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U.S. DISTRICT COURT
 DISTRICT OF IDAHO
 RECEIVED
 CLERK, IDAHO

Counsel for Pocatello Dental Group, P.C.

**UNITED STATES DISTRICT COURT
 DISTRICT OF IDAHO**

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

vs.)

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

Case No. CIV 03-450-E-BLW

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

**PLAINTIFF'S EXPERT
 WITNESS DISCLOSURES**

vs.)

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

COMES NOW the Plaintiff, by and through its attorneys of record, and pursuant to the Court's scheduling order dated April 7, 2004, Fed. R. Civ. P. 26(a)(2) and Local Rule 26.2 makes the following disclosure of its expert witnesses:

1. The following shareholders of the Plaintiff are expected to give evidence under Rules 702, 703 or 705, but since they are not retained or specially employed to provide expert testimony and they are not employees of the plaintiff whose duties regularly involve giving expert testimony, no written report is required by Fed. R. Civ. P. 26(a)(2) and/or Local Rule 26.2:

Dr. Dwight Romriell, TMJ Center, 1777 E. Clark, Pocatello, ID

Dr. Greg Romriell, Pocatello Dental Group, 4155 Yellowstone Ave., Pocatello, ID. Without admitting that a report is required, Dr. Greg Romriell has prepared the report attached hereto as Exhibit "A."

Dr. Errol Ormond, Pocatello Dental Group, 4155 Yellowstone Ave., Pocatello, ID

Dr. Arnold Goodliffe, Pocatello Dental Group, 4155 Yellowstone Ave., Pocatello, ID

Dr. Russ Misner, Kidds Dental, 716 Yellowstone Ave., Pocatello, ID

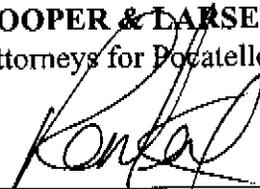
2. James E. Lee, Deaton & Company, 215 North 9th Ave., Pocatello, ID. Plaintiff intends to use the services of James E. Lee, CPA, and he is expected to give evidence under Rules 702, 703 or 705. Defendant InterDent Service Corporation has failed to timely respond to discovery requests of the Plaintiff and financial records within its custody and control have not been produced to the Plaintiff so that Mr. Lee can review the same, prepare and give his expert opinion with respect to such records as they relate to the claims of the Plaintiff and counterclaims of the Defendant InterDent Service Corporation. Plaintiff has previously moved the Court to (1) compel the Defendants' response to Plaintiff's discovery requests and (2) extend Plaintiff's scheduled disclosure of Mr. Lee's report pending his timely receipt of the information requested from Defendant InterDent Service

Corporation. Notwithstanding the foregoing, Mr. Lee's fee schedule and CV are attached hereto as Exhibit "B".

3. Dr. Larry W. Bybee, Kidds Dental, 716 Yellowstone Ave., Pocatello, ID. Dr. Bybee's report is attached hereto as Exhibit "C."

Dated this 15th day of July, 2004.

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



Ron Kerl

CERTIFICATE OF SERVICE

I HEREBY CERTIFY on the 15 day of July, 2004, I served a true and correct copy of the foregoing document as follows:

Erik F. Stidham
STOEL RIVES LLP
101 S. Capitol Blvd., Ste.1900
Boisc, ID 83702-5958

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

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

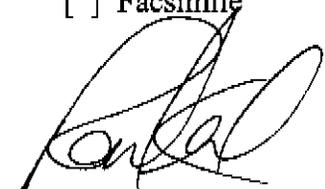
U.S. Mail, postage prepaid
 Hand Delivery
 Overnight Mail
 Facsimile

Lowell N. Hawkes
1322 East Center
Pocatello, ID 83201

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

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

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

By: 

Ron Kerl

Gregory E. Romriell, DMD

Pine Ridge Mall

4155 Yellowstone Highway

Pocatello, Idaho 83202

Phone (208) 238-2230

Fax (208) 237-3274

EXHIBIT

A

Creating a state-of-the-art, pre-eminent practice is a costly challenge, in two ways. The first, the most obvious is assembling the newest and best materials, supplies & technologies. The second part of this challenge is for the dentist to stay on the crest of research, development and the effects they have on the practice of cutting edge dentistry and its benefits to the patients. The patient always assumes that his dentist is up to date in his knowledge and abilities. In my own case, I have spent hundreds of hours and thousands of dollars in the quest for better care for my patients. This quest is what caused me to be a founder and partner of the Pocatello Dental Group. We had 8 general practice dentists, an orthodontist, a pedodontist, a periodontist and an oral surgeon.

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Today we have just 3 general practice dentists and one periodontist. The others have left the group because the P.D.G. was not able to keep its commitment to be pre-eminent... in all ways. To recreate the P.D.G. as it was in the beginning as pre-eminent, cutting edge^o practice setting would take a huge amount of time and money. Some dollar figures to consider

1. - recruit 8 doctors at \$10,000 each = \$80,000
2. recreate an orthodontic clinic = 900,000
3. recreate a pediatric clinic = 900,000
4. new digital radiography = 20,000
5. chairside computer charting = 30,000
6. a cerac unit (crown construction) = 80,000
7. plasma curing lights (8) = 28,600
8. intra-oral video camera system = 7,000

kr

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- #9 Biolase Laser — \$50,000
 - #10 Sterilization Center — \$16,000
 - #11 NSK Electric Hand piece Systems — \$40,000
 - #12 Kavo Diagnodent \$4,600
 - #13 Casey Education System . . . \$3,200
 - #14 Shade Scan \$4,500
 - #15 Waterline Treatment System . . . \$7,000
 - #16 Drs Stools \$12,600
-
- approx \$2,800,000

If I.D.S. could provide these items to restore the P.D.S. back to its position of pre-eminence and if they could recruit the new doctors, they would have to overcome the negative feelings they have created in several thousand patients. They have insulted, bullied, harassed many patients and they in turn speak negatively about the P.D.S. to their friends and family. I doubt this obstacle can be overcome. Also, in the past they have not been successful in recruiting qualified, experienced dentists to come to the P.D.S. — they have only recruited recent graduates. They all left, unhappy with I.D.S.

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Another important consideration is the proper training of qualified staff, this would include chairside assistants, dental hygienists, receptionists and business office staff. In the past, most of the "new hires" have had little or no experience when they are hired. I.D.S. has no system to train these people. They are left to their own devices and are usually trained, on the job, by another staff person ~~th~~ who also has not received proper formal training. The new staff usually seek the training on their own and at their own expense. This is often done over the objections of I.D.S. This was certainly the situation for the last receptionist and dental assistant hired to work with me (Sheryl Wilkey and Tammie Underwood). Cheryl had to learn about the necessary legalities of the paper work of the dental office. A class was being offered by our malpractice insurance company, C.N.A. I.D.S. said they would not pay for this

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class, even though they had mandated attendance of this class for all other receptionists in the past. I therefore paid for the class. When the date arrived for the class, I.D.S. refused to allow a substitute receptionist to work for her, or to give her paid time off to attend the class. I paid her to go. Attendance of this class allows a deduction of the cost of the malpractice insurance greater than the cost of the class, a benefit to I.D.S.

When Tammie Underwood was hired, she had no previous experience or training. I paid for her to attend the special dental assisting classes at ISU. I personally trained her in the office.

Several times I have suggested a very workable system to train new people, but I.D.S. refused to pay to integrate the system. I sought the support of Barbara Handerson, Don Horocks and Bruce Call, but was denied any help to facilitate training.

SOURCE of Data Considered

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- # 1. U.D.S. is currently paying a \$10,000 reward for the referral of a specialist to their company. It would cost at least that much to recruit a new dentist
- # 2 This is an estimate based upon the cost of a fully new orthodontic office recently built in Pocatello.
- # 3. This is an estimate based upon the cost of a fully new pediatric office recently built in Pocatello.
- # 4. Air Techniques Inc - 1.800-247-8324 / www.airtechniques.com
A/T SCAN X
- # 5. DENTRIX 1.800-DENTRIX / www.DENTRIX.COM
- # 6. CERAC 3D - Patterson Dental Supply - 1.800-873-7683
www.pattersondental.com
- # 7. DEN MAT - Sapphire Plasma Light - \$3200 each
- # 8 Several systems available @ \$3,500 each
- # 9. BIOLASE - 1.888-424-6527 / www.biolase.com

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- #10 Sterisource - Dr. Dennis Michaelson - 1.208.238.9559
- #11 NSK electric handpiece 1.888.675.1675
 - 8. controls - \$1,350 each
 - 16. slow speed - \$980 each
 - 16. high speed - \$880 each
- #12 KaVo - Diagondent - 1.800.323.8029 / www.kavo.com
 - \$2,300 each
- #13 Casey Education Systems 1.800.333.2959 / www.casesy.com
- #14 Shade Scan 1.866.296.6823 / www.cynovod.com
- #15 Sterisil - 1.877-755-PURE / www.sterisil.com
 - 14 units - \$500/unit
- #16 RGP Dental (Swedish Seating Systems) 1.800.522.9695
 - www.rgp dental.com 14 stools at \$900 each

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All items are

Recommended by the following Dental News Letters & research groups

1. Dr. Gordon Christensen. CRA.com

2. Dr. Woody Oakes - Excellence in Dentistry / The Profitable Dentist

3. The Dental Advisor

4. Reality

5. The Richards Report

BR

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Qualifications as a witness 1974

- graduate of University of Louisville (in top 5 of dental schools in U.S)
 - adjunct faculty of U of I School of Dentistry - currently
 - 20 year research dentist for CRA, now emeritus
 - member of the Academy of General Dentistry
 - have received their Fellowship Award
 - one of Americas Top Dentists in 2003
 - will soon have earned the A.G.D. Mastership Award
 - Thousands of dollars and hours spent to gain advanced knowledge and abilities.
 - Have created a new dental office 3 times
 - Past local and state dental officer.
- I am not being compensated for this testimony.

Gregory E. Romriell DMD

Deaton & Company, Chartered
Certified Public Accountants
215 North 9th, Suite A
Pocatello, Idaho 83201-5278
(208) 232-5825 (208) 232-5828 Fax
email: jimlee@deatoncpa.com

MEMO

TO: Ron Kerl
Via Fax 235-1182

FROM: Jim Lee

DATE: April 20, 2004

SUBJECT: Biographical Info

The following 3 sheets have my biographical info. If you wish to edit, feel free to have at it.

Our litigation support hourly fee is \$115.

Keep me posted in advance as much as you can regarding scheduled dates when I would need to be present.



RESUME OF:

James E. Lee, CPA
215 North 9th, Suite A
Pocatello, Idaho 83201
Telephone (208) 232-5825

EDUCATION

High School Diploma from Pocatello High School, Pocatello, Idaho -- 1960. B.S. in General Business from Idaho State University, Pocatello, Idaho -- 1965. M.B.A. from University of Utah, Salt Lake City, Utah -- 1966.

