

AFFIDAVIT

STATE OF OHIO)
)
CUYAHOGA COUNTY)

BEFORE ME, the undersigned authority, personally appeared Terry Scotese, D.D.S. who, having been duly sworn, deposes and states as follows:

1. My name is Terry Scotese, D.D.S. I am over 18 years of age and competent in all respects to make this Affidavit. I have personal knowledge of the facts stated herein and they are all true and correct to the best of my knowledge.

2. I am licensed to practice dentistry in the State of Ohio.

3. On or about June 25, 1999, I entered into a Business Services Agreement with Orthodontic Centers of America (“OCA”).

4. While the Business Services Agreement was in effect, OCA failed to properly allocate direct and indirect office expenses as required under that Agreement.

5. In addition, OCA improperly charged a 10% markup on its corporate office expenses before allocating those expenses to its affiliates, including my practice.

6. Due to these and other problems with OCA’s performance under the Business Services Agreement, I notified OCA of my intention to end our relationship on January 20, 2006. A copy of my attorney’s letter to OCA is attached as Exhibit 1.

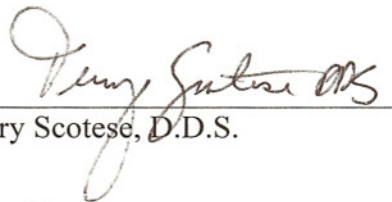
7. OCA never responded to the January 20, 2006 letter or to subsequent correspondence by my attorney.

8. The sole reason that I did not formally declare default under the specific terms set forth in the Business Services Agreement was my concern that OCA would improperly lock me

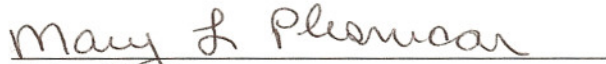
out of the WALRUS computer system, making it impossible for me to render care to my patients.

9. Further, on information and belief, OCA entered the office of a Colorado affiliate, after receiving notice of termination, began disassembling equipment and making it otherwise impossible for that affiliate to continue to treat patients

FURTHER AFFIANT SAYETH NOT.


Terry Scotese, D.D.S.

SUBSCRIBED AND SWORN TO before me on this 29th day of March, 2006, to certify which witness my hand and official seal.


Notary Public

MARY PLESNICAR
Notary Public State of Ohio
Commission Expires 9/18/2007
Recorded in Lake County



January 20, 2006

Mr. Gibson E. Pratt
Vice President and Chief Legal Officer
Orthodontic Centers of America
3850 N. Causeway Blvd., Suite 800
Metairie, LA 70002

Re: Dr. Terry Scotese

Dear Gibson:

We have been retained to represent Dr. Terry Scotese with respect to his Business Services Agreement with OCA. We reviewed OCA's most recent correspondence, which suggests that Dr. Scotese's monthly draw should be further reduced.

The frank economics of the matter have become such that Dr. Scotese needs to dissolve this relationship. While he could certainly raise claims similar to those which have been asserted in various lawsuits, such as those relating to the 10% mark up and allocation issues regarding direct and indirect costs, litigation is not Dr. Scotese's goal. He would simply like to amicably dissolve the relationship. Specifically, he is willing to relinquish any and all claims he may have relative to the BSA in exchange for a cancellation of the Agreement.

Would you please contact me within the next seven (7) days to discuss this matter?
Thank you.

Sincerely,


Michael J. Jordan

cc: Dr. Terry Scotese

