

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF LOUISIANA

In re:

OCA, INC., *et al.*

Debtors.

Chapter 11

Case Nos. 06-10179 (B)

(Jointly Administered)

**LEAD PLAINTIFF'S LIMITED OBJECTION TO PLAN SUPPORTERS
JOINT PROPOSED FINDINGS OF FACTS AND CONCLUSIONS OF LAW**

Samuel Boodman, lead plaintiff (the "Lead Plaintiff") for the securities cases in the consolidated securities fraud class action entitled *In re OCA, Inc. Securities and Derivative Litigation*, Master File No. 05-2165 (J. Vance) (E.D. La.) (the "Securities Litigation"), individually and on behalf of the persons (the "Class") who purchased the publicly traded common stock or sold put options of OCA, Inc. ("OCA" or the "Debtor") between May 18, 2004 and June 6, 2005 inclusive, hereby submits this limited objection (the "Objection") to the Plan Supporters Joint Proposed Findings of Fact and Conclusions of Law with respect to the requested confirmation of the Plan of Reorganization For OCA, Inc. And Filed Subsidiaries As of September 14, 2006 (the "Plan")¹ and states the following:

BACKGROUND

1. On or about June 7, 2005, the first of approximately 18 putative securities class actions and derivative actions against OCA and certain of OCA's current and/or former officers

¹ Capitalized terms shall have the meanings ascribed to them in the Plan unless defined otherwise herein.

and/or directors was filed in the United States District Court for the Eastern District of Louisiana (the “District Court”).

2. On July 1, 2005, the District Court consolidated the pending putative securities class actions and derivative actions. On August 1, 2005, the District Court directed that the consolidated cases be captioned as *In re OCA, Inc. Securities and Derivative Litigation*, Master File No. 05-2165 (J. Vance). On November 23, 2005, the District Court appointed Samuel Boodman as Lead Plaintiff for the securities class actions.²

3. On February 1, 2006, Lead Plaintiff filed the Consolidated Class Action Complaint (the “Complaint”) alleging that the Debtor, OCA, and certain non-Debtors, Bartholomew Palmisano, Sr., Bartholomew Palmisano, Jr., and David E. Verret (the “Non-Debtor Defendants”), violated federal securities laws, including Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder.

4. On March 14 and 17, 2006, the Debtor and its affiliated entities (collectively, the “Debtors”) filed their respective Chapter 11 petitions.

5. Although the Debtor is named as a defendant in the Complaint, the Securities Litigation is stayed as to the Debtor pursuant to the dictates of 11 U.S.C. § 362(a). However, the Securities Litigation is proceeding against the Non-Debtor Defendants.

6. Oral argument on the Non-Debtor Defendants’ motions to dismiss the Securities Litigation was conducted on May 19, 2006 in the District Court. No decision on those motions has been rendered as of the date of this Objection.

7. Prior to the bar date established in this Chapter 11 proceeding, Lead Plaintiff filed a class proof of claim against the Debtor based upon the allegations of the Complaint and the Debtor’s violations of the aforesaid federal securities laws.

8. In or about May 2006, the Debtors filed their Joint Disclosure Statement For Joint Chapter 11 Plan For OCA, Inc. And Filed Subsidiaries and accompanying plan (the “Original

² A separate Lead Plaintiff was appointed for the derivative cases.

Disclosure Statement” and “Original Plan,” respectively). The Original Plan and Original Disclosure Statement were amended following several Court hearings (on June 19, 2006 and June 27, 2006) to approve the adequacy of the Original Disclosure Statement, as amended.

9. Lead Plaintiff objected to confirmation. However, during the course of the Confirmation Hearing, the Debtor agreed to modify the Plan so as to eliminate the non-Debtor releases and channeling injunction that were the primary basis for Lead Plaintiffs’ objection. These modifications have since been approved by the Court by order dated September 26, 2006. With the modifications and certain other clarifications placed on the record during the Confirmation Hearing, Lead Plaintiff’s confirmation objection was resolved.

LIMITED OBJECTION

10. Lead Plaintiff has reviewed the Plan Supporters’ Proposed Findings of Facts and Conclusions of Law as well as Exhibit “A” thereto. Lead Plaintiff’s only concerns with respect to the General Findings of Facts and Conclusions of Law involve certain findings and conclusions set forth in Exhibit “A” which is the Plan Supporters Proposed Supplemental Findings of Facts and Conclusions of Law (the “Supplemental Findings and Conclusions”).

11. Paragraph 8 of the Supplemental Findings and Conclusions purports to provide releases to the Lenders, DIP Financing Agents and/or Senior Agents consistent with the Final DIP Financing Order and the Plan. However, the language of paragraph 8 releases these entities from “all causes of action or claims that may be asserted by any party against [said entities] (and each of their respective former, current or future officers, employees, directors, agents, representatives, members, partners, financial advisors, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates and predecessor in interest) arising from any actions, omissions or conduct undertaken by any of them with respect to the Debtors. . .”. A review of the Plan as well as a review of the Final DIP Financing Order (including the specific provisions identified in paragraph 8 of the Supplemental Findings and Conclusions) reveals that

none of those documents provide a release as broad and all encompassing as the release requested through the proposed Supplemental Findings and Conclusions.

12. Lead Plaintiff obviously has no objection to the scope of the release already provided by virtue of the Final DIP Financing Order. Lead Plaintiff also does not object to the releases provided to the Lenders, the Senior Agent, the DIP Facility Agent and others as set forth in paragraphs 8.4.1 and 8.4.2 of the Plan as clarified on the record during the Confirmation Hearing. However, there appears to be no justification for the seemingly endless scope of the release or claims bar sought through paragraph 8 of the Supplemental Conclusions and Findings since it is inconsistent with the releases under the Final DIP Financing Order and releases proposed under the Plan with respect to the which creditors had notice and could appropriately take a position, if necessary.

13. Of less concern, but in the spirit of accuracy, paragraph 37 of the Supplemental Findings and Conclusions is, for the most part, consistent with the terms of the Directors and Officers Insurance Policies that were introduced into evidence as Debtor's Exhibit "54". At no time, did Mr. Greis testify as to the extent to which the so-called retention amount under the policies has been exhausted. That finding should be eliminated from paragraph 37.

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CONCLUSION

Therefore, based upon the foregoing, Lead Plaintiff respectfully requests that paragraphs 8 and 37 of the proposed Supplemental Findings and Conclusions be modified in accordance with this Limited Objection.

Dated: October 3, 2006

Respectfully submitted,

/s/ Michael S. Etkin
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