**COLLEGE
ACTIVITIES**

Who's Who in American Colleges and Universities; President of Sigma Nu Fraternity; Member of Alpha Kappa Psi (National Business) Fraternity; Member of Blue Key (National Scholastic Honorary); and U.S. Army R.O.T.C. Distinguished Military Graduate.

**MILITARY
SCHOOLS**

Signal Officer Basic Course -- 1966; Communications Center Operations Course -- 1966; ADP Systems Analysis -- 1968; and Instructor Training -- 1968.

**MILITARY
EXPERIENCE**

U.S. Army Signal Corps, June 13, 1966 through June 30, 1969. Highest rank held was Captain. Entered as a Second Lieutenant upon completion of graduate study. Completed basic and advanced schooling prior to being assigned to Yuma Proving Ground, Arizona. Served in dual capacity as Chief of Military Personnel Division and Plans & Training Officer. Reassigned to Vietnam for one year and served as a signal Group Maintenance Officer responsible for staff coordination of over twenty units' maintenance activities. Upon completion of the Vietnam tour served as an instructor in the ADPS Division of the U.S. Army Signal School. Responsibilities included supervision of the programming section and four other instructors. Principal subjects taught were flowcharting techniques, programming documentation, COBOL, FORTRAN, and assembly language programming.

**PROFESSIONAL &
CIVIC ACTIVITIES**

Certified Public Accountant, Certified Data Processor, Certified Information Systems Auditor, Information Systems Audit and Control Association, American Institute of Certified Public Accountants, and Idaho Society of Certified Public Accountants. Member and past Vice-President and Treasurer of the Greater Pocatello Chamber of Commerce, and past President of Rotary Club. Serves on the Advisory Board of his church and has been an adult advisor to the Masonic sponsored youth groups.

**INDUSTRY
EXPERIENCE**

The Magnavox Company
Fort Wayne, Indiana
August 1, 1969 - August 11, 1972

Initially employed in the Government and Industrial division as a Computer Systems Analyst. Responsible for Analysis, design, and development of systems and programming specifications.

Reassigned to the Corporate Controller's staff as a Senior Systems Analyst to coordinate a Data Processing Internal Education Program. A curriculum was also developed for management and user groups in the fundamentals of computer data processing.

Ernst & Ernst
Indianapolis, Indiana
August 5, 1972 - September 13, 1974

Employed in Management Consulting Services as a Data Processing Specialist. Consulting engagements were varied, but included clerical methods and procedures reviews for an insurance company; a detailed review of an inventory control and forecasting system for retail drugstore chain; computer feasibility studies, equipment evaluations, and implementation systems for several manufacturing companies; implementation follow-up and systems modifications for a total inventory replenishment system which included forecasting, joint quantity purchasing, and continuous as well as periodic review of all items for the largest drug-retail chain in Indiana; and design and implementation of a complete material requirements planning system for a medium sized manufacturing company.

Performed general management consulting for clients which included organization and personnel studies; personnel screening and selection, design of basic accounting systems - manual and mechanized; and operations review of Accounting Departments.

Audit responsibilities included reviews of internal control in data processing installations in accordance with generally accepted auditing standards of the American Institute of Certified Public Accountants.

Rogers Brothers Food Company
Idaho Falls, Idaho
September 23, 1974 - March 11, 1976

Employed as Business Systems Development Manager in the Management Information Systems Department. Specialized in accounting applications on the computer and functioned as a liaison between the Accounting Department and MIS Department.

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Worked under the specific direction of the Corporate Controller to establish accounting procedures, controls, and methodology. Daily operational Problems related to purchased accounts payable and general ledger software packages forced a diversion of efforts from the original assigned tasks. Assigned as Project Leader of a Financial Information Systems project to define the general ledger/accounts payable requirements.

Shortly after the project was begun, Rogers Brothers Company was acquired by another company and a portion, in turn, sold to a second company. This series of events placed an extraordinary burden on the Accounting Department. Assigned to coordinate the monthly closings through the Data Center.

Deaton & Company, Chartered
Pocatello, Idaho
May 10, 1976 - present

Principal responsibilities have centered around the traditional CPA functions of auditing, tax services, and accounting and data processing services. Special client engagements have included internal control studies of highly sophisticated third generation and on-line data processing installations. Assisted in development of procedures used in data processing to insure adequate audit trails and controls to minimize fraud possibilities.

Became an officer-shareholder in the firm on July 1, 1980. Since that time has been responsible for a variety of the firms practice development and management duties.

Preeminent Report for Pocatello Dental Group

The purpose of this report is to establish the variances in practice quality based on my experiences as a dentist. In an attempt to determine what would be considered a preeminent practice this report will include Doctors, staff, equipment, training, management and service. Once those criteria have been established I will look specifically at the Pocatello Dental Group from the period 1996 to March 2004 a time frame that I was in fact a practicing dentist at the PDG.

The definition of preeminence means "standing out among all others because of superiority in a particular field or activity" or "highly distinguished or outstanding". Now that we have that definition lets look at how it would apply to the dental office in each of the following sections.

Doctor: In order for a doctor to be outstanding he must continually seek education after his graduation from dental school. He can do this by attending CE courses, attending a specialty school or by working with a clinically experienced Doctor in practice. He must also possess the qualities of caring and must be gentle in character and touch and be able to express those qualities to her patients

Staff: Staff members have the same responsibility if they are going to become highly distinguished. The office that they work in and their employers must encourage them to seek out courses that will allow them accreditation. One of the ways that this show of support can happen is for the office to pay for the courses that are necessary and once completed offer the employee a wage raise for taking the time and effort to increase their skills. This gives the employee the incentive to put in the time and effort to accomplish this goal. The goal of the office should be to have the entire staff be accredited dental assistants. The more assistants that fall into this category the more outstanding the office potential becomes. The staff is probably the most important resource in the office and must be treated as such. It takes many hours to train staff and that training costs money, the office is only as strong as its weakest employee so it is very important that they are not viewed as an easily replaceable entity because they are in fact your most expensive investment. Treat them well and they will more than reward you with their efforts.

Equipment: When one starts to talk about equipment for a dental office it must be known that there are many choices that come in to consideration and many different manufactures most of which make very good products. I will not attempt to point out which equipment is best but rather I am going to stress the condition of the equipment both in appearance, function and it should be technically at the cutting edge. Every doctor will have their preferences and this should be weighed into the equation but it must be said that a doctor must stay in the loop technically and with CE courses so they see what the latest movements in dentistry are.

Training: For an office to stay on top it must be willing to provide training for the staff members and also the doctors, this may come in the form of morning huddles,



regularly scheduled staff meetings and sending staff to seminars or classes for additional training.

For each separate job description the office must have procedural manuals that describe in complete detail the purpose of the task and how it is to be performed. This is a document that is constantly under construction since a preeminent practice is always looking for better and more efficient ways of getting the task done.

Management: Management in a dental office can come in the form of a Dr. Managed practice, the office can use a practice consultant, or the Dr. can hire a professional management company to help with all of the paper work that is part of an active dental practice.

Dr. Managed: The advantages of a Dr. Managed practice are usually seen in the beginning years of a practice when the patient volume is slow and the Dr. has time to oversee everything in the office. It is also a good way to decrease the costs associated with additional business personnel. The down side to this approach is that it can be a distraction from the job at hand, which is the treatment of patients. Employee management also takes a great deal of time to keep track of hours, schedules, benefits and concerns. This can lead to decreased production, less focus on patient care and decreased doctor satisfaction and fulfillment from her practice.

Practice Consultant: The practice consultant can act as an experienced guide to help the doctor manage his practice. Because the consultant has several practices that they work with the consultant gets an accelerated education in the dental field and thus he can be a great resource and problem solver for the practice. The dentist must learn to lean heavily on the consultant and constantly push the consultant in order to receive the value that the doctor is paying for.

Professionally Managed: A professionally managed practice should provide the most extensive and experienced management, they should be able to solve the problems of a practice quickly and inexpensively thus leading to a more efficiently run office. Professionally managed companies can get paid one of two ways either by taking a percentage of the gross collections or taking what is left after the expenses are paid. In my opinion they are much more helpful when they get paid from the collections this makes the office more cost conscious because the office will keep the extra dollars that come in at the end of each month, and the management company knows how much money they will have so budgeting becomes easier for them. The management company should act as a guide for the practice letting the practice know when costs are out of line but should never dictate how the practice is run.

The services provide by this management should include; Employee management from A-Z, Computer software and support, Complete Staff Training, Marketing, Real Estate (Leasing, Design, Architectural), Financial (Capital Loans, Equipment Loans, Expansion Loans, Moving, Providing the necessary information to the doctor as to timing of practice expansion), Purchasing of supplies which would include supplying multiple vendor options and pricing all on the internet. Everything should be available to the doctor, with efficient and easy ordering, equipment expertise and very competitive pricing because of their buying power. They should also provide offsite training seminars at least once a year for the office. Professional managed practices have to be

very careful to understand that their role in an office is to manage everything except patient treatment and patient care, which is the doctor's responsibility. All patient care and treatment decisions need to pass through the hands of the doctor. Patient care includes but may not be limited to chair side treatment, office policies concerning employee tasks, patient collections, dismissal or referral of patients because of missed appointments, failure to pay, bankruptcy or irreconcilable differences between the patient and the office. Before a patient can be dismissed it is the responsibility of the doctor to make sure that the patient is not in the midst of current treatment, which may include pulpal therapy, fixed and removable spacers, and placement of temporary fillings, functional appliances, bleaching, and any number of orthodontic appliances from a removable retainer to the placement of full braces.

Service: The following attitudes must be characterized by the preeminent practice:

1. The patient should feel comfortable at the office at all times.
2. The patient is the reason that the business exists.
3. Nothing is too good for the patient.
4. A dollar spent on them today is worth ten dollars later.
5. They are your best referral source. When you chase one away they will tell their story over and over again and you will lose others.

State of Pocatello Dental Group 1996

Doctors: There were 11 doctors at the PDG on Jan 1 1996 they included Russ Misner, Errol Ormond, Greg Romriell, Dwight Romriell, Ernie Sutton, Porter Sutton, Doug Akers, Brett Jacobson, Jay Goodliffe, Eric Johnson and Larry Bybee.

Staff: Each individual practice was adequately staffed, as per contract with management. Each doctor had a negotiated a maximum that was allowed for staff wages. If the doctors' practice exceeded those limits the overage was extracted from the doctors draw at the time of monthly reconciliation. There were training programs available at ISU and employees were encouraged to take those classes. Some of the doctors (Dr.'s Misner, Bybee, Greg Romriell) paid for those classes for their assistants with their own money.

Equipment: The equipment for the most part other than the new addition of 8 units (which took place in 1994-95) had not been updated since the start of business 1982. The facility included the following;

1. Original office
 - a. Reception area
 - b. Business Office
 - i. General Dentistry
 - ii. Pediatric Dentistry

- c. Treatment operatories
 - i. General Dentistry
 - 1. 9-10 Chairs
 - ii. Orthodontic
 - 1. 10 Chairs
 - iii. Periodontics
 - 1. 4-5 Chairs
 - iv. Pediatric Dentistry
 - 1. 8 Chairs
- d. No Staff lounge
- e. Mechanical Room
- f. 4 Private consultation Rooms
- g. 1 small doctor's office
- h. Nitrous room
- i. 2 Bathrooms
- j. 1 Lab
- k. 1 Central Sterilization/Storage combined
- l. X-ray Equipment
 - i. Panalipse
 - ii. Cephalometric
 - iii. 8 intra oral
 - iv.

