFE

DENTIST'S EMPLOYMENT AGREEMENT

This Dentist's Employment Agreement (this "Agreement") is made and entered into this 26th day of August, 2003, and effective October 12, 2003, between POCATELLO DENTAL GROUP, P.C., an Idaho professional corporation ("Group"), whose primary office is located at Pine Ridge Mall, Chubbuck, Idaho, 83202 and Dwight Romriell, DMD ("Provider").

RECITALS

WHEREAS, Group is a professional corporation organized under the laws of the State of Idaho;

WHEREAS, Provider possesses a valid, unrestricted license to practice dentistry in Idaho;

WHEREAS, Provider is certified in the treatment of craniomandibular disorders (also known as "TMJ") and has provided such treatment to patients of the Group;

WHEREAS, Provider and Idaho Dental Group, P.A., entered into a Dentist's Employment Agreement on October 11, 1996, which agreement will be terminated on October 11, 2003, because Provider gave timely notice of his intent not to renew said agreement;

WHEREAS, the parties anticipate that patients of the Group requiring treatment of TMJ and other patients currently being treated by Provider will continue to need such treatment after October 11, 2003;

WHEREAS, no other dentist in the Group has the expertise or experience of Provider in treating TMJ disorders;

WHEREAS, Provider's patients will continue to require treatment and services;

WHEREAS, it is in the best interest of the Group and its patients for Provider to continue to provide services to patients after October 11, 2003, and for a time to be determined by the parties;

NOW, THEREFORE, in consideration of the recitals, covenants, conditions and promises contained herein, the parties agree as follows:

ARTICLE I
EMPLOYMENT AND DUTIES

1.1 **Employment.** Group employs Provider for the purpose of rendering professional dental services to patients on behalf of Group and Provider hereby accepts employment on the terms and conditions set forth herein.

1.2 **Outline of Provider's Duties.** Provider shall serve Group faithfully, and to the best of his ability in the practice of dentistry, shall devote his time, energy and skill to such employment and, at the request of the Group, shall perform such services, advisory or otherwise, and shall act in such capacity or office for Group without compensation beyond that which is provided herein. Provider shall perform the duties and meet the obligations described herein, including the following:

(a) **Hours.** Provider shall be available to work the hours and days scheduled by Group.

(b) **Normal and Customary Functions.** Provider agrees to perform the normal and customary functions of a dentist practicing dentistry in his specialty.

(c) **Compliance with Law and Ethical Standards.** Provider shall, at all times during the term of this Agreement, comply with all applicable federal, state or municipal statutes or ordinances, all applicable rules and regulations of any board or other licensing or regulatory body and the ethical standards of the American Dental Association and the dental association of any state in which Provider practices dentistry.

(d) **Continuing Education.** During the term of this Agreement, Provider shall maintain his professional competence and skills commensurate with the dental standards of Group, and as required by law, by attending and participating in continuing education courses.

(e) **Compliance with Articles, Bylaws and Group Rules.** Provider agrees to be bound by and comply with all of the provisions of the Articles of Incorporation, Bylaws, plans, programs, policies and procedures of Group as well as all provisions of any process and plan established by Group or any determinations made by Group pursuant to a provision of this Agreement. Provider recognizes that the Articles, Bylaws, plans, programs, policies, procedures or processes and plans and Group determinations (collectively, the "Rules") may be terminated, modified or amended from time to time by the Board of Directors of Group and agrees to be bound by and comply with such

Rules as so terminated, modified or amended.

(f) Peer Review, Etc. Provider agrees to participate in and abide by the provisions and determinations of any peer review, utilization review or quality assurance program which is established by Group or to which Group has agreed to be subject.

(g) Cooperation. Provider agrees to cooperate with Group in helping Group to meet its obligations to third parties.

(h) Discrimination. Provider agrees not to differentiate or discriminate in the provision of services to patients due to race, color, national origin, ancestry, religion, sex, marital status, disability, sexual orientation or age, except as medically indicated.

(i) Compliance with OSHA and Other Regulations. Provider agrees to comply with all pertinent state, local, OSHA, or similar requirements, including receiving specific immunizations, and to comply with activities necessary to insure Group's "drug free" environment status.

