documents, it is the OCA's understanding that only one former non-officer employee has provided testimony at this point.

OCA began experiencing severe and well-publicized financial difficulty in early 2005 (if not before). As a result, and prior to the Petition Dates, numerous putative class action securities and derivative suits were filed in the United States District Court for the Eastern District of Louisiana ("District Court") by mid-2005. The first appears to have been *Santopietro v OCA, Inc., et al*, Case No. 2:05-cv-02165, ("Main Case") filed on June 7, 2005, an assigned to Judge Sarah Vance. More than 20 additional putative class action suits followed over the next several weeks. On July 1, 2005, Judge Vance ordered all of the pending securities and derivative suits against OCA consolidated under the *Santopietro* suit, the Main Case. There were several additional securities and derivative suits filed after entry of that Order and each was consolidated into the Main case shortly after filing. At present, all securities and derivative actions against OCA filed in the District Court remain consolidated into the Main Case.

Because of Hurricane Katrina and the disruption of the legal system it caused in the District Court, little occurred in the OCA securities or derivative actions for the next several months. However, after conducting a hearing and receiving extensive briefing from various proposed lead plaintiffs and their counsel, Judge Vance issued a written opinion and order on November 18, 2005, appointing separate lead plaintiffs in the derivative actions and for the putative classes in the securities cases. Judge Vance conditionally appointed Samuel Boodman as lead plaintiff in the securities litigation with Kaplan Fox & Kilsheimer as lead counsel and Neblett, Beard & Arsenault as liaison counsel. Judge Vance appointed Eric Nagel as lead derivative plaintiff and Brodsky & Smith and Federman & Sherwood as lead counsel and Barasso Usdin Kupperman Freeman & Sarver as liaison counsel.

On February 1, 2006, Samuel Boodman, for himself and the putative class, filed a consolidated class action complaint in the securities litigation. On February 21, 2006, Eric Nagel, on behalf of OCA, filed an amended derivative complaint against the officers and directors. The following summaries are derived from those recently filed complaints.

Summary of the Securities Suit Allegations

The Securities suit alleges liability under Section 10(b) and 20(a) of the Securities Exchange Act of 1934 and SEC Rule 10(b)(5). Named defendants are:

OCA

Palmisano (Chairman and President)

Bart Palmisano Jr. (CFO and then COO through June 7, 2005)

David E. Verret (CFO through May 2005)

The complaint alleges, generally, that OCA had weak internal controls since at least 2003, that Ernst & Young ("E&Y") reported those weaknesses in early 2004, that OCA dismissed E&Y, hired Price Waterhouse ("PWC") as auditors, "played down" the change in auditors and the substance of E&Y's findings. The Complaint alleges that the Class Period begins on May 18, 2004 with an OCA press release regarding the company's adoption of FIN 46R. The Complaint alleges that the Company's public filings were materially false and misleading.

The Complaint requests a jury trial. The Company and the other defendants have denied any liability. If you are interested in further details about the Class Action, please see Case Number 05-2165 pending in the United States District Court for the Eastern District of Louisiana. The release of the Contributing Officers and Directors described in Section VIII of this Disclosure Statement would include the Class Action. Defense counsel contend there is no liability because plaintiffs cannot demonstrate with particularity that any defendant made false or

misleading statements with scienter regarding OCA's financial statements or changes to OCA's internal controls during the purported class period. Lead Plaintiff maintains that the allegations of the consolidated amended Class Action are much broader than described herein.

Summary of the Derivative Suit Allegations

The Derivative suit alleges liability of certain current and past officers and directors to OCA based upon their permitting OCA to issue the materially false financial statements and information described in the Securities Litigation in alleged reckless disregard of their duties to OCA. The Complaint alleges that OCA has suffered millions of dollars in damage to loss of goodwill, reputation, costs of investigation and defense. Named defendants in the Derivative complaint are:

OCA (nominal defendant)

Palmisano (former Chairman and President)

Dennis Buchman (Director)

Hector Bush (former Director)

Jack Devereux, Jr. (Director)

Dennis Summers (former Director)

Linda Girard (Director)

Ashton Ryan (Director)

Kevin Dolan (Director)

David Vignes (Director)

Edward Walters Jr. (Director)

Bart Palmisano, Jr. (former CFO and then COO through June 7, 2005)

David E. Verret (CFO through May 2005)

The basic factual allegations of the Derivative action track those of the Securities Complaint and seek damages based on the alleged failure of the officers and directors, in particular, Palmisano, Buchman, and the members of the audit committee (Dolan, Ryan, and Vignes) are condemned for their failures and/or intentional acts. Eight counts of liability are alleged. A jury trial is demanded. The Company and the other defendants have denied any liability. ~~Defense counsel contend there is no liability for the derivative action because plaintiffs cannot demonstrate demand futility. A majority of OCA's board of directors was independent and disinterested at the time the lawsuit was filed. Furthermore, the board had already authorized an internal investigation of the issues described in OCA's June 7, 2005 press release, and the investigation was ongoing when the suit was filed.~~If you are interested in further details about the Derivative Action, please see Case Number 05-2165 pending in the United States District Court for the Eastern District of Louisiana. The release of the Contributing Officers and Directors described in Section VIII of this Disclosure Statement would include the Derivative Action.

Lead counsel in the Derivative Action claims that the value of the Derivative Action is between $5-8 million before fees and costs. Defense counsel to the individual defendants believes the Derivative Action has little if any value to the estate.