Note: The pediatric clinic was remodeled in August 1998 at the request of Dr. Misner and the addition of Dr. Larry Bybee to the pedo practice as a full time associate. Before the remodel Dr. Misner's average yearly production was 650K. In early 1998 Dr. Misner spoke with Ken Davis (Interdent representative) and it was decided that a remodel would take place that would increase the treatment chairs to 10 total chairs in the pedo area. The total cost of the remodel was 90K including dental equipment, leasehold improvements and supplies. With the new addition Dr. Misner and Dr. Bybee were able to practice 4 days per week each. By the year 2002 the yearly production for the pedo area had reached a high of just under 1.7 million which is a 260% increase. As you can see this was a tremendous addition to the access for care for the children of Southeast Idaho and also provided a nice return on investment to the management company and should have marked the beginning of a total facility upgrade, however this would be the only and last of the upgrades for the Pocatello Dental Group through March 2004.

Note: The state of the equipment on the original side in 1996 was as follows. Most of the equipment on the original side was the same equipment that was placed with the original construction with the exception of a new developer, new compressors, a couple of new sterilizers and the addition of handpiece controls. It is my opinion that major dental equipment should be upgraded every 8-12 years this would include dental chairs, X-ray equipment, and mechanical as necessary, high speed hand pieces and dental lights. Smaller equipment such curing lights, intra-oral cameras, slow speed hand pieces, phone systems, leasehold improvements, computer systems should be updated and or replaced every 2-3 years because of the available technology in the newer systems and the wear and tear on the smaller equipment. Although the existing equipment at the PDG was aging it was in manageable condition but was not at the level of preeminence, technologically or conditionally. High and slow speed handpieces were continually in

JWB

repair, the cabinetry in the patient treatment areas were looking the part of laminated counters after years of use with cracks and chips, the carpet was in a shameful state of condition and looked worn and dirty. Walls needed new coverings, floors needed new carpets, furniture in the reception area was worn and out dated and needed replaced. Lighting that may have been top notch in 1982 was now severely behind the curve and needed attention at every treatment chair. In order for maximum eye comfort it is important that the available light around the doctor be close to the light provided by the dental light if this is not the case every time the doctor raises his vision from the work site the doctors eyes must adjust to the available light. By the end of the day the doctor will have trouble seeing color and will suffer from eye fatigue.

Note: An office that is interested in staying with the technological curve should look at budgeting at least 2-5% of gross on these improvements. In 2002 the total gross receipts for the Pocatello Dental Group was approximately 8 million dollars. Based on a 2-5% investment rate the management company should have spent 160-400K for the improvement of the Pocatello Dental Group. Instead it was reported by Dan Horrocks in the spring of 2003 that in the year 2002 only 50K was spent. Dan Horrocks was the office manager for the Pocatello and Idaho Falls offices run by Interdent.

2. New Office addition 1994-95
 - a. Reception area
 - b. Business Office
 - i. General Dentistry
 - c. Treatment operatories
 - i. General Dentistry
 1. 8Chairs
 - ii. TMJ Treatment Area
 - d. Staff lounge/ Conference Room
 - e. Mechanical Room
 - f. 2 Private consultation Rooms
 - g. 0 doctor's office
 - h. Nitrous room
 - i. 1 Bathroom
 - j. 1 Lab
 - k. 1 Central Sterilization/Storage combined
 - l. X-ray Equipment
 - i. 4 intra oral

Note: Although I am sure that initial set up costs were a consideration a panoramic x-ray machine should have been incorporated in the design of that office addition. The patients that required such a diagnostic film were walked across the public mall space and the film was taken in the original space. This was not only an inconvenience to the patient but also increased the time of scheduled treatment 5-10 minutes depending on the availability of the machine and the availability of office personnel at the time of the request to walk the patient over for the film.

Management: The Pocatello Dental Group in 1996 was being managed by Interdent Inc., this came about though a series of supposed acquisitions that started with a contract

between the Pocatello Dental Group and GMS, and this was then transferred to Gentle Dental and then Interdent Inc. I am not totally aware of when those transfers took place.

Service: Patient care at the PDG was at a high and the group practice was expanding rapidly in spite of the condition of the equipment. The group was viewed by the community as a great place to bring their families for dental care. The group's willingness to see every one with a tooth ache despite their ability to pay was bringing in new patients. The doctors determined the needed care and what treatment would be provided to the patients.

State of the Pocatello Dental Group March 2004

Doctors: At the time of this writing the following dentists are still working at the PDG, Ernie Sutton, Greg Romriell, Errol Ormond, and Doug Akers. In 1998-2000 the total dentists peaked at 13. Reasons for departure were as follows:

Kendall Snow- Specialty School

Wyatt Wood – Specialty School

Bret Jacobson – Change office to Idaho Falls (Interdent facility)

Porter Sutton – Unhappy with Interdent over patient care issues

Dwight Romriell (TMD/TMJ Specialist)– Removed by Interdent under duress and not at the recommendation of the PDG

Jay Goodliffe – Retired from the Pocatello Office now practicing in Lava (Interdent Office)

Eric Johnson (Orthodontist) – Unhappy with Interdent over patient care issues.

Russ Misner (Pediatric Dentist Specialist) – Unhappy with the Interdent over patient care issues.

Larry Bybee (General Dentist that treated children only) – Unhappy with the Interdent over patient care issues

Cory Snow – Unhappy with Interdent over patient care issues

Staff: Very concerned about the security of their jobs as the doctors were exiting the PDG, moral was at an all time low as employees were being given termination notices and were unsure of their continued employment.

Equipment: Eight years later the equipment has gone from manageable to critical.. Doctors were working with handpieces that were continually breaking down and being sent in for repair. Brad (from Sullivan Schein told me that the handpieces were so old that replacing the turbines was no longer working. Assistants were hiding handpieces at the end of their shift so that when they came to work the next day they would be able to have enough handpieces for their doctor. This meant that the next shift would not enough handpieces. Requests by the doctors to Interdent for addition handpieces went unheard for the most part some slow speed contra angles were provided to pedo. Curing lights and fiber optic lights were falling apart and needed replaced. Over head chair lighting was being repaired on a weekly basis as electrical wiring in the arm supports was brittle and breaking causing the lights not to work. Handpieces in the Orthodontic section were so old that it would take 30 seconds to change a bur when it should only take 5. The dental

units in the original side were showing the effect of continued wear, the laminate was chipped, cracked and needed attention. The facility looked like an old worn out building and not the pride of the community that it once was. The Peds section for a period of almost a year had to wrap a broken chair arm with duct tape. Not only was that unprofessional in appearance and embarrassing it was unclean and unsanitary. The entire office was in need of a face lift from top to bottom, new wall coverings, new patient treatment bays and new equipment. The only remodel that had taken place was the two bathrooms, a reworked doctor's lounge and the start of a staff break room. At the time of my leaving the staff break room was a joke. The ceiling tile was removed, the grid was hanging precariously above ones head, the walls were partially mudded, electrical outlets were uncovered, and the floor was cement. During a remodel this type of construction can be expected, but this was the condition of the staff lounge for over 6 months. I once came in on an after hours emergency so I brought the patient through the back door and through the staff lounge. What they saw totally embarrassed me. A dentist's office should always look clean and sanitary and in good repair. This was not the case at the PDG in fact it was the opposite.

Training: The dentists were understaffed with trained staff. Interdent was supposed to provide trained staff for the dentists but this was not happening. In the pedo area of which I am most familiar Dr. Bybee had to cut back his work schedule to 2 days a week in September of 2003 because of inadequate trained staff. Interdent had been informed by Dr.'s Misner and Bybee in January of 2003 of the need for trained assistants in August of 2003. The doctors were informed by staff members January of 2003 that one would be going to school in the fall, one was leaving to have a baby in July, and one was moving to Washington in August. The request for new staff was denied three times, in January, April and June. Dr. Errol Ormond had a staff member removed from his practice without the slightest warning. Dr. Greg Romriell experienced a similar act by Interdent in the removal of staff that he needed. Interdent was changing the PTO benefit package for employees without written notification or policy. Interdent was not following the definition of full and part time employees that was written in their employment manual. This was the cause of a lot of unrest in the Peds section each and every day. This type of distraction does not lend itself to preeminent patient care.

Management: The PDG grew rapidly in the years 1997-2002; I do not have hard numbers because those were not provided on a regular basis by management. In 1997 the total collections were around 5.5 million and in 2002 those collections had risen to close to 8 million. In late 2002 Interdent began to tighten its payment policies in its quest for cash, (unbeknownst to the PDG, Interdent was beginning bankruptcy proceedings of which they filed in May of 2003) the computer was removed from Pocatello without permission of the PDG, the receivables were removed without the permission of the PDG to an Interdent central business off in Washington. Patients were removed from doctors recall lists and placed on 2028-2031 lists without the knowledge of the doctors. Many patients were still in treatment which put the doctors at risk of patient abandonment. Interdent was not living up to the PDG contract according to the doctors. Patients were leaving the group at an alarming rate. Sales in 2003 were just over 6 million to the best of my recollection.

Service: Was at an all time low patients were leaving because of the way they were being treated by Interdent. Patients were being sent to collections for amounts owed as small as \$8.37. Fee for service patients were leaving and the only patients that were staying were medi-cade, partially because it was the only place where they could receive dental care. It was difficult to treat patients as the doctors wanted because they could not use the materials that they were familiar with. The doctors were forced to use materials that Interdent put on their formulary. This formulary was the compilation of a non dentist and if a doctor wanted to use a certain material it was required by Interdent that the dentist provide a reason why they should be allowed to use the material. The request would be reviewed by a non dentist and approval may or may not be allowed, if it was allowed the next time you wanted to order the same product you would again be required to go through the same process. When employees are concerned about their job security they do not perform their jobs as well and that means that patients are not receiving the dental care that they are entitled too.

Areas that need to be addressed to Return to Preeminence

1. **Equipment:** This would be the easiest and quickest thing to do to make the PDG rise to the level of preeminence since the only thing that it would require would be money. The attached chart would give an approximate value for the upgrade.