(j) Enhancement of Professional Practice. Provider agrees to promote, to the extent permitted by law and professional ethics, the professional practice of Group by maintaining and improving rapport with peers, patients, referring dentists and managed care plans.

(k) After Hours/Emergency Coverage. Provider shall be available for after hours and emergency coverage for patients on a 24-hours-a-day, 365-days-a-year basis pursuant to a process and plan which fairly allocates such coverage among Group's dentist employees.

(l) Call Rotation. Provider shall serve Group's call rotation in accordance with call rotation practices approved by Group after consultation with Provider's clinical department. If Provider is scheduled less than 15 hours per week, Provider shall not be required to participate in the call rotation.

1.3 Rights and Duties of Group. In addition to the rights and duties set forth herein, Group shall have the following:

(a) Group shall direct and supervise the duties and work of Provider but shall not impose employment duties or constraints of any kind which would require Provider to infringe the ethics of the dental profession or violate any ordinance or law.

(b) Group shall determine whether an individual will be accepted as a patient of Group. Group shall determine which managed care plans (HMO's, PPO's, EPO's, etc.) Group contracts with and the amount of the fees or other payments to be charged with respect to professional services rendered by or available from Provider. Notwithstanding anything to the contrary herein, Provider may dismiss a patient from the practice if a satisfactory dentist-patient relationship cannot be achieved.

(c) Group shall the have the right to assign patients among its dentist employees and to change such assignments. New patients requiring treatment of TMJ will be assigned to Provider. The Group, in its sole discretion, may assign new patients requiring general dentistry care to Provider.

(d) Group shall establish clinical hours and days when Provider shall perform Provider's duties (including call rotation).

(e) In consultation with Provider, Group shall determine the place or places at which Provider duties will be performed.

(f) Group will provide, at its sole expense, professional liability insurance with per occurrence and aggregate limits as established from time to time by Group. At a minimum, Provider shall be insured pursuant to a policy that will provide policy limits not less than the limits in force prior to October 11, 2003. Group's obligation to provide such professional liability is subject to its availability on economically reasonable terms. At the beginning of each year, Group will provide Providers with written evidence of the professional liability insurance.

ARTICLE II **COMPENSATION**

2.1 **Compensation.** Provider's compensation under this Agreement shall be Thirty-Eight Percent of Providers Net Collections.

2.2 **Net Collections Defined.** "Net Collections" as used herein shall be the *actual* cash collected, *however and whenever collected*, resulting from professional services of Provider to patients on or after October 12, 2003. The term "Net Collections" contemplates that there will be circumstances where no fee is charged, or, where an initially anticipated collection from services rendered is ultimately a lesser amount because of such things as billing errors, a fee adjustment between a patient and the Provider, courtesy discounts, patient refunds or other reimbursement, charges incidental to accepting payment by credit card, bad checks, or refunds to an insurer. "Net collections" is, thus, intended to mean *actual net* funds received. In payment to Provider as set forth herein, that *actual* net sum

may not be artificially reduced or offset by any other *theoretical* sum that *might have* been received but for some other event nor may it be reduced further for any other overhead item.

2.3 Advance. Provider shall receive as an advance against his compensation the sum of Six Thousand Dollars on the 10th day of the month beginning October 10, 2003. of each month. The actual compensation calculation, as outlined above, shall be completed by the 25th of the following month. If the calculation indicates that Provider is entitled to additional compensation, over and above the advances received during the previous month, the Group shall immediately pay him the difference. If the calculations show that Provider's compensation for the preceding month is less than the advances received during the preceding month, Provider shall immediately reimburse the Group for the surplus received.

2.4. Prior Contract Payments. Provided, further, Group shall pay to Provider *in addition to the above*, 38% of all net sums collected for services provided to patients prior to October 12, 2003, *whenever collected* without regard to the term of this Agreement.

2.5 Assignment of Professional Fees. Provider hereby assigns to Group all amounts directly payable as a result of professional services provided by Provider during the term of this Agreement, including by way of example but not limited to, amounts paid by patients, insurers, governmental entities, employers, third-party payors, and any workers' compensation program.