Debtors filed a notice of automatic stay in both suits on March 20, 2006. The Class Action is proceeding against the individual defendants, but a Motion to Extend the Motion to Dismiss Briefing Schedule for the Shareholder Derivative Complaint has been filed in the Derivative Action, effectively staying the Derivative Action. The Derivative Action is property of OCA's estate and will revert to Reorganized OCA upon the Effective Date of the Plan, and may be prosecuted or settled by Reorganized OCA.

As a result of the defection of Affiliated Practices and other factors, the Debtors were forced to file for relief under chapter 11 of the Bankruptcy Code in order to (a) stabilize their business operations, (b) streamline and consolidate the burgeoning litigation with the Affiliated Practices, (c) restructure the Senior Lender Indebtedness, and (d) obtain additional financing and working capital.

J. DISTRIBUTIONS TO DOCTORS

In accordance with the BSA's, at the end of each calendar quarter, a reconciliation is made of the biweekly cash withdrawals received by an Affiliated Practice during that quarter to the correct amount of the Affiliated Practice's net revenues for the quarter, based on the Affiliated Practices actual results. To the extent that such reconciliation reflects that additional amounts are due for that quarter to an Affiliated Practice, a distribution is made to the Affiliated Practice. Despite the adversity noted above, the fourth quarter 2005 reconciliation and the first quarter 2006 reconciliation, and corresponding distributions by the Debtors to its Affiliated Practices have been made.

K. FILING OF CHAPTER 11 PETITION BY DEBTORS

On March 14, 2006, OCA and a majority of the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. Subsequently, additional Debtors filed for relief on March 17, 2006 ("March 17 Debtors"[~~13~~15]); three (3) more Debtors filed for relief on June 1, 2006 ("June 1 Debtors"[~~14~~16]) Heller, Draper, Hayden, Patrick & Horn, L.L.C. ("Heller Draper") (Docket No. 30) is serving as bankruptcy counsel for all of the Debtors. All of the Debtors' Chapter 11 cases have been consolidated for procedural purposes and are being jointly

[~~13~~15] OrthAlliance, Inc. (06-10229); OrthAlliance New Image, Inc. (06-10230); OCA Outsource, Inc. (06-10231); and PedoAlliance, Inc. (06-10232).

administered. An order doing the same for the June 1 Debtors is awaiting the signature of the Bankruptcy Court.

L. SIGNIFICANT POST-PETITION EVENTS

1. SIGNIFICANT PLEADINGS

Following the filing of the Petitions, the Debtors filed, among other pleadings, the following with the Bankruptcy Court:

a. Application to Employ Correro Fishman Haygood Phelps Walmsley & Casteix, L.L.P. as Special Counsel (Docket No. 4)[15][17];

b. Motion for Authority to Continue Engagement of Conway, Del Genio, Gries & Co., LLC to Provide Restructuring Management Services to the Debtors (Docket No. 5)[16][18];

c. Application to Employ KPMG LLP as Tax Accountants and Advisors (Docket No. 6)[17][19];

d. Application to Employ Kramer Weisman and Associates, LLP as Accountants (Docket No. 7)[18][20];

e. Motion for Authority to Pay Employees' Pre-Petition Wages, Related Expenses, Benefits and Taxes (Docket No. 10)[19][21];

f. Motion for Authority to Pay Certain Prepetition Taxes (Docket No. 11)[20][22];

g. Motion for Interim and Final Orders: (A) Prohibiting Utilities From Altering, Refusing or Discontinuing Services to, or Discriminating Against the Debtors on Account of Prepetition Invoices; (B) Determining that the Utilities are Adequately Assured of Future Payment; (C) Establishing Procedures for Determing Requests

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[14][16] Orthodontic Centers of Hawaii, Inc. (06-10503); Orthodontic Centers of Iowa, Inc. (06-10504); and Orthodontic Centers of Idaho, Inc. (06-10505).

[15][17] This Application was granted by Order of the Bankruptcy Court entered on March 16, 2006 (Docket No. 31).

[16][18] This Motion was granted by Order of the Bankruptcy Court entered on March 16, 2006 (Docket No. 32).

[17][19] This Application was granted by Order of the Bankruptcy Court entered on March 16, 2006 (Docket No. 33).

[18][20] This Application was granted by Order entered by the Bankruptcy Court on March 16, 2006 (Docket No. 34).

[19][21] This Motion was granted by Order entered by the Bankruptcy Court on March 15, 2006 (Docket No. 27).

[20][22] This Motion was granted by Order entered by the Bankruptcy Court on March 16, 2006 (Docket No. 37).

for Additional Assurance; and (D) Permitting Utility Companies to Opt Out of the Procedures Established Herein (Docket No. 12)[21][23];

h. Motion of the Debtors Pursuant to Section 105(a) of the Bankruptcy Code for order (1) Authorizing the Debtors to Continue to Operate under and Provided Services Pursuant to Business Service Agreements, (2) Authorizing the Debtors to Pay Certain Prepetition Obligations in Connection therewith and 93) Directing the Affiliated Parties to Continue to Operate under the Business Service Agreements, Including, Without Limitation, Making Timely Deposits and Payments to the Debtors (Docket No. 13)[22][24];

