UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF LOUISIANA

In re:	Case No. 06-10179 (B)
OCA, INC., et al;	Chapter 11
Debtor(s).	Jointly Administered with Case Numbers 06-10180 - 06-10223

DRS. VINCENT AND JULIANA QUAS' REPLY IN SUPPORT OF THEIR MOTION FOR RELIEF FROM STAY

Vincent Quas, D.D.S.; Juliana Panchura Quas, D.D.S., aka Juliana Panchura, D.D.S.; and Vincent Quas, D.D.S. and Juliana Panchura Quas, D.D.S., P.C. (collectively "the Quases") filed a motion for relief on or about June 30, 2006 (Docket No. 860). That motion sought relief to:

1. Allow the United States District Court for the District of Oregon to decide a motion for summary judgment and a related motion that were fully briefed and under advisement when the Debtors filed these proceedings; and

2. Allow that court to resolve any other outstanding issues and issue an appropriate judgment in an action the Quases filed against two of the Debtors in August of 2004.

The Debtors have recently filed a response to that motion (Docket No. 1115). The Quases' motion for relief is set for hearing on July 26, 2006. Because of the cost of travel to Louisiana and an unexpected scheduling conflict, the Quases have no choice but to waive oral argument and will rely on their briefs.

Although the Quases still request relief to allow the District of Oregon to resolve any remaining issues, they primarily seek relief to allow Judge Ann Aiken to issue an opinion and order on the dispositive motions that were pending before her when these proceedings were filed. With that emphasis in mind, the Quases respond to the Debtors' arguments as follows.

I. The Quases' Motion Should Be Granted Because It Will Promote Judicial Efficiency Without Prejudice to the Debtors.

Despite the Debtors' assertions to the contrary, allowing Judge Aiken to rule on the motions she has under advisement will significantly help both the parties and this court. The motions pending before the District of Oregon (and the Quases' claims in their entirety) must be decided upon (a) Oregon law, particularly its law of contracts, breach of fiduciary duty, and fraud; and (b) the specific facts of the Quases' dealings with the Debtors, including representations made to induce them to enter into their Business Services Agreement. The District of Oregon is more familiar with Oregon law and can more easily (and probably more quickly) decide those issues. In addition, because Judge Aiken already had the relevant motions under advisement for several weeks before these proceedings were filed, she and her staff are already familiar with the factual record. Accordingly, she can probably resolve the factual issues more quickly than this court can do so.

If either of the motions are granted by Judge Aiken, they will determine whether the Quases properly terminated their Business Services Agreement several years ago and/or the "cure amount" applicable if this court later decides that the Quases' Business Services Agreement can be assumed. As a result, the resolution of those issues will avoid the need for this court to do so, when it must, among other things, decide the claims of more than 80 doctors objecting to the assumption of their agreements on an expedited schedule. For obvious reasons, the resolution of those issues by Judge Aiken will significantly reduce this court's workload. In addition, it will aid the Debtors by reducing the Debtors' need to litigate those same issues in this

court and, as a result, may allow this court to decide the critical confirmation issues at an earlier date. Of course, avoiding the need for the Quases to relitigate those issues in Louisiana will also significantly reduce their attorney's fees and related expenses.

Those benefits flow without any prejudice or detriment to the Debtors. The Debtors' statement that granting relief "will interfere with the administration of the bankruptcy by diverting the Debtors' resources away from the reorganization and forcing the Debtors to defend against (sic) Quases' claims" is simply untrue, at least with respect to the primary relief the Quases seek. (Response, p. 8.) All of the research, submission of evidentiary materials, and briefing required for the resolution of those motions was done long ago. The only people who will have to do any work if this court grants relief is Judge Aiken and her staff.

