

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

<p>In re</p> <p>ABC Dentistry, P.A., et al.¹</p> <p style="text-align: center;">Debtors.</p>	§ § § § § § § §	<p>Chapter 11</p> <p>Case No. 16-34221</p> <p>Jointly Administered</p>
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**ORDER AUTHORIZING THE RETENTION AND EMPLOYMENT OF
STOUT RISIUS ROSS, INC AS FINANCIAL ADVISOR TO THE
DEBTORS NUNC PRO TUNC TO AUGUST 26, 2016**

Upon the application (the “Application”)² of the above-captioned debtors (collectively, the “Debtors”) for the entry of an order (this “Order”) authorizing the Debtors to retain and employ Stout Risius Ross, Inc. (“SRR”) as their financial advisor *nunc pro tunc* to August 26, 2016, pursuant to sections 327(a) and 330 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rules 2014-1 and 2016-1 of the Bankruptcy Local Rules of the United States Bankruptcy Court for the Southern District of Texas (the “Local Rules”), after reviewing the Application and the Declaration of John D. Baumgartner (the “Baumgartner Declaration”), the Court hereby finds:

- A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334;
- B. The Application is a core proceeding pursuant to 28 U.S.C. § 157(b);
- C. Venue of this proceeding and the Application in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409;

¹ The Debtors in these chapter 11 cases are: ABC Dentistry, P.A.; ABC Dentistry West Orem, P.L.L.C.; and ABC Dentistry Old Spanish Trail, P.L.L.C.

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Application.

D. Based on the representations made in the Application and in the Baumgartner Declaration, (a) SRR does not hold or represent an interest adverse to the Debtors' estates and (b) SRR is a "disinterested person" as defined in section 101(14) of the Bankruptcy Code and as required by section 327(a) of the Bankruptcy Code;

E. The relief requested in the Application is in the best interests of the Debtors' estates, their creditors, and other parties in interest;

F. The Debtors provided adequate and appropriate notice of the Application under the circumstances and that no other or further notice is required;

G. The Court reviewed the Application and heard statements in support of the Application at a hearing held before the Court (the "Hearing");

H. The legal and factual bases set forth in the Application and at the Hearing establish just cause for the relief granted herein; and

I. Any objections to the relief requested herein have been withdrawn or overruled on the merits.

Therefore, after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Debtors are authorized to retain and employ SRR as financial advisor *nunc pro tunc* to August 26, 2016 in accordance with the terms and conditions set forth in the Application and in the Engagement Letter attached hereto as Exhibit 1.

2. SRR is authorized to provide the Debtors with the professional services as described in the Application and the Engagement Letter. Specifically, but without limitation, SRR may render the following services:

- a. Preparation of cash forecasts.
- b. Financial advisory services to prepare the Companies for a bankruptcy filing.

- c. Preparation of statements of financial affairs for each of the Companies.
- d. Preparation of schedules of assets and liabilities for each of the Companies.
- e. Assistance with preparation of monthly operating reports.
- f. Preparation of schedules, analyses and projections to support a plan of reorganization.
- g. Provide testimony.
- h. Review of the Companies' financial information, including, but not limited to, analyses of cash receipts and disbursements.
- i. Analysis of assumption and rejection issues regarding executory contracts and leases.
- j. Review and analysis of the Companies' proposed business plan.
- k. Assistance in evaluating reorganization strategies and alternatives available to the creditors.
- l. Assistance in preparing and/or reviewing documents necessary for confirmation.
- m. Advise and assist the Companies, management and counsel in negotiations and meetings with the lender, investors and other interested parties.
- n. Assist with the claims resolution procedures, including, but not limited to, analyses of creditors' claims by type and entity.
- o. Determination of the Companies' enterprise value as of the petition date and as of the effective date of a Chapter 11 plan of reorganization (the "Valuation Dates").
- p. Determination of asset and liquidation valuations.
- q. Other such functions as requested by management or counsel to assist in these Chapter 11 cases.

3. SRR shall apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with the Debtors' chapter 11 cases in compliance with sections 330 and 331 of the Bankruptcy Code and applicable provisions of the Bankruptcy Rules, Local Rules, and any other applicable procedures and orders of the Court.