i. Motion Pursuant to Section 105(a) of the Bankruptcy Code for Entry of Order Establishing Expedited Procedures for (I) Enforcement of the Automatic Stay with Respect to the Debtors' Business Service Agreements and (II) Adversary Proceedings Seeking to Compel other Contracting Parties to Comply with their Obligations Pursuant to the Business Service Agreements (Docket No. 14)[23][25];

j. Motion for Authority to (I) Obtain Postpetition Financing and Use Cash Collateral, (II) Granting Liens, Security Interests and Superpriority Claims, and (III) Granting Adequate Protection, and Entry of an Interim Order Scheduling a Final Hearing Pursuant to Federal Rule of Bankruptcy Procedure 4001 ("DIP Financing Motion")(Docket No. 16)[24][26]; and

k. Ex parte Motion to Confirm Authority under the Interim DIP Order and the First Order (Docket No. 78)[25][27]

l. Ex Parte Motion for Authority to Engage Callaway Partners, LLC to Provide Consulting Services to the Debtors Including the Preparation and Filing of the Debtors' schedules and Statements of Financial Affairs (Docket No. 256)[26][28].

m. Motion for Order Under 11 U.S.C. §§105 and 363(b) Authorizing the retention of Spencer Stuart as Executive Search Consultants for OCA (Docket No. 283)[27][29].

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[21][23] An Interim Order granting this Motion was entered by the Bankruptcy Court on March 16, 2006 (Docket No. 44). A Final Order granting this Motion was entered by the Bankruptcy Court on April 11, 2006 (Docket No. 206).

[22][24] This Motion was granted by (a) First Order (Docket No. 45) and Second Order (Docket No. 46), both entered by the Bankruptcy Court on March 16, 2006 and (b) Order entered by the Bankruptcy Court on April 11, 2006 (Docket No. 200).

[23][25] This Motion was granted by Order entered by the Bankruptcy Court on March 16, 2006

[24][26] An Interim Order granting the relief sought by this motion (the "Interim Order") was entered on March 17, 2006 (Docket No. 48). A Consent Bridge Order extending the effectiveness of this Interim Order was entered on April 7, 2006 (Docket No. 187). The final order granting the relief sought by this motion (the "Final DIP Order") was entered on May 12, 2006 (Docket No.487).

[25][27] This Motion was granted by Order entered by the Bankruptcy Court on March 23, 2006 (Docket No. 91).

[26][28] This Motion was granted by Order entered by the Bankruptcy Court on April 26, 2006 (Docket No. 301).

[27][29] This Motion was granted by Order entered by the Bankruptcy Court on May 11, 2006 (Docket No. 479).

n. Motion for Order Approving Plan Support Agreement Pursuant to 11 U.S.C. §105 (Docket No. 387)[28][30].

o. Motion for Authority to Engage Special Counsel to the Debtors (Docket No. 504)[29][31].

p. Application by the Debtors for Entry of an order Authorizing the Employment and Retention of Kingsmill Riess L.L.C. as Supplemental Litigation Counsel (Docket No. 527)[30][32].

2. **RETENTION OF ALVAREZ & MARSAL and CONWAY, DELGENIO GRIES & CO.**

In 2005, as a result of financial distress and as a condition to a waiver of default by the Senior Lenders, the Debtors retained advisors experienced in the reorganization and restructuring of companies in financial distress that were acceptable to the Prepetition Lenders.

The Debtors initially retained Alvarez & Marsal, LLC ("A&M"). On September 6, 2005 A&M resigned its engagement.

Thereafter, the Debtors then retained the firm of Conway Delgenio Gries & Co. LLC. ("CDG"). The name of CDG was one of several reorganization consultant possibilities provided by Bank of America, as Agent for the Senior Credit Facility to the Debtors prior to the bankruptcy filing at the time the parties were negotiating a loan forbearance agreement, to replace the Debtors' previous financial consultants, Alvarez and Marsal, who had been terminated by the Debtors. Bank of America selected the names of the prospective consultants provided to the Debtors. CDG and Michael Gries, now the interim chief executive officer of the Debtors have not to its, nor his knowledge previously worked in a case in which Silver Point or affiliated entities, were the principal or majority creditor, although they have been involved in

[28][30] This Motion was granted by Order entered by the Bankruptcy Court on May 11, 2006 (Docket No. 480).
[29][31] This Motion was granted by Order entered by the Bankruptcy Court on May 31, 2006 (Docket No. 569).
[30][32] This Application was granted by Order entered by the Bankruptcy Court on May 22, 2006 (Docket No. 538).

three cases in which Silver Point was a minority creditor (Silver Point was not involved in retaining CDG in these instances, however). Moreover, there has been no business transactions or other relationships between CDG and Silver Point or any entities or funds controlled by Silver Point. The terms of the engagement agreed to by CDG and the Debtors prior to the bankruptcy filing, which is a matter of public record, specifically references that a success fee would be negotiated and agreed to by the Debtors and CDG. CDG has advised Bank of America and Silver Point that CDG intends to file an application with the Bankruptcy Court for a success fee at the conclusion of the case. No success fee has been negotiated and no amount of a possible success fee has been discussed with Bank of America, Silverpoint or the Debtors and there have been no subsequent discussions on this topic. Any success fee will be subject to approval of the Bankruptcy Court.

Pursuant to agreement, OCA engaged CDG to assist and advise OCA and to provide restructuring management and turnaround management services, including providing Michael F. Gries as OCA's Chief Restructuring Officer, in connection with a refinancing or restructuring of the debt obligations of OCA and its subsidiaries. Following the engagement of CDG, the Senior Lenders and OCA entered into the Seventh Amendment to Credit Agreement and Forbearance.