	Number Needed	Cost Each	Total
Equipment Needs			
New Operatories General	14	10000	140000
Updated Operatories	8	2000	16000
High Speed Handpieces	22	600	13200
Slow Speed Handpieces			
Motors	14	400	5600
Straight Handpieces	8	300	2400
Contral angles	18	300	5400
Curing Lights	22	600	13200
Dental Lights	14	2000	28000
Stools	14	300	4200
Nitrous Equipment Original			
Side	14	400	5600
Dr. Stools	14	300	4200
Pedo Operatories			
Dental Benches	10	2000	20000
Dental Carts	10	1500	15000
High Speed Handpieces	18	600	10800
Slow Speed Handpieces			
Motors	10	400	4000
Straight Handpieces	6	300	1800
Contral angles	16	300	4800
Curing Lights	10	600	6000
Dental Lights	10	2000	20000

Stools	10	300	3000
Patient Entertainment Chair side	10	500	5000
Patient Entertainment Holding	2	5000	10000
Dr. Stools	10	300	3000
Nitrous Equipment Original Side	10	3100	31000
Ortho Operatories			
Dental Chairs	10	1800	18000
Dental Carts	10	1500	15000
High Speed Handpieces	18	600	10800
Slow Speed Handpieces			
Motors	10	400	4000
Contral angles	16	300	4800
Curing Lights	10	600	6000
Straight Handpieces	16	300	4800
Stools	10	300	3000
Dr. Stools	10	300	3000
General Equipment			
Digital Panolipse	2	32000	64000
Digital Intraoral	8	3000	24000
Digital Scanner	2	21000	42000
Imaging Software	1	6000	6000
Computers	42	1300	54600
Intra-Oral Cameras	8	9000	72000
Patient Education Centers	4	3000	12000
Computer Software Upgrade	1	40000	40000
Isolite	10	1000	10000
Diagnodents	11	2200	24200
RhondoFlex	11	1800	19800
Prophyflex	14	600	8400
Cleanwater systems	34	200	6800
Sterilization Center			
Autoclaves	4	4000	16000
Statim 5000	2	5000	10000
Cassets	160	100	16000

Grand Total

907400

2. **Loss of Dentists:** This would take a lot of marketing and management would have to be willing to spend considerable resources to bring dentists in and to encourage them to stay based on the had reputation that has become a part of the PDG. In discussions that I have had with patients about the PDG they would not return under any circumstances because of the way they were treated by the front office. There weren't any complaints against the dentists only in the way their account was handled. My best estimate would be \$350,000 in marketing and advertising for the next 2 years. This would include in house brochures, in house image and logo, external advertising such as radio and TV blitz campaigns, and newspaper. \$600,000 in guarantees and perks to bring specialists back into the group. Specialists can sacrifice

patient referrals when they associate with general dentists so they would need to be convinced that they would have adequate referrals from within.

3. **Getting back the public's trust.** As long as there were consistent and fair approaches to treating patients, they would slowly come back, however I feel that the best thing that could happen would be to relocate the business. The PDG occupied 13,000 square feet of retail space. The cost of leasehold improvements would be 85- 100 dollars per square foot (and that is on the low side) for a total of 1.1- 1.3 million dollars

4. **Staff:** Finding qualified staff is one thing and keeping them is another. The management would have to be willing to pay to the upper wage scale in order to entice qualified people in the area to come back to work or to change employers. Maintaining the existing philosophy of I can get anyone to suck spit would have to go. That was a remark I heard one of the Dr.'s quoted from Kevin Webb. Another quote from Mr. Webb dealt with Dr. Misner and Bybee's attempt to get staff for their pedo practice a few months early. It takes longer to train a Pediatric assistant because we are dealing with children that are many times afraid and apprehensive. Mr. Webb simply said "that is not how we do business" the cost to hire two employees to train for 4 months would be 130 hours a month at \$9.00 per hour for two employees would have been a total cost of just under \$10,000. When the need for those trained employees materialized in September 2003 they were not available, the Pediatric clinic had to reduce the hours of Dr. Bybee and reduce the patient load so that the staff on hand could safely treat and give the proper attention to the patients. Sales in 2003 were \$400,000 less than 2002 for the Pedo area. I don't have a number for this because I was never privy to company payroll figures. However in my new office we have raised the average wage of our employees by about 10%. The average office should be paying about 23% for employee benefits, thus in 2002 when the PDG collected 8 million dollars their employee cost would have been roughly 1.84 million dollars. So the cost to increase keep and maintain staff would be an additional \$184,000 per year.

5. **Management:** Interdent would need to accept and honor the existing management agreement, this based on conversation with the doctors would never happen. Dr. Greg Romriell, Dr. Errol Ormond and Dr. Dwight Romriell were in a meeting with Ivar China in Pocatello Idaho at the PDG where he said "once we take over an office we just ignore those contracts." He also told Dr. Greg Romriell "once you become an Interdent office the contracts be damned." This last statement was over heard by Dr. Dwight Romriell.
 - a. In January of 2003 Dr. Misner and Dr. Bybee met with Ivar China in Las Vegas, NV at the annual Interdent Company meeting. They had arranged a time to meet with Ivar to offer some ideas that would save Interdent over 1 million dollars and year in matching FICA and a way that they could pay the Doctors a lesser % and still keep the doctors happy. Mr. China told them that he had more pressing things to deal with at that time but what we were recommending was not how

LWB

Interdent did business. Little did we know at that time that the more pressing matters that he was speaking of were getting the company ready to file its bankruptcy papers.

- b. I don't believe that at this time the wounds could be healed by either side to the point that the relationship could continue, if the PDG was to regain its preeminence it would need to do so without the current management company. There is no trust on either side.
6. If it was possible for the PDG to start over again and attain the position of the preeminent practice that was supposed to be the goal set by the PDG and GMS 8 years ago the cost breakdown would be as follows.
- a. Equipment - \$907,000
 - i. Budgeted cost overrun at 10% - \$91,000
 - b. Marketing and advertising - \$350,000
 - c. Recruiting Dentists - \$600,000
 - d. Leasehold Improvements for new space - \$1,100,000 - 1,300,000
 - i. Budgeted cost overrun at 10% - \$110,000
 - ii. Design and Architecture at 4% - \$50,000
 - iii. General Contractor at 8% - \$100,000
 - e. Additional Employee Costs - \$184,000 per year
 - i. Practice consultant - \$30,000
 - ii. Development Director - \$70,000
7. **Total for new office = \$3,600,000- 3,800,000**

Data and Information Considered:

The source of information that I used to compile this report has been derived from the experience that I gained from building my own practice at 716 Yellowstone in Pocatello Idaho. The office is 7200 square feet so there is a correlation in size from that office to a projected new office for the PDG.

I have been to over 10 dental shows throughout the country over the past 15 months and have spoken with many dental reps and manufactures about equipment and have seen first hand the new cutting edge technologies that are entering the dental profession, everything from telephone answering systems technology to digital x-ray systems. Shea Davis laughed at me on a couple of occasions because I was unaware of simple technology like disposable suction tips and 3 way syringes. This came about because dental reps were not allowed at the PDG at the directive of Interdent. (Becky)

Exhibits:

Exhibit A - DMD Contract

Exhibit B - Example of Practice consultant Contract

Exhibit C - Telephone and Computers

Exhibit D - Dental Equipment Proposal

Exhibit E - Dental Equipment List from Sullivan Schein

Exhibit F - NSK Handpiece Sales Order

Exhibit G - Steri-Source Price list

Exhibit H - Steri-Source Sample Contract

Exhibit I - Cost Estimate Tracking Sheet for KiDDS Dental

Qualifications: I have been in private practice for 17 years in the Pocatello area, I have also taught at the Idaho State University Hygiene School from 1978-1996 in both the classroom and clinic.

Compensation for Report: *#100 per hour. #1500 for Report*

Other Cases of Testimony:

"Pocatello Dental Group vs. Interdent Service Corporation, US District Court, Idaho, 2004"

Larry W. Byler
7/13/2004



DentalMarketingDesign

23 February 2004
ATTN: Larry W. Bybee, DDS
L Russ Misner, DDS
KIDDS Dental
c/o 9658 W Heather Rd
Pocatello, ID 83204-7232
Wk: (208) 233-4104

Specializing in Professional
Dental Practices since 1983

Strategic Practice Market
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Marketing and Practice
Building services, including:

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Recall Programs

Patient Referral Programs

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Direct Mail Programs

Patient Education Tools

Exterior and Interior
Signage

Promotional Products:

Holiday Cards

Team Uniforms

Mugs

Bags

Calendars

Advertising Specialties

224 Lake Lowell Ave.
Nampa, ID 83686
208-467-0000
Toll Free 800-388-3307
FAX 208-466-6562

info@DentalMarketingDesign.com

Description

10 Month StartUp Marketing Plan

Develop a complete one year StartUp Marketing Plan to include the planning, creation, development and production of essential start-up marketing systems and materials for KIDDS Dental. This marketing program to include:

Identity Package:

- Original Logo Design*, standardization and Master CD.
- Stationery design, including:

Letterhead	Occasion Cards
#10 Business Envelope	Occasion Envelopes
#10 Utility Envelope	Patient Information form
Business Cards	Patient Financial Agreement
Appointment Cards	Prescription Pads
- Printer-ready production services (see "Printing" below)
- Printer coordination and direction (as needed)
- Master CD with color and black and white versions of the logo in TIF, EPS, AI, JPG and PDF formats.

Signage:

- Design recommendations for exterior signage.
- Interior signage design and recommendations.
- Signage production coordination** OR
- Signage art production and transfer to sign company of client's choice.

Telephone Book Advertising

- Develop a phone book advertising plan for DEX and YellowBook for Idaho Falls, Pocatello and Twin Falls (four total books).
- Ad design template to be used for all ads. Note: Ads for different books and companies come due at different times in the year. Coordination will include providing art for books as they come due.
- Pricing negotiation.
- Production art for ads provided to phone book advertising companies.

Practice Referral Brochures

- Design, write and produce 8.5 x 11 tri-panel brochures to be given to potential referral sources of KIDDS Dental.
- Photography research, recommendations and procurement***.
- Printer-ready production services (see "Printing" below)
- Printer coordination and direction (as needed)

Referral Marketing Form

- Form designed to be given to referral sources and completed when they refer a patient to KIDDS Dental.
- Form will be designed as an information AND marketing document
- Printer-ready production services (see "Printing" below)
- Printer coordination and direction (as needed)

Practice Website

- Design of website, including site map, text and graphics/
- Implementation of site and technical programming.
- Maintenance of site for duration of contract.
- Monthly website hosting fee for duration of contract.

Moving Direct Mail Letters

- Writing and production of letter.

Announcement Ads

- Design and Production of ads
- Ad placement in newspaper



DentalMarketingDesign

Practice StartUp Marketing Program (cont.)

Specializing in Professional Dental Practices since 1983

Strategic Practice Market Planning

Marketing and Practice Building services, including:

Complete Logo Design

Brochure Design

Website Design and Hosting

Professional Printing

Stationery

Custom Forms

Recall Programs

Patient Referral Programs

Preferred Patient Program

Phone Book Advertising

Direct Mail Programs

Patient Education Tools

Exterior and Interior Signage

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Description (cont.)

Patient Referral Program

- Purpose: to extract new patients from current patient base
- Development of letters, mailing and follow up systems.

Active Kids Posters

- Design and produce series of posters to be displayed throughout office

Specialties

- T Shirt design and production
- Balloon design
- Home Care Kits
- Xylitol book cover

Direct Response Print Advertising Campaign

- Develop ads and plan ongoing placement
- Create support information booklets
- Create monitoring and management system to be managed by staff.