4. Notwithstanding anything in the Engagement Letter to the contrary, SRR may, but is not required to, apply any remaining amounts of its prepetition retainers as a credit toward postpetition fees and expenses, after such postpetition fees and expenses are approved pursuant to an order of the Court awarding fees and expenses to SRR.

5. The Debtors and SRR are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.

6. To the extent the Application, the Baumgartner Declaration, or the Engagement Letter is inconsistent with this Order, the terms of this Order shall govern.

7. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry to avoid immediate and irreparable harm as that phrase is used in Rule 6003. The enforceability of this Order shall not be limited notwithstanding the possible applicability of Bankruptcy Rule 6004, 7062, or 9014.

8. This Order, and all acts taken in furtherance or reliance thereon, shall be effective notwithstanding any objection until further order of this Court.

9. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated:

The Honorable Marvin Isgur
United States Bankruptcy Judge

Exhibit 1

Engagement Letter Between SRR and ABC Dental, PA et al



August 22, 2016

PRIVILEGED AND CONFIDENTIAL

Dr. Iraj S. Jabbarly
ABC Dentistry Pasadena, P.A.
1500 Southmore
Pasadena, Texas 77502

RE: Financial advisory services for ABC Dentistry, P.A. and related parties

Dear Dr. Jabbarly:

Thank you for selecting Stout Risius Ross, Inc. ("SRR" or the "Manager") to provide financial advisory services to Dr. Iraj S. Jabbarly; ABC Dentistry, P.A.; ABC Dentistry Pasadena, P.A.; ABC Dentistry West Orem, P.L.L.C.; ABC Dentistry Old Spanish Trail, P.L.L.C.; ABC Dentistry Hillcroft, P.L.L.C.; ABC Dentistry Crosstimbers, P.L.L.C.; ABC Dentistry Strawberry, P.L.L.C.; (collectively referred to as "ABC Dentistry" or the "Companies") in connection with a restructuring of the Company's operations (the "Engagement"). This letter shall confirm our understanding of our agreement (the "Engagement Letter").

Our Services and Scope

We will perform services or tasks requested by you that are within our scope of practice. While our work may involve analysis of accounting records and other financial information, our engagement does not include an audit in accordance with generally accepted auditing standards. We expect to perform the services described below as requested by management and counsel.

1. Preparation of cash forecasts.
2. Financial advisory services to prepare the Companies for a bankruptcy filing.
3. Preparation of statements of financial affairs for each of the Companies.
4. Preparation of schedules of assets and liabilities for each of the Companies.
5. Assistance with preparation of monthly operating reports.
6. Preparation of schedules, analyses and projections to support a plan of reorganization.
7. Provide testimony.

If requested by counsel or company management, we may provide additional services including:

1. Review of the Companies' financial information, including, but not limited to, analyses of cash receipts and disbursements.
2. Analysis of assumption and rejection issues regarding executory contracts and leases.
3. Review and analysis of the Companies' proposed business plan.
4. Assistance in evaluating reorganization strategies and alternatives available to the creditors.
5. Assistance in preparing and/or reviewing documents necessary for confirmation.
6. Advise and assist the Companies, management and counsel in negotiations and meetings with the lender, investors and other interested parties.
7. Assist with the claims resolution procedures, including, but not limited to, analyses of creditors' claims by type and entity.
8. Determination of the Companies' enterprise value as of the petition date and as of the effective date of a Chapter 11 plan of reorganization (the "Valuation Dates").
9. Determination of asset and liquidation valuations.

815 Walker, Suite 1140
Houston, Texas 77002
ph. +1.713.225.9580
fax +1.713.225.9588
www.srr.com



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10. Other such functions as requested by management or counsel to assist in these Chapter 11 cases.

Staffing

This engagement will be under the overall supervision of John D. Baumgartner; however, other members of the firm will assist in the engagement. In the event it becomes necessary to reassign this engagement to another professional, we will notify you promptly and give you an opportunity to evaluate with us the appropriate professional whose skill sets and experience most closely match the requirements of the engagement.

Client's Responsibilities

In order for us to maximize the value of our work and to keep the project on schedule, it is important for us to be provided with information we request from the Companies promptly. Additionally, if you or the Companies are or become aware of other relevant information necessary to the proper completion of this Matter, you agree to provide us with this information. Specifically, you and the Companies acknowledge that the successful delivery of our services, and the fees charged, are dependent on (i) you're the Companies' timely and effective completion of your responsibilities; (ii) the accuracy and completeness of the assumptions and information provided to us; and (iii) timely decisions and required approvals by you and the Companies.