Mr. Gries of CDG has acted as Chief Restructuring Officer (CRO) of OCA since January 11, 2006. Palmisano was terminated from all of his positions with OCA (except as a member of the Board of Directors of OCA) on the Palmisano Exit Date.[~~31~~33] A consensual Term Sheet could not have been achieved unless these features were included. Upon this termination of Palmisano, Mr. Gries replaced Palmisano by becoming the interim Chief Executive Officer of OCA. He will so serve until a new permanent CEO is appointed.

[~~31~~33] Following the Palmisano Exit Date, Palmisano resigned as a member of the Board of Directors of OCA.

3. RETENTION OF SPENCER STUART

Pursuant to the Term Sheet setting forth the terms and conditions on which the parties thereto will support a plan of reorganization in this case (described hereinafter) agreed between the Senior Lenders, the Unsecured Creditors Committee and the Debtors, OCA has retained Spencer Stuart (an international executive search firm) to search for a new permanent Chief Executive Officer (CEO). Under the Term Sheet, the new CEO must be satisfactory to the Senior Lenders. The permanent Chief Executive Officer of Reorganized OCA, Inc. will be selected by the Board of Reorganized OCA, Inc., with the prior consent of the Senior Lenders who (assuming the Plan is implemented) will, subject to dilution by the Management Incentive Plan and the Doctors' Incentive Plan, hold all of the New Common Stock in the Reorganized OCA under the Plan after the Effective Date. The Bankruptcy Court has approved the retention of Spencer Stuart and the executive search is underway. No candidates have been presented to the board of OCA as of the present time.

4. UNSECURED CREDITORS COMMITTEE

As provided under the Bankruptcy Code, the United States Trustee filed a Notice of Appointment of the Unsecured Creditors Committee on March 24, 2006 (Docket No. 95). The Unsecured Creditors Committee as presently constituted consists of Applied Discovery, Inc., Adorno & Yoss LLP, Buckley King, Meckler Bulger & Tilson, LLP and Navigant Consulting, Inc. The Unsecured Creditors Committee (the "UCC") received Bankruptcy Court authority to employ (a) Jenner & Block, LLP and Mark K. Thomas as general bankruptcy counsel (Docket No. 152); (b) William E. Steffes and Steffes, Vingiello & McKenzie, LLC as Louisiana counsel (Docket No. 161) and (c) Mohsin Y. Meghji and Laughlin Meghji + Company as financial advisors (Docket No. 174).

5. DIP FINANCING

In the DIP Financing Motion, the Debtors sought authority to enter into an agreement with the Senior Lenders that agree to provide debtor in possession financing to the Debtors (collectively, the "DIP Lenders") pursuant to which Debtors were to: (i) incur secured indebtedness consisting of a term loan facility in the approximate amount of $91.7 million and a revolving loan facility in the amount of $15 million (the "Postpetition Indebtedness"), (ii) grant liens, security interests and superpriority claims, (iii) use cash which may constitute "cash collateral" as defined in 11 U.S.C. §363(a) and provide adequate protection therefor, and (iv) grant adequate protection for the benefit of existing Senior Lenders and their collateral agents. The DIP Financing Motion sought the entry of interim and a final ~~orders.~~ order.

The Interim Order was entered on March 17, 2006 (Docket No. 48), allowing the Debtors to incur revolving indebtedness not to exceed $7 million pending entry of a final order on the DIP Financing Motion, authorizing the use of cash collateral, and authorizing the Debtors to enter into a loan agreement with the DIP Lenders. The Interim Order granted the DIP Lenders a superpriority administrative claim status, a fully perfected first priority security interest in all assets of the Debtors, including a first priority priming lien on all prepetition collateral and a junior lien on certain other collateral (the "DIP Lender Superpriority Security Interest") to secure the loans made pursuant thereto, subject and subordinate only to the fees of the United States Trustee and the administrative fees of certain professionals including law firms representing the Debtors and the Unsecured Creditors Committee, subject to a limitation for professional fees in the amount of $500,000 in the event of a default (collectively, the "Administrative Carve-Out"). The Senior Lenders and the Senior Lenders' collateral agents were granted junior replacement liens on all assets of the Debtors and a superpriority administrative expense claim in the amount

of the diminution in the value of their collateral, subject and subordinate only to the DIP Lender Superpriority Security Interest and the Administrative Carve-Out.

After the Interim Order was entered, the Debtors and the DIP Lenders extensively negotiated the loan agreement (the "DIP Loan Agreement") contemplated by the DIP Financing Motion. The DIP Loan Agreement provides for the DIP Lenders to make the following loans to the Debtors: (i) a term loan in the amount of $75 million to pay down the pre-petition claims of existing Senior Lenders and their collateral agents ("DIP Term Loan"); (ii) a delay drawdown term loan in the amount of $16,723,334; and (iii) an increase in the availability of the revolving credit facility to a total amount of $15 million, subject to reserves. The term of the loans expire no later than September 14, 2006. The DIP Loan Agreement provides that the loans are to be secured by the DIP Lender Superpriority Security Interest, subject and subordinate only to the Administrative Carve-Out and certain permitted priority liens as described therein.

The final hearing on the DIP Financing Motion was held May 10, 2006, and pursuant to the Final DIP Order, the Bankruptcy Court approved the DIP Financing Motion and the transactions contemplated thereby.