Ongoing Marketing Systems and Projects

- Serve as "Marketing Director" for KIDDS to refer advertising sales vendors to
- Review additional marketing opportunities as they emerge
- Create additional projects based on need.

• *This includes the design of up to three Logo concepts. Additional designs will be provided at the rate of \$150 per Logo. After additional design concept has been approved (if additional designs are requested), services return to the original contract as specified above.*

** *DMD will provide signage estimates from our signage company, including onsite installation for client approval. Client may choose to coordinate signage themselves if they desire.*

*** *Photographic images accessed from stock photo libraries run from \$80 to \$160 depending on resolution requirements. These are royalty free usage fees meaning once the rights are purchased no additional fees are charged for any future use of those images on projects for KIDDS Dental.*

Fee \$ 14,000

Terms \$ 2000 deposit to begin.
\$ 1200 per month retainer, first of month April, 2004 — January 2005.

Terms of Completion

Proposal completion is not dependant nor determined by actual printing of materials designed or prepared. Client is still responsible for the design, preproduction and any third party services or products (such as purchased stock photography) on any item even if client determines not to produce that item.

Termination

Project may be terminated by either party by formal, written communication. Any fees, based on our hourly rate up to the full price of the proposal, accrued up to the date and time of termination, regardless of level of project completion, plus any third party products or services, are due and payable immediately.

Printing

Due to variables in printing, this proposal does *not* include actual printing of other production costs. Prior to production prices and recommendations will be provided for client approval.

B

SERVICE AGREEMENT

February 5, 2004

TO: Valley Dental
Drs. R. Misner & L. Bybee
775 Yellowstone
PMB # 171
Pocatello, Idaho 83201
208-251-7050

FROM: Larry Wintersteen
Wintersteen & Associates
7337 Northview Street
Boise, Idaho 83704
378-8181

SUBJECT: Proposal - Team Services
as per requested and discussed

OBJECTIVE: Third party - Diagnosis, search/support/resource - consultation -
training - Practice Development

DESCRIPTION: Two Phase Proposal

Phase One: Pre-Practice Services/Preparation. (pre-May)

- a. Market research and create a written Marketing Plan for the practice – in cooperation with Kevin Nelson and O.C.A. services as needed.
- b. Create Job Description for new Development Director/ Manager. Participate in the search, training and mentoring of this new person. Days committed – as needed. Also formulate staffing schematic and help in the selection and structure of personnel as needed.

Also be a resource consultant upon request.

Phase Two: Implementation: (May 2004 - December 2005)

- a. Implementation agreement – with 30 day written cancellation by either party – for whatever reason.

- b. Implementation Description: (Training/Resource)
 - Monthly Private - Dr. & Development Director consultation - email or phone - as needed.
 - Three day practice visits in April, *June, August, October, *December of 2004 & February, April, *June, August & *December 2005. Services to be coordinated with new Development Director.
 - ALL TEAM Meeting in *June and *December - for the entire staff.
 - Additional visits upon scheduled request. No extra fee – just T&E.
 - Consult/Resource for Development Director and Drs – as needed.
 - Resource Center for practice development
 - Patient Telephone Survey upon request
 - Work in close cooperation with the Development Director for Practice growth and development. Address Proforma standards.

FEE/TERMS: Adjusted

Phase One - Pre-Practice: \$7,500.00 Total

- A. Market research & written Marketing Plan
Fee: \$3,500 + T & E.
- B. Development Director job description and search. Staff schematic and assist in selection, as needed. Systems resource person.
Fee: \$4,000 total + T&E.

Terms: 50% due with this signed agreement and balance due, upon statement April 1, 2004.

Phase Two - Implementation: Fixed monthly retainer

Monthly installment of **\$800.00 per month**
+ T&E per visit.
May 1, 2004 thru Dec. 2005
Payable to Wintersteen & Associates upon
statement

Network, telephone, and computer systems for Kids Dental

Facility Wiring

- Network wiring – 95 data drops as specified on floor plan
- Telephone wiring – 63 phone drops as specified on floor plan plus three additional drops to be determined for placing computers with modems
 - 8 of these drops are analog lines for fax machines and backup modems
- CATV wiring – 18 CATV drops as specified on floor plan
- All data, telephone, CATV, and background audio wiring will run in a cable tray that runs down the center of the building. Placement of the cable tray to be determined after meeting with the general contractor.
- All wiring will terminate in the southwest corner of the supply/model staging room. This will require a 6'x4' area for wiring and equipment.
- I have assumed that the space above the ceiling tiles does not require plenum-rated cable. If this space is plenum space, cable cost will need to be recalculated. I will determine this with the general contractor right after the contractor is selected.

Computer Network

- Network will tie to two Internet connections, one from CableONE and the other from an ISP to be determined. A Linksys/Cisco router will handle load-balancing between the two circuits.
- CableONE does not have service to the building but is working on a site survey. They will provide information on installation time and any costs by 22 March.
- DSL bandwidth is lower than preferred because of distance from the central office (downtown at Lewis and Garfield). Depending on actual bandwidth needed once the office is running, it may be necessary to upgrade to another type of circuit. The upgrade would be to increase total bandwidth as well as fail-over bandwidth available if the CableONE circuit goes down.
- About half of the network (45 of 95 drops) is actually being used. All 95 connections will be punched into the patch panel, but only the ones used will be patched into the network switches. Any network expansion beyond this configuration will require another switch. (Specified switches are about \$250 each.)

Computer Systems

- Dell Optiplex GX270 computers to be installed in the following areas:
 - 4 in quiet operator area (1 with modem)
 - 6 in regular operator area (1 with modem)
 - 6 in hygiene operator area (1 with modem)
 - 1 in doctors' office
 - 1 in developer area

- 1 in records office
- 5 in post-treatment area
- 2 in consultation rooms (1 in each room)
- 3 in pre-treatment area
- 4 in business office (2 with modems)
- 2 at patient check-in area
- 1 in ortho operatory area
- 1 spare
- All computers will have local battery backup. Computers in operatory and developer areas will have keyboards that can be easily wiped for sterilizing. Computers are covered by Dell's standard three-year warranty.
- Three laser printers to be installed
 - 2 in office
 - 1 near sterilization
- Four color inkjet printers to be installed
 - 2 in consultation rooms (1 in each room)
 - 1 in developer area
 - 1 in doctors' office
- 120GB Network attached storage device installed for local image storage

Telephone System

- Telephone system is Norstar MICS configured for eight incoming lines and 32 extensions.
- 23 Extensions to be installed initially:
 - 4 Norstar M7324 telephones in business office
 - 2 Norstar M7100 telephones for patient use (one on each side of business office just inside door from lobby)
 - 1 Norstar M7208 telephone in pre-treatment area
 - 2 Norstar M7208 telephones in post-treatment area
 - 2 Norstar M7208 telephones in consultation rooms (one in each room)
 - 1 Norstar M7208 telephone in records room
 - 1 Norstar M7208 telephone in developer area
 - 2 Norstar M7324 telephones in doctors' office
 - 1 Norstar M7208 telephone in lab
 - 1 Norstar M7208 telephone in supply room
 - 1 Norstar M7208 telephone in hygiene bay
 - 1 Norstar M7208 telephone in operatory area
 - 1 Norstar M7208 telephone in quiet operatory
 - 2 Norstar M7208 telephones in ortho operatory area (one at each end)
 - 1 Spare Norstar M7208
- MICS can be expanded as necessary to well beyond what you would need in this office (200+ extensions).
- We will need to determine actual number of phone lines needed (including fax lines) and preferred vanity numbers. I will coordinate ordering and installation with Qwest.

Operatory Televisions

- 15" LCD Panel television to be mounted above each pedo operatory. Mounting method to be determined after meeting with general contractor.
- Televisions can be tuned independently to any of the non-digital cables offered by CableONE. (Essentially everything up to channel 70.) Tuning televisions to anything above channel 70 will require all televisions to be tuned to the same channel.
- Audio from each television will be wired through the wall back down to speakers mounted in or on the operatory chair. The channel (if televisions are set to tune independently) and volume will be controlled by the television remote control.
- Two televisions (to be selected - not calculated into this total) in reception area will play The Smile Channel from CAESY. *I will be Regular T.V.*
- I will coordinate ordering and installation of CAESY but have not included the cost of the system or warranty in this total. CAESY unit will be located in supply/model staging area.

Background Audio

- Background audio system will cover all operatory areas and business office / reception area. Each room will have its own volume control. Pedo operatories will share one audio channel and the ortho operatories will share another.
- The front areas (reception, hallways, and business office) will have a switch that allows selecting either audio channel.
- Background audio will be configured to use CableONE digital music as the audio inputs. Two cable boxes will be required (one for each channel) so that the two areas can have different background audio.
- Different audio sources (instead of CableONE) can be used, if needed.
- Pedo operatory areas will use a simpler speaker system that provides basic audio coverage. The design anticipates that these areas will be noisier (drills, suction, low-level TV audio) and the sound quality reflects that.
- Ortho operatory areas use an upgraded speaker system that provides better audio, anticipating that these areas will have less background noise and patients that are more likely to listen to the music.
- The hallway between the ortho and pedo areas is left as a quiet area to provide buffer space between the two audio channels.

<u>Building improvements</u>	<u>\$24,500.00</u>
<u>Tangible equipment</u>	<u>\$55,000.00</u>
<u>Sales tax</u>	<u>\$3,300.00</u>
<u>Total</u>	<u>\$82,800.00</u>

Telephone Equipment (New Equipment)

Norstar Modular Integrated Communication System

The Norstar MICS is an expandable key telephone system. This configuration handles eight incoming telephone lines and up to 32 telephone sets and can be expanded as needed.

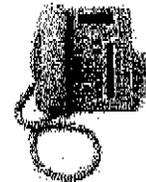
Norstar T7316 Display phone

The T7316 is the full-featured phone for this system. These phones would be used in the business office and doctors' office.



Norstar T7208 Display phone

The T7208 is a multi-line telephone. These phones would be used in operatories, consultation rooms, and other areas where full access to the phone system is needed but the full features of the T7316 are not required.



Norstar T7100 Display phone

The T7100 display phone is a single-line telephone. These phones would be used in common areas as a courtesy telephone.



Equipment	Qty	Cost	Extended
Norstar MICS w/software and cartridges for 8 incoming lines	1	\$1,900	\$1,900
Norstar T7316 Display phone	6	\$160	\$960
Norstar T7208 Display phone	21	\$140	\$2,940
Norstar T7100 Display phone	2	\$120	\$240
Total installed equipment cost			\$6,040

Telephone Equipment (Refurbished Equipment)

Norstar Modular Integrated Communication System

The Norstar MICS is an expandable key telephone system. This configuration handles eight incoming telephone lines and up to 32 telephone sets and can be expanded as needed. This refurbished KSU runs an older version of the Norstar software. There is very little difference in the software features since the system will not be handling voice mail.

Norstar M7324 Display phone

The M7324 is the full-featured phone for this system. These phones would be used in the business office and doctors' office.