It is important for you to notify us of any motions, filings, or hearings, including a Daubert motion, related to our direct involvement or ability to provide testimony in this Matter immediately upon notification of such action.

Fees, Expenses and Billing Arrangements

Fees

Our fees are based on our time incurred plus out-of-pocket expenses. Our hourly rates are based on experience, training, and level of professional achievement. It is often necessary to consider other factors such as the complexity of the work, prior experience, and engagement timing in establishing staffing for the engagement and our fees. Current hourly rates for our professional staff range from \$75 to \$650. Our standard hourly rates are reconsidered annually with changes effective January 1 of each year.

We will submit our invoices on a periodic basis as our work progresses. Our fees will need to be paid within 5 business days unless disputed in good faith. All fees will need to be paid prior to the filing of a petition for relief under any chapter of the Bankruptcy Code. Should the Companies fail to remit payments for past due invoices, we may discontinue services and terminate this agreement, in which case we will not be responsible or liable for any resulting loss, damage or expense connected with such suspension, termination or refusal.

Additionally, in the event we are required to respond to a subpoena (e.g., producing documents in our possession, providing testimony, cooperating with your legal counsel, etc.) related to this engagement (regardless of whether such subpoena is served during or subsequent to the completion of our work), we will invoice you at our standard hourly rates applicable at the time such services are rendered. We will also invoice you for our related out-of-pocket expenses, including, but not limited to, copying charges, courier fees, travel expenses and attorney fees.



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Our fee is not contingent upon the final results of our work, and we do not warrant or predict results or final developments in this Matter.

Expenses

During the course of our work we may be required to incur out-of-pocket expenses for items such as research, overnight or expedited delivery, postage, photocopying, facsimile transmission, travel, meals, and other costs. These costs will be billed at actual amounts incurred.

Our fees do not include taxes. You agree to be responsible for and pay all applicable sales, use, excise, value added and other taxes associated with the provision or receipt of our services, excluding taxes on our income generally.

Retainer

As is standard practice for an engagement of this type, we require a retainer in the amount of \$35,000 before commencing work. The retainer may be applied to any invoice at our discretion or to our final invoice at the conclusion of the engagement. If the retainer is drawn against to satisfy or reduce an invoice, the retainer shall be promptly replenished by the Companies. If at any point in our engagement the retainer balance reaches zero, we reserve the right to cease work until such time as the retainer balance has been sufficiently replenished to its initial amount. By "cease work", we mean that we may refuse to make our employees available to the Companies and/or its advisors. We will notify you if the retainer balance is nearing zero so that the Companies have sufficient time to replenish the retainer and keep the engagement moving on schedule. At the end of our engagement, any unused portion of the retainer will be promptly refunded to the Companies. This retainer is not intended to be an estimate for the total cost of work to be performed. An invoice for the retainer is enclosed.

Billing

It is important to our relationship that our bills be paid on time. Invoices will be presented once per month or as case matters dictate. Invoices are due upon presentation and will be considered past due thirty (30) days after the invoice date. Amounts past due for more than 30 days will be subject to a late charge of 1.5% per month from the date of invoice. We reserve the right to defer rendering further services until payment is received on past due invoices.

In the event that you disagree with or question any amount due under any invoice, you agree to communicate such disagreement to us in writing within thirty (30) days of the invoice date specifying the question or reason for the disagreement. Any claim not made within this time period will be deemed waived.

If any uncontested bill remains unpaid for thirty (30) days after invoicing, we may, at our sole discretion and right, send the matter to a collection agency. If we do, in addition to the invoice amount, late charges, and any other expenses, we shall be entitled to receive a collection fee equal to one-third of the outstanding bill.

You agree that we will have a lien on all files in our possession, and their contents, until we have received payment in full of all amounts due. Also, if money judgment is rendered in this Matter, we will have a lien on all proceeds thereof in the amount of any unpaid fees or expenses for our services.



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Relationship Review

We have performed an internal search for potential conflicts based on the names of the parties you have provided. We have not found any situations which, in our view, constitute actual conflicts of interest and which would impair our ability to objectively provide assistance in the Matter. We take no responsibility for monitoring for possible conflicts that could arise during the course of this engagement, though we will inform you promptly should any come to our attention. We reserve the right to resign from this Matter at any time if conflicts of interest arise or become known to us that, in our judgment, would impair our ability to perform services objectively.