As of June 23, 2006, $3.5 million has been borrowed by the Debtors under the revolving loan facility under the orders entered pursuant to the DIP Financing Motion. In addition the Debtors drew the initial DIP Term Loan of $75 million and a delayed drawdown term loan of $8.97 million. Thus, the total borrowings under the DIP Facility as of June 23, 2006 total $87.47 million.

6. BAR DATE FOR FILING PROOFS OF CLAIM

On the Motion of the Debtors (Docket No. 134), the Bankruptcy Court entered an order on April 11, 2006 setting May 15, 2006 as the bar date for the filing of proofs of claim, except

that proofs of claim by Governmental Entities must be filed by September 13, 2006 (Docket No. 205). That order was amended on April 28, 2006 (Docket No. 319), and the general bar date for filing proofs of claim as to all of the Debtors other than the June 1 Debtors was extended to **June 2, 2006 at 4:30 p.m. (CDT).** The general bar date for filing proofs of claim as to the June 1 Debtors has been set for **June 28, 2006 at 4:30 o'clock p.m. (CDT)** and proofs of claim by Governmental Entities as to the June 1 Debtors must be filed by November 12, 2006 (Docket No. 620).

7. OCA LITIGATION AGAINST AFFILIATED PRACTICES WHO DEFAULTED/TERMINATED PERFORMANCE UNDER BSA's

There are over 50 Affiliated Practices that, prior to the Petition Date, unilaterally sent notices of default to OCA, and/ or simply stopped performing under their BSA's. OCA has invested millions of dollars in purchasing assets, financing leasehold improvements, acquiring furniture, fixtures, equipment and providing management services for these defaulted/terminating Affiliated Practices. In addition, the actions of these Affiliated Practices prevent OCA from achieving operating revenue from the BSA's with these Affiliated Practices. The usual procedure is for defaulting Affiliated Practices to immediately stop depositing funds and otherwise performing under the BSA's. The defaulting or terminating Affiliated Practices continue to use the Debtors' furniture, fixtures, equipment, leasehold improvements and other assets, however. The Debtors are in the process of filing adversary proceedings (lawsuits filed in the bankruptcy court) against all of the Affiliated Practices that have defaulted and/or stopped performing under the BSA's.

On April 21, 2006, OCA and Orthodontic Centers of Georgia, Inc. filed an adversary complaint in the Bankruptcy Court against Hector M. Bush, D.M.D and Hector M. Bush, P.C., a Georgia Professional Corporation ("Bush Complaint"). The Bush Complaint bears Adversary

No. 06-01113 (Docket No. 1 in the Adversary Proceeding and Docket No. 279 in the Bankruptcy Case). The Bush Complaint asserts numerous causes of action such as breach of contract, specific performance, conversion, unjust enrichment, quantum meruit, promissory estoppel, account stated, declaratory judgment and attorneys' fee and costs. Among other things, the debtors who are the plaintiffs in this adversary proceeding allege a material breach by Dr. Bush and his professional corporation of the BSA they entered into with the plaintiffs, and, accordingly, the plaintiffs seek (i) damages for such breach, (ii) damages for the defendants' conversion of the plaintiffs' personal property, (iii) an order enforcing the promises made by the defendants upon which the plaintiffs relied to the plaintiffs' detriment, (iv) an order requiring the defendants to restore to plaintiffs all money and property heretofore received by the defendants from the plaintiffs, (v) the repayment of the defendants' debt of $4,482,131 to plaintiffs, (vi) a declaratory judgment that the BSA is valid, legal, and enforceable and that the BSA does not violate Georgia law, regulation, or public policy, (vii) an order requiring the defendants to perform their obligations under the BSA, (viii) reasonable attorneys' fees and costs, and (ix) interest.

Complaints similar to the Bush Complaint have been filed as follows:

a. On May 10, 2006, OCA and Orthodontic Centers of Florida, Inc. v. Jan Simon, D.D.S. and Simon Orthodontic Centers, P.A., a Florida Professional Corporation, being Adversary No. 06-~~01123;~~01123.

b. On May 23, 2006, OCA and Orthodontic Centers of Tennessee, Inc. v. Ralph G. Grant and Ralph G. Grant Orthodontics, P.C., being Adversary No. 06-~~01135;~~01135.

c. On May 23, 2006, OCA and Orthodontic Centers of Georgia, Inc. v. Kevin Eatmon and Kevin Eatmon, D.D.S., LLC, being Adversary No. 06-~~01137; and~~01137.

d. On May 23, 2006, OCA and Orthodontic Centers of Pennsylvania, Inc. v. Kellyn W. Hodges, D.M.D., M.S. and Kellyn W. Hodges, D.M.D., M.S., P.C., being Adversary No. 06-01138.

e. On June 23, 2006, OCA and Orthodontic Centers of Nebraska, Inc. v. Timothy A. Adams, D.D.S., and Timothy A. Adams, D.D.S., P.C., being Adversary No. 06-~~-~~01175.

f. On June 23, 2006, OCA and Orthodontic Centers of Ohio, Inc. v. Lucy S. DeGuzman, D.D.S., M.S. and DeGuzman Orthodontics, Inc., being Adversary No. 06-~~-~~01158.

g. On June 23, 2006, OCA and Orthodontic Centers of Georgia, Inc. v. Damien Grant, D.D.S. and Damien Grant, D.D.S., L.L.C., being Adversary No. 06-~~-~~01166.