Norstar M7208 Display phone

The M7208 is a multi-line telephone. These phones would be used in operatories, consultation rooms, and other areas where full access to the phone system is needed but the full features of the T7316 are not required.



Norstar M7100 Display phone

The M7100 display phone is a single-line telephone. These phones would be used in common areas as a courtesy telephone.



Equipment	Qty	Cost	Extended
Norstar MICS w/software and cartridges for 8 incoming lines	1	\$1,500	\$1,500
Norstar M7324 Display phone	6	\$140	\$840
Norstar M7208 Display phone	13	\$115	\$2,415
Norstar M7100 Display phone	2	\$80	\$160
Total installed equipment cost			\$4,915

New switch with these phones 5300
+ 700

PROPOSAL

Case# 11111114

Pocastello Pedodontics

Idahr 83201

Phone:

Home:

Contact:

Idahr 83201

Pocastello

Phone:

Contact:

Approximate Installation Date:

Order #: 20031124082545148

Bid Date: 1/14/2004

Rev. Date: 1/14/2004

Rev. Time: 9:31:03 PM

Bid Expires:

Page 1 of 3

Qty	Manuf	PIN	Product Description	Retail Cost		Dental Cost	
				Each	Extended	Each	Extended
			ORTHODONTIC AREA				
7		APPROX COS	ORTHO CART AS DRAWN (cost for Estimate only)	\$2,490.00	\$17,430.00	\$2,490.00	\$17,430.00
7	DCI	4415	Panel Mount Auto Control	\$825.00	\$5,775.00	\$625.00	\$4,375.00
7	DCI	5405	Deluxe Central Vac Pkg.	\$283.00	\$1,981.00	\$215.00	\$1,505.00
			PEDODONTIC AREA				
16		APPROX COS	PEDO CART AS DRAWN (cost for Estimate only)	\$2,490.00	\$39,840.00	\$2,490.00	\$39,840.00
16	DCI	4415	Panel Mount Auto Control	\$825.00	\$13,200.00	\$625.00	\$10,000.00
10	DCI	8765	Power Pac/Low Profile	\$296.00	\$2,960.00	\$193.00	\$1,930.00
20	DCI	8807	ISO F/O HdPc Tubing, Gray	\$132.00	\$2,640.00	\$86.00	\$1,720.00
16	DCI	4445	Cabinet Mt Holder Bar Ass	\$122.19	\$1,955.04	\$82.00	\$1,312.00
16	DCI	5945	Holder Unit Standard GRAY	\$15.90	\$254.40	\$13.00	\$208.00
16	DCI	8386	Asst Instrumentation-Deluxe w/ 4 Piece Holder Bar & Holders	\$598.00	\$9,568.00	\$419.00	\$6,704.00
10	BELMON	AL502T9.5	Clesta CEILING LIGHT, 9.5	\$2,280.00	\$22,800.00	\$1,622.00	\$16,220.00
6	BELMON	BLC	Excalibur Light Ceiling Mount	\$1,860.00	\$11,160.00	\$1,324.00	\$7,944.00
10	ACCUT	36600	ULTRA-PC CAB.MINT PKG."G"	\$3,650.00	\$36,500.00	\$2,597.00	\$25,970.00
1	ACCUT	39100	Guardian Auto Switch Sy A	\$3,995.00	\$3,995.00	\$2,843.00	\$2,843.00
16		DOMIE	DRS. STOOL (PRICED FOR ESTIMATE ONLY)	\$200.00	\$3,200.00	\$200.00	\$3,200.00
16	DELTUB	2021BFR	2021BFR ASST STOOL w/ Round Seat DOME CHAIR	\$399.00	\$6,384.00	\$259.00	\$4,144.00
2	KAVO	1000.4672	PROPHYflex 3	\$1,194.99	\$2,389.98	\$1,161.00	\$2,322.00
					\$182,032.42		\$147,667.00

Notes

PLUS STATE TAX



A HENRY SCHEIN COMPANY

Sullivan Schein

2404 SO. ORCHARD ST. #1800

BOISE ID 83705

Phone: 208-433-1852 Fax: 208-433-0100

PROPOSAL

Quote# 1111114

Pocatello Pedodontics
 Pocatello ID: 83201
 Phone: _____
 Home: _____
 Contact: _____

Main
 Pocatello ID: 83201
 Phone: _____
 Contact: _____
 Approximate Installation Date: _____

Order #: 20031124082545148
 Bid Date: 1/14/2004
 Rev. Date: 1/14/2004
 Rev. Time: 9:31:05 PM
 Bid Expires: _____
 Page 2 of 3

Qty	Manuf	PIN	Product Description	Retail Cost		Dealer Cost		Stock Code
				Each	Extended	Each	Extended	
2	KAVO	1000.4675	Rondoflex-Complete Kit	\$1,899.99	\$3,799.98	\$1,822.00	\$3,644.00	628-4675
14	KAVO	1001.3903	Gentleforce Lux 3 6000B HP	\$949.99	\$13,299.86	\$921.00	\$12,894.00	628-5595
			OPTION #1 FIBER OPTIC SLOW SPEED					
10	KAVO	535.5210	INTRAMATIC Lux 2 181L Air FIBER OPTIC SYSTEM	\$1,224.99	\$12,249.90	\$1,392.00	\$13,920.00	628-5902
10	KAVO	534.5850	Intramatic Lux 20LH Angle	\$571.99	\$5,719.90	\$657.00	\$6,570.00	628-4227
10	KAVO	540.2040	IntraLux Latch Head 68LH FO	\$339.99	\$3,399.90	\$389.00	\$3,890.00	628-7705
2	KAVO	524.1150	Intramatic Lux 10LH 1:1 Straight	\$823.99	\$1,647.98	\$942.00	\$1,884.00	628-8336
			OPTION #2 NON FIBER OPTIC SLOW SPEED					
10	KAVO	535.5260	Intra K 181K Motor 2000RPM	\$471.99	\$4,719.90	\$547.00	\$5,470.00	628-1174
10	KAVO	534.5330	Intra K Angle Attachment	\$285.99	\$2,859.90	\$323.00	\$3,230.00	628-3125
10	KAVO	540.1750	Intra K Latch Head 68G 1:1	\$230.99	\$2,309.90	\$258.00	\$2,580.00	628-4189
2	KAVO		10K Straight Attachment	\$385.00	\$770.00	\$375.00	\$750.00	
4	GALENT	3000	3000 X-Ray & Exam Chair	\$1,020.00	\$4,080.00	\$736.00	\$2,944.00	393-4706
			COMBINED USE					
1	BELMON	EX-2000	X-calibur Panoseph X-ray	\$32,500.00	\$32,500.00	\$19,207.00	\$19,207.00	144-6486
3	BELMON	D96-31	BeRay X-ray W/Std 3 in Ar	\$4,930.00	\$14,790.00	\$2,883.00	\$8,649.00	144-1633
1	AIRTEC	73-408	ScanX Digit Imaging Xray	\$19,995.00	\$19,995.00	\$17,821.00	\$17,821.00	698-0986
1	SCICAN	DS-07X	Image FX Scan-X Standler	\$3,195.00	\$3,195.00	\$3,124.00	\$3,124.00	138-2707
1	SCICAN	DS-03	Multi-User Network Node	\$675.00	\$675.00	\$660.00	\$660.00	138-2218
1	AIRTEC	4500J	AT-2000XR Film Processor	\$7,235.00	\$7,235.00	\$5,159.00	\$5,159.00	698-6598
1	AIRTEC	45110	Panoramic Daylight Loader	\$990.00	\$990.00	\$736.00	\$736.00	698-6172
					\$134,237.22		\$113,132.00	

Notes

PLUS STATE TAX

Sullivan-Schein Dental
 A HENRY SCHEIN COMPANY

Sullivan Schein
 2404 SO. ORCHARD ST. #1000
 BOISE ID 83705
 Phone: 208-433-1852 Fax: 208-433-0100



Sullivan-Schein Dental

A HENRY SCHEIN COMPANY

INVOICE

EQUIPMENT SALES AND SERVICE

Ortho Centers of America
 3850 N Causeway Blvd Ste 990
 Accounts Payable
 Metairie, LA 70002-8127

SHIP TO: 91061453
 OCA Larry Sykes & Russ Mieser
 716 Yellowstone Ave
 Pocatello, ID 83202-4407

BILL TO: 00820583
 Ortho Centers of America
 3850 N Causeway Blvd Ste 990
 Accounts Payable
 Metairie, LA 70002-8127

REFERENCE	27076314
INVOICE#	1177179
INVOICE DATE	06/08/2004

BRANCH	SBD-Boise, ID
ORDER#	C50657
PAGE	3

LINE#	ITEM#	DESCRIPTION	QTY	PRICE	TOTAL
	S/N: 10028				
	S/N: 10029				
	S/N: 10032				
	S/N: 10033				
	S/N: 10031				
12	1072419	ACCUTRON INC PIGTAIL-02	3.00	73.00	219.00
13	1078447	ACCUTRON INC PIGTAIL-N20	3.00	73.00	219.00
14	1874084	ACCUTRON INC Guardian Auto Switch Sy B	1.00	3065.00	3065.00
	S/N: 040603188002				
15	1071471	ACCUTRON INC Zone Valve w/ Auto Manifold	1.00	748.00	748.00
16	6224675	KAVO AMERICA RondoFlex-Complete Kit	2.00	1822.00	3644.00
	S/N: 1004250				
	S/N: 1003981				
17	1446486	BELMONT EQUI X-calibur Pen/ceph X-ray	1.00	17395.00	17395.00
	S/N: 1560996				
18	1441633	BELMONT EQUI BelRay X-ray w/Std 31in ARM	2.00	2699.00	2699.00
	S/N: D01026				
19	1444386	BELMONT EQUI BelRay 086 Xray w/12in ARM	2.00	2915.00	5830.00
	S/N: C07045				
	S/N: C10213				
20	6980996	AIR TECHNIQU ScanX Digital Imaging Xray	1.00	17500.00	17500.00
	S/N: 3949				
21	6983862	AIR TECHNIQU ScanX Plate Eraser	2.00	780.00	780.00
	S/N: 2006				
22	2639165	DENT-X CORPO 810 Basic Film Processor	1.00	3745.00	3745.00
	S/N: 810-22841-0404				
23	2636711	DENT-X CORPO 810/9000 Daylite Loader	1.00	536.00	536.00

REFERENCE: 27076314
 INVOICE# 1177179
 INVOICE DATE: 06/08/2004
 ORDER# C50657

Continued on Next Page



INVOICE

EQUIPMENT SALES AND SERVICE

Ortho Centers of America
 3850 N Causeway Blvd Ste 990
 Metairie, LA 70002-8127

SHIP TO: 01061453
 C/O Larry Bybee & Russ Misner
 716 Yellowstone Ave
 Pocatello, ID 83201-4807

BILL TO: 00820583
 Ortho Centers of America
 3850 N Causeway Blvd Ste 990
 Metairie, LA 70002-8127