Work-Product Privilege

Any reports or work papers that we prepare in connection with this engagement will be maintained in accordance with our document retention procedures and will be construed as personal and confidential, to be used only for this engagement, and no other use, disclosure, or dissemination of them is to be made. Except as may be required by law, regulation, or valid judicial or administrative process, we will not disclose to anyone, without your permission, the content of any oral or written confidential communications received during the course of this engagement, nor any information gained from the inspection of any records or documents provided by you that are identified as confidential.

Ownership of Property and Retention of Documents

Upon full payment of all amounts due us in connection with this engagement, all right, title and interest in our deliverables will become your sole and exclusive property, except as set forth below. We will retain sole and exclusive ownership of all right, title and interest in our work papers, proprietary information, processes, methodologies, know how, and software, including such information as existed prior to the delivery of our services and, to the extent such information is of general application, anything which we may discover, create or develop during our provision of services for you (collectively "SRR Property"). To the extent our deliverables to you contain SRR Property, we grant you a non-exclusive, non-assignable, royalty-free license to use it in connection with the subject of the engagement and for no other or further use without our express prior written consent.

When this Matter is over and our engagement has ended, if you so request, and if not otherwise restricted by Court Order or agreement, we will return any original documents or other materials provided by you; otherwise we will retain the file in accordance with our file retention policy, which shall include any computer files or documents that have been created as a result of our automatic archiving and backup procedures. If you wish to obtain copies of other documents in our file, we will provide copies of such documents (other than internal work product or administrative records) at your expense.

Email Correspondence

We each acknowledge that we may correspond or convey documentation via Internet e-mail and that no party has control over the performance, reliability, availability, or security of Internet e-mail. Therefore, no party will be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any Internet e-mail due to any reason beyond its reasonable control.



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Indemnification and Limitation of Liability

Your and the Companies agree to indemnify us, our owners, directors, employees and agents against all costs, damages and liabilities (including reasonable attorneys' fees and costs) associated with any third party claim or proceeding, relating to or arising as a result of or in connection with this engagement, other than as determined through arbitration to have been caused by our own gross negligence or willful misconduct.

In no event will we be liable to you or the Companies, whether a claim be in tort, contract or otherwise, for any amount in excess of the total professional fees paid pursuant to this agreement to which the claim relates, or for any consequential, indirect, lost profit or similar damages relating to our services provided under this agreement, except to the extent finally determined to have resulted from our gross negligence or willful misconduct.

Jurisdiction

Any controversy or claim arising out of or relating to this agreement, or breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Rules then in effect before a sole arbitrator. The award shall be issued in accordance with Texas law. The prevailing party shall be entitled to an award of reasonable attorney fees as well as costs and fees incurred. Except as may be required by law, neither party may disclose the existence, content, or result of any arbitration hereunder without the prior written consent of both parties. Judgment on the award may be entered in any court having jurisdiction thereof.

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If you agree to the terms of this letter, please sign below and return this letter to my attention. Specifically, by signing this agreement, you acknowledge your understanding of the terms of this agreement, the Companies' responsibility for payment of our fees, and the fact that our fee is neither contingent on nor negotiable as a result of the outcome of the Matter. Please note that the terms of this offer will expire 60 days from the date of the letter.

We appreciate the opportunity to be of service to you and look forward to working with you on this engagement.

Very truly yours,

STOUT RISIUS ROSS, INC.

By: John D. Baumgartner

John D. Baumgartner
Director

Agreed:

DR. IRAJ S. JABBARY; ABC DENTISTRY, P.A.; ABC DENTISTRY PASADENA, P.A.; ABC DENTISTRY WEST OREM, P.L.L.C.; ABC DENTISTRY OLD SPANISH TRAIL, P.L.L.C.; ABC DENTISTRY HILLCROFT, P.L.L.C.; ABC DENTISTRY CROSSTIMBERS, P.L.L.C.; and ABC DENTISTRY STRAWBERRY, P.L.L.C.;

By: Iraj S. Jabbarly

Name: Iraj S. Jabbarly, D.D.S.

Title: Individually, and as president or managing member

Date: 8/22/16