ARTICLE III EMPLOYMENT BENEFITS

During the term of this Agreement, Provider shall be entitled to participate, in accordance with their terms, in all plans of accident, medical, health, disability, pension, dental, 401K, Cafeteria plan, savings plan, and similar benefits which are generally made available to employees of the Group, as such benefits may be increased, decreased, modified or discontinued from time to time by Board of Directors of Group.

ARTICLE IV EFFECTIVE DATE - TERMINATION

4.1 Effective Date/Termination. This Agreement is effective as of October 12, 2003. Either party may terminate this Agreement by giving the other party written notice of termination at least one-month prior to the termination date.

ARTICLE V TERMINATION

5.2 Termination by Group for Cause. Notwithstanding any other provision in

this Agreement, Group shall have the right to terminate this Agreement for cause effective immediately upon written notice to Provider. For the purposes of this Agreement, cause shall be defined as, but shall not be limited to:

- (a) Restriction, suspension or revocation of Provider's license to practice dentistry in the state or states in which Provider is licensed;
- (b) Conviction of Provider of a felony or conviction of a misdemeanor involving moral turpitude;
- (c) Determination by the Board of Directors of Group in its sole and absolute discretion that Provider is professionally incompetent;
- (d) The material breach of any term of this Agreement by Provider unless such breach can be reasonably cured within thirty (30) days of and is in fact cured within thirty (30) days after Provider receives written notice of the breach from Group;
- (e) Failure to qualify or be eligible for professional malpractice insurance in amounts required by Group for its professional employees or, if such insurance can only be obtained at higher than standard rates, failure of Provider to pay that portion of the premium which is in excess of the standard rate;
- (f) Material failure of Provider to comply with Group's peer review, quality assurance or utilization review procedures or availability and accessibility standards as established from time to time by Group;
- (g) Material failure of Provider to comply with Group's policies and procedures, including but not limited to failure of Provider to conduct his/her personal and professional affairs in such a manner as to reflect favorably upon Group;
- (h) Disagreement between the parties over a courtesy discount.

5.3 Termination by Provider for Cause. Notwithstanding any other provision in this Agreement, Provider shall have the right to terminate this Agreement for cause effective immediately upon written notice to Group. For the purposes of this Agreement, cause shall be defined as, but shall not be limited to:

- (a) Failure to provide necessary equipment or adequately-trained certified personnel necessary to the providing of professional services;
- (b) Detrimental interference with the physician-patient relationship absent specific prior written consent of Provider, including, but not limited to: advising a patient services will not be provided contrary to the physician's agreement to provide

services; altering the fee agreement established by the physician with the patient; making payment demands of patients in contravention of the payment agreement made by the physician with the patient;

- (c) Failure to timely make the payments required by this Agreement Restriction;
- (d) Change in the ownership of Group;
- (e) Disagreement between the parties over a courtesy discount.

ARTICLE VI **PROPRIETARY INFORMATION**

All writing or works, and all techniques or method created or conceived by Provider during the term of this Agreement and related to the specific performance of Provider's duties to Group, and any an all intellectual property right therein, shall at all times become and remain the exclusive property of Provider. Specifically, Provider may continue in the development of processes, techniques and systems for computer-assisted case management for TMJ Practices and Electromyography ("EGN"), Joint Vibration Analysis ("JVA"), and Electrognathology ("EGN") and the entirety of any such items developed shall be the proprietary property of Provider.

ARTICLE VII **REPRESENTATIONS**

7.1 Representations by Group.

(a) Group hereby represents and warrants that it is a professional corporation in good standing with the State of Idaho.

(b) Group represents and warrants that it will furnish all apparatus, instruments, equipment, supplies, laboratory services, and certified support personnel reasonably necessary to permit Provider to conduct the practice of dentistry in accordance with this Agreement.

7.2 Representations by Provider.

(a) Provider hereby represents and warrants that he is currently, and during the term of this Agreement shall remain, a dentist duly licensed to practice dentistry in the state of Idaho and in good standing with the Idaho State Board of Dentistry.

(b) Provider hereby represents and warrants to Group and Group relies on

Provider's representation that by entering into this Agreement he is not in any way breaching any other agreement, whether written or oral.

