GUARANTY OF PAYMENT

THIS GUARANTY OF PAYMENT ("Guaranty") is made as of June 30, 1999 by Dr. J. Keith Roberts ("Guarantor") in favor of PedoAlliance, Inc., a Delaware corporation ("PedoAlliance").

RECITALS

WHEREAS, PedoAlliance and J. Keith Roberts, D.D.S., Inc. ("Pedodontic Entity"), desire to enter into that certain Service Agreement of even date herewith ("Service Agreement"); and

WHEREAS, as an inducement for PedoAlliance to enter into such Service Agreement, Guarantor has agreed to execute this Guaranty;

NOW, THEREFORE, for ten dollars ($10.00) and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, Guarantor hereby makes this Guaranty in favor of PedoAlliance.

1. Guaranty of Payment. Guarantor does hereby unconditionally and irrevocably guarantee to PedoAlliance, and its successors and assigns, prompt and punctual payment of any and all Service Fees (as defined in the Service Agreement) accrued on or before the end of the fifth year of the term of the Service Agreement owed by Pedodontic Entity to PedoAlliance, together with such interest or late fees as may accrue thereon, and any and all costs and expenses incurred by PedoAlliance in collection of such Service Fees owed by the Pedodontic Entity, including legal fees ("Guaranteed Fees"). This Guaranty shall terminate in the event of the Guarantor's death or disability; provided, however, for purposes of this sentence only, the Guarantor shall be considered to be disabled if and only if PedoAlliance determines, in its sole discretion, that the Guarantor's condition causes Guarantor to be unable to practice pediatric dentistry.

2. Continuing Guaranty. The guaranty of payment provided herein shall be a continuing one, remaining in full force and effect in perpetuity, or until the aggregate sum of the Guaranteed Fees is paid to PedoAlliance.

3. Underlying Agreement. The provisions of this Guaranty shall extend and apply to all renewals, replacements, assignments, amendments, extensions and modifications of the Service Agreement. Any and all references herein to the Service Agreement shall be deemed to include any such renewals, replacements, assignments, amendments, extensions or modifications thereof.

4. Consents. Guarantor hereby consents and agrees that PedoAlliance may at any time, and from time to time, without notice to or further consent from Guarantor, either with or without consideration (a) renew, replace, amend, extend or modify the terms and conditions of the Service Agreement; (b) grant releases or compromises with respect to the Guaranteed Fees to any person or entity now or hereafter liable therefor; (c) release any other guarantor of the Guaranteed Fees; or (d) fail to take any action of any type whatsoever. No action which PedoAlliance shall take or fail to take in connection with the Guaranteed Fees, nor any course of dealing with the Pedodontic Entity or any other person or entity shall limit, impair or release Guarantor's obligations hereunder or affect this Guaranty in any way. Nothing contained in this Section 4 shall be construed to require PedoAlliance to take or refrain from taking any action referred to herein.

5. Liability of Guarantor. This is a guaranty of payment and not of collection. The liability of Guarantor under this Guaranty shall be direct and immediate and not conditional or contingent upon the pursuit of any remedies against the Pedodontic Entity or any other person or entity. Guarantor waives any right to require that an action be brought against the Pedodontic Entity or any other person or entity. In the event that the Pedodontic Entity fails to pay to PedoAlliance the Guaranteed Fees, PedoAlliance shall have the right to enforce its rights to payment of the Guaranteed Fees in any order, and all rights, powers and remedies available to PedoAlliance in such event shall be nonexclusive and cumulative of all other rights, powers and remedies provided hereunder or by law or in equity. If the Guaranteed Fees are partially paid by reason of the election of PedoAlliance to pursue any of the remedies available to PedoAlliance, or are otherwise partially paid, this Guaranty shall nevertheless remain in full force and effect as to any unpaid portion of the Guaranteed Fees, and Guarantor shall remain liable for the entire remaining unpaid balance of the Guaranteed Fees.

EXHIBIT 3

6. Notices. Whenever the parties desire to give or serve any notice, demand, request or other communication with respect to this Guaranty, each such notice shall be in writing and shall be effective only if the same is delivered by personal service, fax, by overnight delivery or mailed by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to PedoAlliance: PedoAlliance, Inc.
Attn: General Counsel
21535 Hawthorne Blvd., Suite 200
Torrance, CA 90503-6612
Fax: 310 792-1562

If to Guarantor: Dr. J. Keith Roberts
828 Auto Mall Road
Bloomington, IN 47401
Fax: 812-333-6305

Any such notice delivered personally shall be deemed to have been received upon delivery. Any such notice sent by overnight delivery shall be presumed to have been received by the addressee one (1) business day after its acceptance for sending by an authorized carrier thereof. Any such notice sent by FAX shall be presumed to have been received upon receipt of confirmation thereof by the sender. Any such notice sent by mail shall be presumed to have been received by the addressee three (3) business days after posting in the United States mail. Either party may change their address by giving the other party written notice of the new address as provided herein.

7. Miscellaneous.

a. Successors and Assigns. This Guaranty shall inure to the benefit of PedoAlliance, its successors and assigns, and shall bind the Guarantor and his legal representatives. PedoAlliance may assign this Guaranty. Guarantor shall not be allowed to assign or transfer his obligations under this Guaranty.

b. Severability. The covenants set forth in this Guaranty shall be considered and construed as separate independent covenants. Should any part or provision or any covenant be held invalid, void or unenforceable in any court of competent jurisdiction, such invalidity, voidance or unenforceability shall not render invalid, void or unenforceable any other part or provision of this Guaranty.

c. Governing Law. This Guaranty shall be governed by and construed in accordance with Indiana law without giving effect to the conflict of law principles thereof.

d. Amendments. All amendments and modifications hereto are valid only if in writing and signed by both Guarantor and PedoAlliance.

IN WITNESS WHEREOF, the undersigned has executed this Guaranty as of the date first written above.

GUARANTOR:

Dr. J. Keith Roberts