h. On June 23, 2006, OCA and Orthodontic Centers of Florida, Inc. v. Nigel Grandison, D.M.D., being Adversary No. 06-~~-~~01178.

i. On June ~~23,~~25, 2006, OCA and Orthodontic Centers of Pennsylvania, Inc. v. Joe M. Keller, D.D.S., M.S., and Joe M. Keller, D.D.S., M.S., P.C., being Adversary No. 06-~~-~~01186.

j. On June 23, 2006, OCA and Orthodontic Centers of Alabama, Inc. and Orthodontic Centers of Tennessee, Inc. v. Ronald E. Brown, D.D.S. and Ronald E. Brown, D.D.S., P.C., being Adversary No. 06-~~-~~01154.

k. On June ~~23,~~25, 2006, OCA and Orthodontic Centers of Florida, Inc. v. Austin F. Smith, D.D.S. and Austin F. Smith, D.D.S., P.A., being Adversary No. 06-~~-~~01191.

l. On June 23, 2006, OCA and Orthodontic Centers of South Carolina, Inc. v. Ford S. Cooper, D.D.S. and Orthodontic Care of Carolina, P.C., f/k/a Ford S. Cooper, D.D.S., P.C., being Adversary No. 06-~~-~~01159.

m. On June ~~23,~~25, 2006, OCA and Orthodontic Centers of Massachusetts, Inc. v. Stanley Starr, D.D.S., and Stanley Starr, D.D.S., P.C., being Adversary No. 06-~~-~~01190.

n. On June ~~23,~~25, 2006, OCA and Orthodontic Centers of Oklahoma, Inc. v. Raymond P. Krob, D.D.S. and Raymond P. Krob, D.D.S, Inc., being Adversary No. 06-~~-~~01189.

o. On June 23, 2006, OCA and Orthodontic Centers of Tennessee, Inc. v. Don F. Flanagan, D.D.S, M.S. and Associates in Orthodontics, Inc., P.C., being Adversary No. 06-~~-~~01164.

p. On June 23, 2006, OCA and Orthodontic Centers of Texas, Inc. v. Dudley M. Hodgkins, D.D.S, M.S.D., and Dudley M. Hodgkins, D.D.S, M.D., P.C., being Adversary No. 06-~~-~~06-01167.

q. On June ~~23,~~25, 2006, OCA and Orthodontic Centers of North Carolina, Inc. v. W. David White, D.D.S., being Adversary No. 06-~~-~~01185.

r. On June ~~23,~~25, 2006, OCA and Orthodontic Centers of Minnesota, Inc. v. Nicole Peters, D.D.S., being Adversary No. 06-~~-~~01183.

s. On June ~~23,~~25, 2006, OCA ~~and~~ Orthodontic Centers of Texas, Inc. v. Eugene Stevenson, D.D.S., and Eugene Stevenson, D.D.S., P.C., being Adversary No. 06-~~-~~01184.

t. On June ~~23,~~25, 2006, OCA and Orthodontic Centers of Tennessee, Inc. v. Leighton Wood, D.D.S., M.S., and Leighton Wood, D.D.S., M.S., P.C., being Adversary No. 06-~~-~~01181.

u. On June 23, 2006, OCA and Orthodontic Centers of Connecticut, Inc. v. Lance R. Kiss, D.M.D., A.B.O., being Adversary No. 06-~~-~~01172.

v. On June ~~23,~~25, 2006, OCA and Orthodontic Centers of Tennessee, Inc. v. David L. Wyatt, D.M.D., and David L. Wyatt, D.M.D., P.C., being Adversary No. 06-~~-~~01182.

w. On June 23, 2006, OCA and Orthodontic Centers of Washington, Inc. v. Brent T. Hassel, D.D.S., and Brent Hassel, D.D.S., P.S., being Adversary No. 06-~~-~~01162.

x. On June ~~23,~~25, 2006, OCA and Orthodontic Centers of Texas, Inc. v. J. Garland Watson, Jr., D.D.S., and Garland Watson, L.L.C. f/k/a J. Garland Watson, Jr., D.D.S., M.S.D., Inc., being Adversary No. 06-~~-~~01188.

y. On June 23, 2006, OCA and Orthodontic Centers of Tennessee, Inc. and Orthodontic Centers of Arkansas, Inc. v. Samuel L. Watts, D.D.S., M.S. and Samuel L. Watts, D.D.S., M.S., P.A., being Adversary No. 06-~~-~~01179.

z. On June 23, 2006, OCA and Orthodontic Centers of Alabama, Inc. v. Michael F. McCarthy, D.M.D., and Michael F. McCarthy, D.M.D., P.C., being Adversary No. 06-~~-~~01180.

aa. On June 23, 2006, OCA, Inc. and Orthodontic Centers of Ohio, Inc. v. Kevin J. Ison, D.M.D., and Kevin J. Ison, D.M.D., P.S.C., being Adversary No. 06-~~-~~01169.

bb. On June 23, 2006, OCA, Inc. and Orthodontic Centers of Minnesota, Inc. v. Peter W. Kuipers, D.D.S., and Kuipers Orthodontics, P.A., being Adversary No. 06-01174.

cc. On June ~~23~~25, 2006, OCA, Inc. and Orthodontic Centers of New Jersey, Inc. v. Alan S. Cutler, D.D.S., and ALAN S. CUTLER, D.D.S., P.A., being Adversary No. 06-~~.~~01187.