ARTICLE VIII
DENTAL RECORDS

With respect to each patient to whom Provider provides service, Provider shall maintain in legible form a standard dental record in such form and containing such information as are required by Group and Group will provide support services and systems to assist Provider in doing so.

ARTICLE IX
USE OF NAME/ LIKENESS

Provider hereby grants to Group and third party payors which contract with Group, the right to use his name and likeness during the term of the Agreement (and for a period of one year thereafter with respect to materials prepared prior to such termination) in their billings, promotional activities, rosters, directories and marketing campaigns.

ARTICLE X
MISCELLANEOUS PROVISIONS

10.1 **Notices.** All notices required to be given hereunder shall be in writing and shall be deemed delivered if personally delivered or dispatched by certified or registered mail, return receipt requested, postage prepaid, addressed to the parties as follows:

Group: Pocatello Dental Group, P.C.	Provider: Dwight G. Romriell
Pine Ridge Mall	13840 N. Moonglow Lane
Chubbuck, Idaho 83202	Pocatello, Idaho 83202
Attn: President	

Notice shall be deemed given on the date it is deposited in the mail in accordance with the foregoing. Any party may change the address to which to send notices by notifying the other party of such change of address in writing in accordance with foregoing.

10.2 **Governing Laws.** The existence, validity and construction of this Agreement shall be governed by laws of the State of Idaho.

10.3 Waiver. The waiver by either party to this Agreement of any one of more defaults, if any, on the part of the other, shall not be construed to operate as waiver of any other or future defaults, under the same or different terms, conditions or covenants contained in this Agreement.

10.4 Entire Agreement. This Agreement states the entire contract between the parties as it relates to employment by Group of Provider after October 12, 2003. It does not, however, waive or negate any of the rights or obligations existing under any prior written agreement between the parties. This Agreement may be modified only by a mutual agreement of the parties provided that, before any modification shall be operative or valid, it be reduced to writing and signed by both parties. This Agreement shall not be construed to be a renewal of any prior employment agreement. Notwithstanding the foregoing, nothing contained herein shall alter Provider's right to compensation under previous agreements and as set forth herein. Provider shall be entitled to compensation under the previous contract for work performed on or before October 11, 2003 as set forth in such prior agreement and as provided herein.

10.5 Partial Invalidity. If any provision of this Agreement is held to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way and any provision held to be too restrictive shall be modified so as to give effect to the intent thereof.

10.6 No Third Party Beneficiaries. The parties agree that this Agreement and the covenants made in it are expressly and solely for the benefit of the parties and that no person or entity is entitled or deemed to be entitled to any benefits or rights under this Agreement, nor be authorized or entitled to enforce any rights, claims or remedies under or by reason of this Agreement.

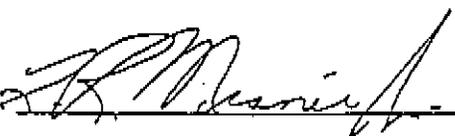
10.7 Non Assignment. This Agreement shall not be assigned by either party.

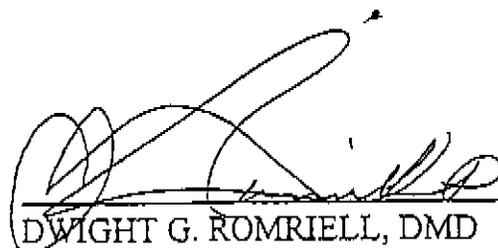
IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective October 12, 2003.

"GROUP"

"PROVIDER"

POCATELLO DENTAL GROUP, P.C.

By:  _____

 _____
DWIGHT G. ROMRIELL, DMD

Title: President POC PC

EXHIBIT D



101 S. Capitol Boulevard, Suite 1300
Boise, Idaho 83702
main 208.389.9000
fax 208.389.9040
www.stroel.com

Kim J Dockstader
Direct (208) 387-4287
kjdockstader@stoel.com

September 8, 2003

VIA FACSIMILE

Pocatello Dental Group, P.C.
Attention: President
Pine Ridge Mall
4155 Yellowstone Highway
Pocatello, ID 83202

Re: Dr. Dwight D. Romreill

Dear Sir:

As you may know, this firm represents InterDent Service Corporation ("ISC"), a Washington corporation, the successor to GMS Dental Group Management, Inc., the Manager under the October 11, 1996, Dental Group Management Agreement ("Management Agreement") with Pocatello Dental Group, P.C., an Idaho professional corporation formerly known as Idaho Dental Group, P.A. ("PDG"). We are writing to you directly because we understand that PDG has no counsel in this matter, nor has it been authorized to retain counsel.