Similarly, the Debtors' assertion that it is more "efficient and cost effective" to resolve the Quases' fact specific and Oregon law specific claims in a mass consolidated proceeding with more than 80 other doctors (each with some degree of fact specific claims, all or most of them with different contractual language, and all of them with different controlling law) is simply nonsense. (Response, p. 6.) Allowing Judge Aiken to rule on the dispositive motions before her requires no work by this court, the Debtors, or the Quases. Requiring the Quases to relitigate those issues in a consolidated proceeding will require both the Quases and the Debtors to duplicate at least much of the briefing and work they have already submitted to the District of Oregon, and will impose substantial burdens on this court and its staff.[1] The same is true with respect to the Debtors' assertion that "bifurcation of issues [would be] inefficient." (Response, p. 6.) Bifurcation of the state law issues currently pending before Judge Aiken will have no

[1] The Quases intend to fight "tooth and nail" to avoid being deprived of the right to a full trial on their fraud, breach of fiduciary duty, breach of contract, and other claims, In particular, they likely will withdraw their Proofs of Claims against the Debtors, seek an appropriate withdrawal of the reference to this court, and otherwise seek a full jury trial on their claims if Judge Aiken either is not allowed to rule on, or denies, the Quases' dispositive motions.

adverse effect on either the efficiency or this court's ability to resolve the assumption and other issues it must resolve in the near future.

II. **The Quases' Position is Unique.**

Again, despite the Debtors' unsupported assertions to the contrary, the Quases' circumstances here are unusual in general and unique in this proceeding. To our knowledge, no other doctor had completed discovery and was ready for trial, and had dispositive motions under advisement, when these proceedings were filed. In addition, although there obviously are some common issues relating to OCA, Inc.'s accounting practices, to our knowledge, no other doctor's objection to the assumption of their Business Services Agreement presents the same factual issues as are presented by the Quases' claims. In particular, the Quases entered into their Business Services Agreement in 1996, well before all or nearly all of the other doctors objecting to assumption. In the Oregon proceedings, the Debtors informally admitted to us that the Quases mistakenly have "an old form of BSA," the use of which was discontinued perhaps as long as 10 years ago. It also appears that some provisions were specifically negotiated between the parties. As a result, we doubt that any other doctor objecting to assumption has the same form of agreement as the Quases.

III. **Resolving The Pending Motions Does Not Interfere With This Court's Ability To Resolve Any Core Issues.**

If Judge Aiken grants the pending motions, she will determine only (1) that the Quases properly terminated their Business Services Agreement several years ago under state law, and (2) the amount of damages two relevant Debtors owe to them. If Judge Aiken determines that the Quases effectively terminated their Business Services Agreement several years ago, there will be no agreement that the Debtors may assume. However, there is no particular reason why this court, rather than Judge Aiken, should decide that question. Although an award of the Quases'

damages by Judge Aiken will, as a practical matter, liquidate the Quases' claim, it will not interfere with any important task this court must complete.[2]

IV. **Conclusion.**

In summary, the Quases' motion presents an opportunity for this court to have a different judge, familiar with the applicable Oregon law and the facts to decide two state law issues, (1) without cost or prejudice to this court, the Debtors, or the Quases; (2) in a way that will free up this court's limited and valuable time to deal with much more important and time sensitive issues; and (3) saving this court, the Debtors, and the Quases from substantial additional expense and delay. Denying relief will provide no legitimate benefit to the Debtors.[3] Accordingly, this court should at least grant the Quases relief permitting Judge Aiken to resolve the motions she currently has under advisement.

DATED: July 19, 2006. HERSHNER HUNTER, LLP

By ***/s/ Wm. Randolph Turnbow***

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[2] If this court grants relief allowing Judge Aiken to resolve the motions pending before her, the Quases will waive and abandon any claims for damages other than those asserted in the relevant motions.

[3] We suspect that the Debtors are employing a strategy of attempting to herd as many doctors and as many legal and factual issues into a consolidated proceeding as possible with the hope that this court will be overwhelmed and some claims, arguments, and issues will be lost in the confusion. Denying relief will promote that strategy. However, that strategy is neither legitimate nor likely to succeed.

CERTIFICATE OF SERVICE

I hereby certify that on July 29, 2006, the foregoing **DRS. VINCENT AND JULIANA QUAS' REPLY IN SUPPORT OF THEIR MOTION FOR RELIEF FROM STAY** was served on the parties listed below by one or more of the following methods ___ hand delivering true copies thereof, √__ depositing in the United States mail at Eugene, Oregon, enclosed in a sealed envelope with postage paid;__√__ electronic mail;____ sending via facsimile machine to each person(s) fax number of record;__ delivering by messenger, and addressing as follows:

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