dd. On June 25, 2006, OCA, Inc. and Orthodontic Centers of California, Inc. v. Robert E. Cater, D.D.S., M.S., being Adversary No. 06-01192.

ee. On June 25, 2006, OCA, Inc. and Orthodontic Centers of South Carolina, Inc. v. Bradley Nirenblatt, D.M.D., and Bradley Nirenblatt, D.M.D., P.A. a South Carolina Association, being Adversary No. 06-01193.

ff. On June 23, 2006, OCA, Inc. and Orthodontic Centers of South Texas, Inc. v. Lisa Kern, D.D.S., and Lisa Loomis Kerns, D.D.S., P.C. a Texas Professional Corporation, being Adversary No. 06-01171.

gg. On June 23, 2006, OCA, Inc. and Orthodontic Centers of Texas, Inc. v. William Terhune, D.M.D., and William Terhune, D.M.D., P.C. a Texas Professional Corporation, being Adversary No. 06-01176.

hh. On June 30, 2006, OCA, Inc. and Orthodontic Centers of Arkansas, Inc. v. Billy Harris, D.D.S., being Adversary No. 06-01211.

ii. On June 27, 2006, OCA, Inc. and Orthodontic Centers of Maryland, Inc. v. Stuart Scott, D.D.S., and Stuart Scott, D.D.S., P.A., a Maryland Dental Professional Corp., being Adversary 06-01196.

jj. On June 30, 2006, OCA, Inc. and Orthalliance, Inc. v. Bryan Fryar, D.D.S., M.S., and Bryan Fryar, D.D.S., M.S., P.C., and Indiana Dental Professional Corporation, bearing Adversary No. 06-0125.

kk. On June 30, 2006, OCA, Inc. and Orthalliance, Inc. v. Dennis R. Brenkert, D.D.S., M.S., and Brenkert Orthodonthics Professional, L.L.C., a Colorado Corporation, bearing Adversary No. 06-01210.

ll. On June 30, 2006, OCA and Orthalliance, Inc. v. Bradley K. Hook, D.D.S., M.S., bearing Adversary No. 06-01200.

mm. On June 30, 2006, OCA, Inc. and Orthalliance, Inc. v. John Boice, D.D.S., M.S., and John K. Boice, D.D.S. M.S., Ltd, a New Mexico Professional Corporation, bearing Adversary No. 06-01204.

nn. On June 30, 2006, OCA, Inc. and Orthalliance, Inc. v. William Plikerd, D.D.S., and Orthondontic Concepts Inc. – William D. Plikerd, D.D.S., an Ohio Corp., bearing Adversary No. 06-01203.

oo. On June 30, 2006, OCA, Inc. and Orthalliance, Inc. v. Robert A. Thacker, D.M.D., and Orthodontics West. P.C., an Alabama Professional Corp. f/k/a R.A. Thacker, D.M.D., P.C., bearing Adversary No. 06-01212.

pp. On June 30, 2006, OCA, Inc. and Orthalliance, Inc. v. Daniel J. Enger, Jr., D.D.S., and Daniel J. Enger, Jr., D.D.S., P.A., a Mississippi Professional Association, bearing Adversary No. 06-01202.

qq. On June 30, 2006, OCA, Inc. and Pedoalliance, Inc. v. William R. Izzard, D.D.S., and Rudy Izzard, D.D.S., P.C., a Texas Professional Corporation, bearing Adversary No. 06-01201.

rr. On June 30, 2006, OCA, Inc. and Pedoalliance, Inc. v. J. Keith Roberts, D.D.S., and J. Keith Roberts, Inc., an Indiana Corporation, bearing Adversary No. 06-1213.

ss. On June 30, 2006, OCA, Inc. and Pedoalliance, Inc. v. James L. Bevans, D.D.S., and Bevans Pediatric Dental Center, P.A., an Arkansas Corporation, bearing Adversary No. 06-01206.

tt. On June 30, 2006, OCA, Inc. and Orthoalliance, Inc. v. Halliburton Orthodontics, P.C, a Tennessee Professional Corporation, bearing Adversary No. 06-01207.

uu. On June 30, 2006, OCA, Inc. and Orthoalliance, Inc. v. Rober L. Bandeen, D.D.S., M.S., and Roger L. Bandeen, D.D.S., M.S., P.L.L.C., a Michigan Profess. Limited Liability Comp, bearing Adversary No. 06-01208.

vv. On June 30, 2006, OCA, Inc. and Pedoalliance, Inc. v. Jefferson L. Newbern, D.D.S., Jeanne Newbern, D.D.S., Newbern Dental Center, Inc., a Georgia Corp., f/k/a a Newbern & Newbern, L.L.P., bearing Adversary No. 06-01209.

ww. On July 5, 2006, OCA, Inc. and Orthoalliance, Inc. v. A. Paul Serrano, D.D.S., A. Paul Serrano, D.D.S., P.C., an Arizona Professional Corporation, bearing Adversary No. 06-01217.

xx. On July 5, 2006, OCA, Inc. and Pedoalliance, Inc. v. Michael M. Etessami, D.D.S., Michael M. Etessami, D.D.S., P.A., a Maryland Professional Corporation, Wayne B. Hickory, D.D.S., Ronald M. Starr, D.D.S., Etessami, Hickory, and Starr, P.C., a Maryland Professional Corporation, bearing Adversary No. 06-01216.