It has come to our attention that certain individual shareholders of PDG have purported to enter into an employment agreement with Dr. Dwight D. Romreill. It is not within the authority of individual shareholders to enter into employment agreements unilaterally on behalf of PDG. Any such agreement must be authorized by the Joint Operations Committee ("JOC") pursuant to Article 5.2 of the Management Agreement, which specifically provides: "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." The purported contract with Dr. Romreill therefore has no force or effect.

ISC is nonetheless willing to hold a JOC meeting to discuss what we understand is a perceived need to have a TMJ specialist on staff and whether Dr. Romreill is the most appropriate candidate for any such position. ISC, of course, recognizes that it cannot engage in the practice of dentistry or interfere with the practice of dentistry by PDG dentists. However, it is not clear to ISC why, if there is a need for a TMJ specialist, this need cannot simply be handled by a referral to an outside specialist. Nor is it clear that it makes business sense to have a specialist on staff. These are fundamentally business issues, not practice issues.

Oregon
Washington
California
Utah
Nevada


Pocatello Dental Group, P.C.
September 8, 2003
Page 2

Please contact Ivar Chhina at InterDent, Inc., 222 North Sepulveda Boulevard, Suite 740, El Segundo, California 90245, telephone (310) 765-2400, to arrange for a JOC meeting at a mutually acceptable time.

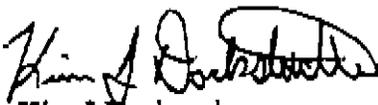
As to Dr. Romreill, he resigned from PDG effective October 11, 2003. His resignation was accepted by PDG. Until and unless the JOC takes action to the contrary, as of October 11, 2003, Dr. Romreill will no longer be employed by PDG. He may not perform any services on behalf of PDG, nor will he be paid by PDG for any services he performs from that date forward.

You should note that ISC is the lessee of PDG's premises and therefore has authority to exclude from entry to such premises any person it deems unwelcome. Again, unless the JOC takes action to the contrary, please be aware that as of October 11, 2003, Dr. Romreill will no longer be authorized or permitted to enter the premises (or offices). Further, please be advised that PDG, its shareholders, employees, or any other persons (other than ISC) are not authorized to permit Dr. Romreill to enter the premises after that date. Accordingly, after October 11, 2003, Dr. Romreill's entry on PDG's premises will be deemed without any authorized permission or invitation, and may therefore constitute a wrongful trespass. ISC reserves the right to take all appropriate actions in response to such trespass.

Please also be aware that ISC will hold PDG and its individual shareholders responsible for the continuing damages to its business caused by the shareholders' unilateral actions in breaching the Management Agreement and their fiduciary and contractual duties.

Please let us know if you have any questions.

Very truly yours,


Kim J Dockstader

KJD:SJK:dmv:pzw

cc: Mr. Ivar Chhina (via e-mail)
Mr. Kevin Webb (via e-mail)
Mr. Rob Opera (via e-mail)
Mr. Garrick Hollander (via e-mail)

EXHIBIT E

COOPER & LARSEN

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

151 NORTH 3rd AVE. - STE. 210
P.O. BOX 4229
POCATELLO, ID 83205-4229

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

www.cooper-larsen.com

Attorneys at Law

September 19, 2003

Kim Dockstader
STOEL, RIVES, LLP
101 S. Capital Blvd, Suite 1900
Boise, ID 83702

RE: *Pocatello Dental Group, P.C.*

Dear Mr. Dockstader:

As you know, this firm represents Pocatello Dental Group, P.C. ("PDG"). PDG is a professional service corporation organized and existing under Idaho's Professional Service Corporation Act ("PSCA"), I.C. § 30-1301 *et seq.* Pursuant to the PSCA, all of PDG's shareholders are dentists who are licensed to practice dentistry in Idaho. *See* I.C. §§ 30-1303(2), 1304, 1308 and 1315. The PSCA prohibits persons who are not licensed dentists from being shareholders, directors or general officers of a professional service corporation. I.C. § 30-1315. Accordingly, InterDent Service Corporation ("ISC") is not, never has been and cannot become a shareholder, director or officer of PDG. The Management Agreement is clear that ISC, assuming it properly acquired the rights of GMS Dental Group Management, Inc., is merely an independent contractor of PDG which is obligated to perform enumerated services for PDG. Management Agreement, Recital E, ¶ 3.3. To the extent that ISC believes that PDG is a "dba" of ISC or that ISC owns or controls the internal corporate affairs of PDG, it is seriously mistaken.

As a separate entity, PDG has authority to retain its own counsel. *See* I.C. § 30-1-302(1). To suggest that ISC must approve the hiring of an attorney to represent PDG in an action against ISC is explicitly absurd. ISC has been aware for several month that our firm represents PDG. Your letter of September 8, 2003 to PDG violates Rule 4.2 of the Idaho Rules of Professional Conduct. All future correspondence to PDG should be sent to our office.

Your letter erroneously states that the individual shareholders entered an employment agreement with Dr. Dwight Romriell. While the shareholders approved of such action, the agreement is between PDG and Dr. Romriell and is signed by Dr. Misner in his capacity as president of PDG.

The Management Agreement is clear that PDG has authority and responsibility for all aspects of the practice of dentistry, including the hiring of dentists. Management Agreement §§ 2.1, 3.2, 3.3(a)(1), 3.8(a) and 5.2(a). Dr. Romriell's anticipated departure raises practice issues for PDG. Dr. Romriell's patients are the patients of PDG. Ensuring proper treatment of those patients is the responsibility of PDG. PDG views any interference by ISC with the treatment of PDG's patients as the illegal practice of dentistry. Furthermore, under the Idaho Administrative Code, dentists cannot ethically abandon patients before completion of a phase of treatment. IDAPA 19.01.01.040.04. Decisions regarding continued treatment of Dr. Romriell's patients can only be made by dentists who are licensed to practice in Idaho. I.C. §§ 54-901 and 905.

The Joint Operations Committee cannot legally make decisions regarding the practice of dentistry, including the hiring of providers, because all of its members are not licensed to practice dentistry in Idaho. In *Worlton v. Davis*, 73 Idaho 217, 221-2, 249 P.2d 810, 813 (1952), the Court cited *Messner v. Bd. of Dental Examiners of California*, 87 Ca.App. 199, 204-5, 262 P. 58, 60 (Cal. Dist. Ct. App. 1927), as follows:

Had it been shown that Cohn had authority to participate in the employment or discharge of those engaged to do professional work and the fixing of their compensation a different question would arise. The power to hire and discharge and to fix compensation of an employee necessarily implies the power to control his work.

The question in *Wolton* was whether a contract of employment between a partnership, which was comprised of licensed professionals and one unlicensed person, and a licensed professional was void as against public policy. The unlicensed person acted as the partnership's business manager. Relying upon the language cited above from *Messner*, the Court concluded that the "layman" was impermissibly attempting to practice medicine without a license and that the employment agreement was therefore void *ab initio* as against public policy.

Paragraph 5.2(b) of the Management Agreement allegedly gives approval power to the JOC over professional employment issues. By doing so, it impermissibly grants unlicensed persons authority over professional matters. If InterDent's members of the JOC were to exercise their purported authority under that paragraph, they would be engaging in the illegal practice of dentistry. Paragraph 5.2(b), and perhaps the Management Agreement as a whole, is void as against public policy.

It is further noted that the JOC never approved or objected to the hiring of Drs. Eleison, Snow (Kendell and Corey) and Wyatt in the past. If the JOC approved of the hiring of those dentists, we would like a copy of the JOC meeting minutes evidencing the approval. As in the past, PDG provided a copy of the employment agreement to ISC as a courtesy. ISC's current objection simply stems from animosity toward Dr. Romriell.