REFERENCE#	27076314
INVOICE#	1177179
INVOICE DATE	06/08/2004

BRANCH	SSD-Boise, ID
ORDER#	C50657
PAGE#	1

LINE#	ITEM#	DESCRIPTION	Qty	PRICE	TOTAL
WO: W801060661 Technician: YRBOPE 990-Boise, ID					
Date of Service: 5/06/2004 Date of Completion: 5/06/2004 PO: 78163-CDR					
F: RIN INSTALLATION ORDER R: RIN INSTALLATION					
PAYMENT DUE ON DELIVERY					
R050604DP/TT					
1	6424081	DENTAL COMPO Panel Mount Auto Control	7.00	575.00	4025.00
2	6423946	DENTAL COMPO Deluxe Central Vac Pkg.	7.00	195.00	1365.00
3	6422295	DENTAL COMPO Clean water System-2 Liter	7.00	119.00	833.00
4	6424083	DENTAL COMPO Panel Mount Auto Control	11.00	575.00	6325.00
6	6434707	DENTAL COMPO Cabinet Mnt Hlder Bar Assy	10.00	76.00	760.00
5	6421722	DENTAL COMPO Holder Unit Standard Blk.	2.00	10.00	20.00
7	6426475	DENTAL COMPO Asst. Instrumentan.-Deluxe	13.00	374.00	4862.00
		S/N: 040602187810			
		S/N: 040602187811			
		S/N: 040602187807			
		S/N: 040602187808			
		S/N: 040602187809			
		S/N: 040602187804			
		S/N: 040602187805			
		S/N: 040602187806			
		S/N: 040602187801			
		S/N: 040602187802			
		S/N: 040602187803			
		S/N: 040602187800			
		S/N: 040602187799			

Center Sale

REFERENCE#	27076314
INVOICE#	1177179
INVOICE DATE	06/08/2004
ORDER#	C50657

Continued on Next Page



Sullivan-Schein Dental

A HENRY SCHEIN COMPANY

INVOICE

EQUIPMENT SALES AND SERVICE

Ortho Centers of America
3850 N Causeway Blvd Ste 990
Accounts Payable
Metairie, LA 70002-8127

SHIP TO: 01061453
OCA Larry Bybee & Russ Mianar
716 Yellowstone Ave
Peaslee, ID 83201-4407

BILL TO: 00820583
Ortho Centers of America
3850 N Causeway Blvd Ste 990
Accounts Payable
Metairie, LA 70002-8127

REFERENCE#	27076314
INVOICE#	1177179
INVOICE DATE	06/08/2004

BRANCH	SSD-Boise, ID
ORDER#	CR0657
PAGE#	4

LINE#	ITEM#	DESCRIPTION	QTY	PRICE	TOTAL
	S/N: 040603188081				
24	2637405 DENT-X CORPO	EPA Compliance Kit	1.00	224.00	224.00
25	2632787 DENT-X CORPO	Recovery Tank-Quick Silver	1.00	162.00	162.00
26	2388030 BICAN CORPO	Statim 2000 Cassette Autoclave	1.00	3195.00	3195.00
	S/N: 2101DL0073				
27	5521220 PELTON & CRA	Delta 10XL Sterilizer-220V	2.00	3485.00	6970.00
	S/N: AF-11429				
	S/N: AF-11429				
28	6984700 AIR TECHNIQU	STS-10 Dual Dry Vac System	1.00	11942.00	11942.00
	S/N: 1000/1127,1128				
29	6987479 AIR TECHNIQU	Airstar 70 Compressor-Triple	1.00	7710.00	7710.00
	S/N: 701280				
30	6988527 AIR TECHNIQU	3 way Switch:Air/Vac1/Vac2	1.00	179.00	179.00
31	6983210 AIR TECHNIQU	Air Intake, Remote, AS70	1.00	173.00	173.00
32	6424083 DENTAL COMPO	Panel Mount Auto Control	1.00	575.00	575.00
33	6424707 DENTAL COMPO	Cabinet, Mnt Hider Bar Assy	2.00	76.00	152.00
34	6426475 DENTAL COMPO	Asst Instrumentation- Deluxe	1.00	374.00	374.00
	S/N: 031118130946				
35	6987316 AIR TECHNIQU	ScanX Phosphor Plate	1.00	768.00	768.00
36	6987718 AIR TECHNIQU	ScanX Phosphor Plate	1.00	768.00	768.00
37	1079936 ACCUTRON INC	Mixed Gas Hose	10.00	52.00	520.00
38	6428935 DENTAL COMPO	Holder Standard Gray	4.00	10.00	40.00
39	6421063 DENTAL COMPO	Univ Prem HVE Valve Autoc	2.00	33.00	66.00
40	6425930 DENTAL COMPO	Saliva Ejector Valve-Premium	2.00	29.00	58.00
41	6427053 DENTAL COMPO	Smooth Vacuum Gray 1/2in	50.00	2.00	100.00
42	6425417 DENTAL COMPO	Central Vacuum Kit Gray	2.00	20.00	40.00
43	6420788 DENTAL COMPO	Valve Mount Single	4.00	5.00	20.00

REFERENCE# 27076314
 INVOICE# 1177179
 INVOICE DATE 06/08/2004
 ORDER# C50657

Continued on Next Page.....

INVOICE

EQUIPMENT SALES AND SERVICE

Ortho Centers of America
 3850 N Causeway Blvd Ste 990
 Metairie, LA 70002-8127

SHIP TO: 01061453
 OCA Larry Bybee & Russ Hiner
 711 Yellowstone Ave
 Potomac, MD 20854-4407

BILL TO: 00820583
 Ortho Centers of America
 3850 N Causeway Blvd Ste 990
 Metairie, LA 70002-8127

REFERENCE#	27076314
INVOICE#	1177179
INVOICE DATE	06/08/2004

BRANCH	SSD-Boise, ID	BALANCE DUE
ORDER#	C50657	
PAGES	5	\$175155.92

Please detach and mail label with your remittance

LINE#	ITEM#	DESCRIPTION	QTY	PRICE	TOTAL
44	6426331	DENTAL COMPO Toggle On/off Valve, Gray	4.00	9.00	36.00
45	6423536	DENTAL COMPO Int. Mastr Valve W/Flg&Reg	16.00	64.00	1024.00
46	6581100	AIR TECHNIQU Amalgam Collectr #/Existr S/N: 1592/1539	1.00		
47	3990099	H9 EQUIPMENT Freight Chry. Equip	1.00	3243.00	3243.00

See reverse side for Terms of Sale

REFERENCE# 27076314
 INVOICE# 1177179
 INVOICE DATE 06/08/2004
 ORDER# C50657

Lebor	
Discount & Paym	165436.00
SUB TOTAL	165436.00
Shipping & Handling	
Tax	979.92
ORDER TOTAL	175155.92
Less Deposit	
BALANCE DUE	175155.92



INVOICE

EQUIPMENT SALES AND SERVICE

Ortha Centers of America
 3850 N Causeway Blvd Ste 990
 Accounts Payable
 Metairie, LA 70002-8127

SHIP TO: 01061453
 GCA Larry Sybee & Russ Misner
 716 Yellowstone Ave
 Foufouelle, ID 81201-4407

BILL TO: 00820583
 Ortha Centers of America
 3850 N Causeway Blvd Ste 990
 Accounts Payable
 Metairie, LA 70002-8127

REFERENCE	27076314
INVOICE#	1177179
INVOICE DATE	06/08/2004

BRANCH	SSD-Boise, ID
ORDER#	C50657
PAGES	2

LINE#	ITEM#	DESCRIPTION	QTY	PRICE	TOTAL
8	6422295	DENTAL COMPO Clean Water System-2 Liter	16.00	119.00	1304.00
9	1445040	BELMONT EQUI Belmont Cleera Ceiling Lt	10.00	1583.00	15830.00
		S/N: D030358			
		S/N: D030355			
		S/N: D030366			
		S/N: D030376			
		S/N: D030399			
		S/N: D030344			
		S/N: D030347			
		S/N: D030348			
		S/N: D030354			
		S/N: D030377			
		CEILING HEIGHT: 10'			
10	1445571	BELMONT EQUI Light Ceiling Mount	6.00	1292.00	7752.00
		S/N: D010155			
		S/N: D010159			
		S/N: D010160			
		S/N: D010146			
		S/N: D010137			
		S/N: D010144			
		CEILING HEIGHT: 10'			
11	1079998	ACCUTRON ING ULTRA-PC CAB.MNT PKG. 6	10.00	2703.00	27030.00
		S/N: 10026			
		S/N: 10030			
		S/N: 10014			
		S/N: 10015			
		S/N: 10020			

REFERENCE 27076314
 INVOICE# 1177179
 INVOICE DATE 06/08/2004
 ORDER# C50657

Continued on Next Page.....

Sales Order B145393-A

Customer ZDCPD

NSK AMERICA CORPORATION
700 B COOPER COURT
SCHAUMBURG, IL 60173-4571 USA

Telephone: 847/843-7664

Bill To:
DIRECT CUSTOMER PURCHASE (D)

Ship To:
DR. RUSS MISNER

THIS IS A BID/ESTIMATE

Date	Ship Via	F.O.B.	Origin	Terms			
03/01/04	RPS GR						
Purchase Order Number	Order Date	Origin	Salesperson	Credit Card			
	03/01/04	1DD	1DD	None			
Verbal	Quantity	B/O	Item Number	Description	Unit Price	Amount	
	20		P665	NL95M TI-MAX			
	5		P665	NL95M TI-MAX	N	680.000	13600.00
	20		P401081	NL10TI 6 HOLE TITANIUM COUPLER	N	0.000	0.00
	12		U360002	LIGHT PACK SET PHATELUS/NE91 &	N	0.000	0.00
	8		P421	HOSE PTL4HP LIGHT PACK HOSE	N	280.000	3120.00
	9		P421	HOSE PTL4HP LIGHT PACK HOSE	N	180.000	1440.00
	1		Y141008	CARE3 STANDARD PACK	N	0.000	0.00
	3		Z257010	PTL ADAPTER	N	1570.000	1570.00
	20		M189001	EX204 MOTOR	N	0.000	0.00
	16		C822	NFB-E 1:1 CLN HEAD FG BUR	N	270.000	5400.00
	10		H115	EX5 4:1 STRAIGHT HP CLEAN HEAD	N	205.000	3280.00
	10		Y200620	NAC-E16R 16:1 ENDO HEAD FOR NI-TI	N	235.000	2350.00
	1		Y140628	Z500SBT TORQUE SYSTEM	N	280.000	2800.00
	1		SHIP	SHIPPING	N	1100.000	1100.00
	2		Y135019	PROPHYMATE PM-PTL-L (for NL10,NL11)	N	50.000	50.00
					N	845.000	1690.00