yy. On July 5, 2006, OCA, Inc. and Orthoalliance New Image, Inc., a Delaware Corporation v. Roland K. Fulcher, D.M.D., and Roland K. Fulcher, D.M.D., P.A, a South Carolina Professional Corporation, bearing Adversary No. 06-01215.

zz. On June 30, 2006, OCA, Inc. and Orthoalliance, Inc. v. John K. Boice, D.D.S., M.S., and John K. Boice, D.D.S., M.S., Ltd, a New Mexico Professional Corporation, bearing Adversary No. 06-01204.

aaa. On July 5, 2006, OCA, Inc. and Orthoalliance, Inc. v. Gene M. Fryar, D.D.S., and Fryar Orthodontics, P.C., an Indiana Dental Professional Corporation, bearing Adversary No. 06-01214.

bbb. On July 6, 2006, OCA, Inc. and Pedoalliance, Inc. v. Ronald A. Eichel, D.D.S., M.S.D., and The Children's Dental Center of Atlanta, P.C., f/k/a Comprehensive Dentistry for Children & Teens, P.C., a Georgia Professional Corporation, bearing Adversary No. 06-01219.

ccc. On July 6, 2006, OCA, Inc. and Outsource, Inc. v. Carlos Suadi, D.D.S., bearing Adversary No. 06-01218.

ddd. On July 7 2006, OCA, Inc. and OCA Orthoalliance, Inc. v. Thomas J. Eberhardt, D.D.S., Eberhardt Orthodontics, P.C., a Georgia Professional Corporation, bearing Adversary No. 06-01222.

eee. On July 7, 2006, OCA, Inc. and Outsource, Inc. v. Jimmy Blount, D.D.S., and Blount Family Dental Center, P.C., a Georgia Professional Corporation, bearing Adversary No. 06-01221.

fff. On July 7, 2006, OCA, Inc. and Outsource, Inc. v. Angela Goodman, D.D.S., bearing Adversary No. 06-01220.

ggg. On July 10, 2006, OCA, Inc. and Outsource, Inc.. v. Bradley W. Wilkinson, D.D.S., M.S., and Bradley W. Wilkinson, D.D.S., M.S., P.C., a Tennessee Professional Corporation, bearing Adversary No. 06-01226.

hhh. On July 10, 2006, OCA, Inc. and OCA Orthoalliance, Inc. v. James A. Evans, D.D.S., Bruce A. Evans, D.D.S., and Evans Orthodontics, P.C., a South Dakota Professional Corporation, bearing Adversary No. 06-01225.

iii. On July 10, 2006, OCA, Inc. and OCA Orthoalliance, Inc. v. Robert P. Lorentz, D.D.S., M.S. and Robert P. Lorentz, D.D.S., M.S.P.C., a Mississippi Professional Corporation, bearing Adversary No. 06-01224.

jjj. On July 10, 2006, OCA, Inc. and Pedoalliance, Inc. v. Larry D. Dormois, D.D.S., Steven J. Fuson, D.D.S., Pediatirc Dental Group, P.L.L.C., f/k/a Dormois and Fuson, P.L.L.C., a Tennessee Professional Limited Liability Company and John A. Acosta, D.D.S., individually and d/b/a East Pediatric Dentistry, P.C., bearing Adversary No. 06-01223.

Other adversary actions against the defaulting Affiliated Practices will continue to be filed during the course of the bankruptcy case.

In addition, adversary cases have been filed against some of the Debtors. Generally, these adversary cases are for breach and termination of BSA's and for damages. These actions are as follows:

i. Jason D. Parker, DDS and Pediatric Dentists, a Professional Dental Corporation v. Orthodontic Centers of Louisiana, Inc., being Adversary No. 06-~~01120;~~01120.

ii. Robert M. Amason, D.D.S., P.C. and Robert M. Amason, D.D.S. v. OCA and Orthodontic Centers of Alabama, Inc., being Adversary No. 06-~~01128;~~01128.

iii. Alexander M. Waitkus, D.D.S., P.C. and Alexander M. Waitkus v. OCA and Orthodontic Centers of Louisiana, Inc., being Adversary No. 06-~~01129;~~01129.

iv. Rachel M. Hamilton, D.D.S., M.S.D., P.C. and Rachel M. Hamilton v. OCA and Orthodontic Centers of South Carolina, Inc., being Adversary No. 06-~~01130;~~01130.

v. Kerry White Brown, D.D.S., P.C. and Kerry White Brown v. OCA and Orthodontic Centers of South Carolina, Inc., being Adversary No. 06-~~01131;~~01131.

vi. Warren J. Apollon, D.M.D., P.C. and Warren J. Apollon v. OCA and Orthodontic Centers of Pennsylvania, Inc., being Adversary No. 06-~~01132;~~01132.

vii. Doug Crosby, D.D.S. v. OrthAlliance New Image, Inc., being Adversary No. 06-~~01142;~~01142.

viii. Theodora Bonney v. Orthodontic Centers of Pennsylvania, Inc., being Adversary No. 06-~~01143;~~01143.

ix. Donald B. Doan, D.D.S. v. Orthodontic Centers of Texas, Inc., being Adversary No. 06-~~01144;~~01144.

x. Glenwood Jordan v. Orthodontic Centers of Texas, Inc., being Adversary No. 06-~~01145;~~01145.

xi. Terry Scotese v. Orthodontic Centers of Ohio, Inc., being Adversary No. 06-~~01146;~~01146.