September 19, 2003

Page 3

The arrangement with Dr. Romriell also makes good business sense, although business considerations are not the reason for the arrangement. Dr. Romriell is the only TMJ specialist in Pocatello. A referral to an outside specialist would be a referral to Dr. Romriell. In the event of any outside referral, ISC would lose its management fee for the services provided.

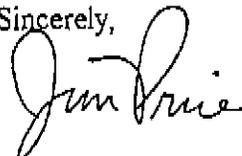
According to paragraph 4.2 of the Management Agreement, the lease of the facilities is in the name of PDG (see attached). Under the circumstances, it is unlikely that any law enforcement officer would physically remove Dr. Romriell from the premises. PDG will view any attempt to exclude Dr. Romriell from the premises as an impermissible interference with the treatment of PDG's patients, constituting the illegal practice of dentistry and a material breach of the Management Agreement.

Your letter also threatens to hold PDG and individual shareholders responsible for alleged breaches of the Management Agreement, etc. Under the PSCA, shareholders are only liable for negligence, wrongful acts and misconduct committed in the rendering of professional services. I.C. § 30-1306. Otherwise, they share the same protection from liability as shareholders of a general business corporation. I.C. § 30-1312. PDG has not received any notices of default from ISC and is therefore unaware of any breaches alluded to in your letter.

PDG has expressed its concerns and identified breaches by ISC of the Management Agreement in previous correspondence with ISC and its counsel, as well as in pleadings filed in ISC's bankruptcy case in California. ISC has done nothing to remedy the problems. Rather, it continues to make threats and place PDG in position where PDG may have no choice but to file for bankruptcy itself.

The parties are at an impasse. ISC wants to continue the relationship, but strictly on its own terms and in disregard of the Management Agreement. ISC's terms are unacceptable to PDG. Unless the parties can quickly reach an agreement on how to terminate their relationship, this case is destined for litigation and/or mutual bankruptcy. If ISC has an interest in negotiating a termination of the relationship, please let us know.

Sincerely,



JAMES P. PRICE

JPP/mn

Gary L. Cooper (ISB No. 1814)
Ron Kerl (ISB No. 1768)
James P. Price (ISB No. 5129)
COOPER & LARSEN
151 North 3rd Avenue, Suite 210
P.O. Box 4229
Pocatello, Idaho 83205-4229
Telephone (208) 235-1145
Facsimile (208) 235-1182

IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BANNOCK

POCATELLO DENTAL GROUP, P.C.,)
an Idaho professional corporation,)
)
Plaintiff,)
)
vs.)
)
INTERDENT SERVICE CORPORATION,))
a Washington corporation,)
)
Defendant.)
_____)

Case No. CV-03-4962-OC

DEPOSIT OF UNDERTAKING
IN LIEU OF CIVIL BOND

PLEASE TAKE NOTICE THAT the above-named Plaintiff, Pocatello Dental Group, P.C., has deposited with the Clerk of the District Court of the Sixth Judicial District of the State of Idaho, in and for the County of Bannock, as security for the issuance of a Temporary Restraining Order and Order to Show Cause as provided to be given in Rules 65(c) of the Idaho Rules of Civil Procedure for the costs and damages as may be incurred or suffered by Defendant, InterDent Service Corporation ("InterDent"), in the event that InterDent has been wrongfully enjoined or restrained,

RECEIVED
STOEL RIVES LLP

By dmw 10/14/03

the sum of TEN THOUSAND DOLLARS (\$10,000.00), which sum is deemed proper by the Court as required by the aforesaid rules. A copy of the receipt evidencing the deposit is attached hereto.

DATED this 10th day of October, 2003.

COOPER & LARSEN

for James L. Cooper

GARY L. COOPER

Date: 10/10/2003

STATE JUDICIAL DISTRICT COURT

Time: 12:32 PM

Receipt

Received of: Pocatello Dental Group-Jim Price

\$ 10000.00

PO Box 4229

Pocatello, ID 83205

Ten Thousand and 00/100 Dollars

Case: CV-2003-0004962-OC

Defendant: Interdent service corporation,

Cash bond: 10000.00

Payment Method: Cash

Amount Tendered: 10000.00

Clerk: ELLA

Duplicate

Larry W. Ghan, Clerk Of The District Court

By: _____

Deputy Clerk