BID WILL BE GOOD THROUGH 3/31/04

Nontaxable Subtotal	36200.00
Taxable Subtotal	0.00
Tax	0.00
Total Order	36200.00

Customer Original

www.SterisSource.com
email: info@sterisource.com



Steris-Source Inc.
Sustainable Systems for Today's Challenges

Toll Free 1-877-783-7435
Fax 208-678-3979

ITEM	DESCRIPTION	PRICE	ITEM	DESCRIPTION	PRICE
<i>Small Cassettes</i>					
DSC 5/8	Single Hinge 5/8"	\$63.90	TRH1	Transport Handle 17"	\$76.90
DSC 1	Single Hinge 1"	\$59.90	TRF	Transport Fork	\$85.90
<i>Medium Cassettes</i>					
DHCP 5/8	Single Hinge w/ piler rack 5/8"	\$79.90	AWRK	Autoclave Wire Rack	\$130.00
DHCP 1	Single Hinge w/ piler rack 1"	\$89.90	<i>UltraSonic/Reze Tank</i>		
DDHCP 3/4	Double Hinge w/ piler rack 3/4"	\$94.90	SSW	Soak IV UltraSonic, recessed	\$1,396.90
DDHCP 1	Double Hinge w/ piler rack 1"	\$98.90	SSB	Soak IV Reze Tank, recessed	\$299.90
<i>Large Cassettes</i>					
DDLCP 3/4	Double Hinge w/ instrument & piler rack 3/4"	\$103.90	Solid Side Basket for UM/raucols		
DDLCP 1	Double Hinge w/ instrument & piler rack 1"	\$109.90	<i>Ultrasonic Replacement parts</i>		
<i>Small Single Hinge</i>					
DSST	Small Single Hinge	\$53.90	S4C	Soak IV Control Panel	\$225.00
DDHST	Med Del Hinge w/ piler rack	\$75.90	SOLENOID	Solenoid Valve and Filter	\$160.00
DDLSTH	Large Del Hinge w/ instrument & piler rack	\$99.90	Replacement Drain Screen		
<i>Car Cassettes</i>					
DMC 5/8	Medium Single Hinge 5/8"	\$64.90	RDTEL	Drain Trays	\$89.90
DDLX 5/8	Large Double Hinge 5/8"	\$84.90	RDTSL	Front/Rear Drain Tray L/R	\$89.90
DDLXPH 5/8	1 1/2" Del Hinge w/ instrument/ piler rack 5/8"	\$96.90	DTM	Side Drain Tray L/R	\$89.90
<i>Cargo Bar</i>					
DSSCARGO4	4 Piler Rack w/ removable instrument tray	\$179.90	Drain Tray Top Mounted		
DSSCARGO6	6 Piler Rack w/ removable instrument tray	\$199.90	<i>Cabinet Accessories</i>		
DSSCARGO8	8 Piler Rack w/ removable instrument tray	\$219.90	SLWK	Knobed Shik	\$215.00
DSSCARGO10	10 Piler Rack w/ removable instrument tray	\$239.90	SH	Shik Hanger for Cold Shik	\$99.90
<i>Arm Bar Cassettes</i>					
DOHBB 3/4	Medium Double Hinge	\$198.90	OTIB	Cold Sterile Tool for Shik	\$99.90
DOHBB 3/4	Large Double Hinge w/ instrument, cargo	\$228.90	FAUCET	Hot/Cold Faucet	\$229.90
DOHBB 3/4	Large Double Hinge	\$238.90	SOAP	Soap Dispenser for Shik	\$24.90
<i>Sticker Markers</i>					
BK	Instrument Identification Kit 480 pcs	\$45.90	WCH 4 1/8	Waste Chute 4-1/8"	\$47.90
TK	Cassette Identification Kit 144 pcs	\$89.90	WCH 4 7/8	Waste Chute 4-7/8"	\$50.90
TEC	Cassette Identification Set 12 pcs	\$14.90	SCH	Shikps Chute 3-1/8 engraved	\$61.90
<i>Transport Racks and Accessories</i>					
DTR0	Transport Rack w/ No Shelves	\$131.90	SHAPS	Shikps Container 5 gal	\$25.00
DTR4	Transport Rack w/ four Shelves	\$189.90	<i>Shikps Accessories</i>		
TRH	Transport Handle 12 5/8"	\$74.90	AWRK	Autoclave Wire Rack	\$130.00
			M11	Autoclave Stand	\$279.00

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100



ITEM	DESCRIPTION	PRICE	ITEM	DESCRIPTION	PRICE
Solutions					
SBM	Barrier Milk 1 gal	\$33.90	SSP-381	Self Sealing Pouches 3.5x9 2000/bx	\$11.50
SMLK	Self Barbs 2 kg	\$94.90	SSP-382	Self Sealing Pouches 5.25x10 2000/bx	\$17.80
ORCL	DishClean 1 gal	\$29.90	SSP-383	Self Sealing Pouches 7.5x13 2000/bx	\$28.90
GNLS	Good Vibrations 1 gal	\$21.00	SSP-388	Self Sealing Pouches 10x15 2000/bx	\$49.90
SMAS	IMS Plus 5 Lbs	\$89.90	MSP-410	Hydane Pouches 4x10 1000/bx	\$18.90
Attachment Control					
EWS-012	Economy Mail In Test 12/bx	\$80.90	MSP-420	Hydane Pouches 7x10.5 1000/bx	\$28.90
EWS-052	Economy Mail In Test 52/bx	\$189.90	SMS	Small Barrier Bags 4x10 1000/bx	\$40.90
SSJ-100	Steam Plus Indicators 100/pk	\$54.90	SMS	Med Barrier Bags 7x10 1000/bx	\$58.90
Wraps and Tapes					
ESW-8912	Economy Wraps 12x12 1000/cs	\$95.90	S15	Large Barrier Bags 10x12 1000/bx	\$54.90
ESW-8915	Economy Wraps 18x15 1000/cs	\$135.90	Side Unit Accessories		
ESW-8920	Economy Wraps 20x20 500/cs	\$105.90	S40, Black	S40 Cup, Black 250 ct.	\$12.00
ST-072	Indicator Tape 1/2" x 80 yds	\$3.90	S40, Trans	S40 Caps, Translucent 250 ct.	\$12.00
ST-048	Indicator Tape 3/4" x 80 yds	\$4.90	BWHD	Bio Hazard 1 quart Sharps Collector, LM	\$7.90
ST-036	Indicator Tape 1" x 80 yds	\$8.90	B144	2 Liter Standard Water System	\$188.00
TAP2	Tape Dispenser 2"	\$24.90	B164	2 Liter replacement Bottle, with Cap	\$11.00
TAP3	Tape Dispenser 3"	\$28.90	3430	Quick Clean Syringe, Syringe only	\$71.00
Harvey					
Harvey PV Dry		\$5,195.00	3061	Autodisable, Quick change syringe Type PA of 5	\$22.50
			3069	Autodisable, Quick change syringe Type PK of 50	\$180.00
			8301	Foot Control	\$68.00
			SMT	Drawer Organization Kits	
			5148	Autodisable vac Valve, single w/ QD	\$35.00
			5090	Autodisable Saliva Ej. single w/ QD	\$31.00
			5860	Vacuum Cassette, Bredal Mount, Grey Kit	\$29.90

cell # 243-0594

STERI-SOURCE INC

2271 Overland Ave. Suite 5
Burley, ID. 83318
877-783-7435

glass front or not
glass for slide through area.

14 Jan., 2004

5/30 Depreciation
5% sales Tax

Proposal submitted to:
Dr. Larry Bybec

We hereby propose to deliver and setup a free-standing custom sterilization center as shown in drawings dated 01/13/2004.

Specifications are:

- Face frames -- Hard maple modified face frames.
- Cabinet boxes -- 5/8" white Melamine sides, tops, bottoms with 1/4" or 5/8" backs.
- Shelves -- 3/4" white Melamine with hard maple edge (clear finish).
- Cassette Shelves -- 1/4" Plexiglas.
- Drawer boxes -- 1/2" white Melamine sides and bottoms with 5/8" white Melamine fronts and backs, edged with hard maple (clear finish).
- Drawer faces and doors -- 3/4" Ranger MDF with radiuses on all edges and corners.
- All shelves adjustable with 5mm spoon type shelf supports.
- Door hinges -- Blum or Salice self-closing European style.
- Drawer slides -- Alfit 120 lb. Epoxy coated self-closing.
- Door and Drawer pulls -- 4" brushed chrome wire pulls typical.
- Finish on all exposed exterior cabinet surfaces -- 1 coat catalyzed conversion varnish primer and 3 coats high gloss catalyzed conversion varnish.
- Countertops -- "Corian" solid-surface with hardwood sub-structure.
- Countertop edge treatment -- 1 1/2" high with 1/2" round-over top and bottom with color coordinated 1/2" sandwiched stripe.
- Custom rollout trash carriage with 23 gallon Rubbermaid container and 4 7/8" stainless steel waste chute.
- B-D Guardian 5 gallon sharps collector with 3" stainless steel chute.
- Removable toe-kick.

Additional options included in price:

- Under-cabinet lighting & valance accent lightning (wiring configuration and hookup by others).
- 1 Blower (wiring configuration and hookup by others).
- Kindred 17 1/4" x 22" stainless steel sink (plumbing configuration and installation by others).
- 12 compartment instrument divider (clean end).
- 3/16 clear glass in upper doors.

Removal of old cabinetry is by others.

Construction Contract	Vendor	Description	Budget	Budget PSF	Actual Cost	Actual PSF
		Change Order #1			0.00	0.00
		Change Order #2			0.00	0.00
		Change Order #3				
		Change Order #4				
		Change Order #5				
		Change Order #6				
		TOTAL			0.00	0.00

Construction Materials	Vendor	Description	Budget	Budget PSF	Actual Cost	Actual PSF
	Lee's Carpet	Carpet	12,000.00	1.66	0.00	0.00
		WCT	3,000.00	0.42	0.00	0.00
			15,000.00	2.08	0.00	0.00
Total Leaseholds			556,000.00	76.99	0.00	0.00

Equipment	Vendor	Description	Budget	Budget PSF	Actual Cost	Actual PSF
	Telco	Data/Phone/Cabling/Computers	95,000.00	13.15	0.00	0.00
	Televox	Phone Holding System	0.00	0.00	0.00	0.00
	Sullivan	Dental Equipment	150,000.00	20.77	0.00	0.00
	Darty	Lab Equipment	12,000.00	1.66	0.00	0.00
	Panoramic	X-Ray	17,500.00	2.42	0.00	0.00
	Dome	Dental Chairs	37,500.00	5.19	0.00	0.00
	Compaq	Computers		0.00	0.00	0.00
Total Equipment			312,000.00	43.20	0.00	0.00

Furniture/Fixtures	Vendor	Description	Budget	Budget PSF	Actual Cost	Actual PSF
	Boise Furniture		10,000.00	1.38	0.00	0.00
	Office Depot		2,000.00	0.26	0.00	0.00
	Electronics		1,200.00	0.17	0.00	0.00
	Signage		6,000.00	0.83	0.00	0.00
Total Furniture & Fixtures			19,200.00	2.66	0.00	0.00

Total Initial Facility Cost		887,200.00	122.85	0.00	0.00
Net Facility Cost		887,200.00	122.85	0.00	0.00