SECOND AMENDMENT TO SERVICE AGREEMENT

This Second Amendment ("Amendment") to the **Service Agreement** by and among **OrthAlliance, Inc.,** a Delaware corporation ("the "Manager"); **Orthodontic Centers of Mississippi, Inc.**, a Delaware corporation ("OCS"); **Dr. Robert P. Lorentz,** an individual residing in the State of Tennessee and licensed to practice dentistry in the State of Mississippi ("Dr. Lorentz"); and **Robert P. Lorentz, D.D.S., M.S., P.C.**, a Mississippi professional corporation (the "Orthodontic Entity" and collectively with Dr. Lorentz, the "Orthodontist"), dated this 1st day of April, 2002.

RECITALS

WHEREAS, the Orthodontist entered into a Service Agreement with the Manager dated as of May 13, 1997 (the "Service Agreement"), and an Amendment to Service Agreement dated on or about January 25, 2002 (the "First Amendment"). The Service Agreement, as amended by the First Amendment and such other amendments as may have been executed prior to the date hereof, shall be referred to herein as the "Agreement."

WHEREAS, the parties desire to further amend the Agreement as set forth herein.

NOW THEREFORE, in consideration of the foregoing, and of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. The parties agree that the effective date of this Amendment shall be April 1, 2002 (the "Effective Date"), which is the date of the Orthodontist's purchase of the professional assets of the practice located at 499 Gloster Creek Village, Suite F-8N, Tupelo, MS 38801 (the "Tupelo Practice") from Lloyd Wolfe, D.M.D., P.C. (the "Tupelo Purchase"). As of the Effective Date, Exhibit 1.2 of the Agreement shall be amended to include the office location of the Tupelo Practice as an additional office location.

2. OCS shall be added as a party to the Agreement as of the Effective Date, and the parties agree that all of the services provided to the Tupelo Practice under the Agreement shall be provided by and through OCS. All references to "Manager" in the Agreement shall be deemed to refer to OCS in relation to the provision of services to the Tupelo Practice. The parties acknowledge and agree that OCS was the owner of the nonprofessional assets of the Tupelo Practice prior to the Effective Date and will continue to own the nonprofessional assets of the Tupelo Practice after the Effective Date.

3. The parties agree that Exhibit A to the First Amendment, providing for the calculation of the Service Fee paid to the Manager with respect to the Memphis Practice under OCA's standard economic terms, shall be deleted in its entirety and shall be replaced by Exhibit A to this Amendment which is attached hereto. In calculating the Service Fee under Exhibit A, the Center Expenses for the Memphis Practice shall continue to be measured in accordance with Exhibit A-1 to the First Amendment.

EXHIBIT
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4. The parties agree that the Service Fee paid to OCS with respect to the Tupelo Practice shall also be the amount calculated pursuant to Exhibit A to this Amendment, provided that all references to the "Memphis Practice" in Exhibit A shall be deemed to refer to the "Tupelo Practice," and all references to the "Manager" in Exhibit A shall be deemed to refer to "OCS." Center Expenses for the Tupelo Practice shall be measured in accordance with Exhibit A-1 to the First Amendment, provided that all references to the "Memphis Practice" and the "Manager" in such Exhibit A-1 shall be deemed to refer to the "Tupelo Practice" and "OCS," respectively.

5. Notwithstanding anything to the contrary contained in the Agreement, the parties expressly agree that the financial results of the Tupelo Practice and the Orthodontist's Corinth Practice and Memphis Practice will be calculated separately and the Service Fee amounts payable with respect to the Tupelo Practice, the Corinth Practice and the Memphis Practice will be calculated separately.

6. The parties agree that in the event that the Tupelo Purchase is not consummated for any reason, all of the provisions of this Amendment shall be null and void, except for the provisions of paragraph 3 above providing for the calculation of the Service Fee for the Memphis Practice in accordance with Exhibit A to this Amendment, which shall continue to be in full force and effect.

7. The Orthodontist covenants and agrees that the Tupelo Practice will be a marketing practice which advertises to the general public through printed media (including newspapers and magazines) and electronic media (including television, radio and the Internet), and that during the term of the Agreement the Orthodontist will continue to advertise the Tupelo Practice to the general public in the manner described above unless otherwise agreed to by OCS in writing.

8. On the one-year anniversary of the Effective Date, the Orthodontist will have a one-time option to elect to relinquish ownership of the Tupelo Practice. The Orthodontist may exercise such option by providing written notice to OCS, which notice must be received by OCS on or before April 1, 2003. If the Orthodontist exercises such option to relinquish ownership of the Tupelo Practice, then the Orthodontist agrees to transfer the Tupelo Practice to another orthodontist or dentist designated by OCS for ten dollars ($10.00). If the Orthodontist does not exercise the option to relinquish ownership of the Tupelo Practice on April 1, 2003, then such option will expire and the Orthodontist will thereafter continue to remain the owner of the Tupelo Practice under the terms of the Agreement, as amended by this Amendment.

All other provisions of the Agreement shall remain in full force and effect. All defined terms used herein and not otherwise defined shall have the meaning set forth in the Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this Second Amendment to Service Agreement effective as of the date first above written.

MANAGER:
ORTHALLIANCE, INC.:

By: _____
Name: Dennis Buchman, DMD
Title: SVP
Date: 10-10-02

ORTHODONTIC ENTITY:
ROBERT P. LORENTZ, D.D.S., M.S., P.C.:

By: _____
Name: Dr. Robert P. Lorentz
Title: President
Date: _____

DR. LORENTZ:
DR. ROBERT P. LORENTZ:

By: _____
(Signature)
Date: _____

OCS:
ORTHODONTIC CENTERS OF MISSISSIPPI, INC.

By: _____
Name: Dennis Buchman, DMD
Title: SVP
Date: 10-10-02

EXHIBIT A

Service Fee Calculation for Memphis Practice

(a) ***Calculation of the Monthly Service Fee.*** Each month during the term of this Agreement, the Orthodontist shall be charged a monthly Service Fee with respect to the Memphis Practice equal to the result of the following, for the applicable period:

(i) the total Center Expenses for the Memphis Practice for the applicable period; PLUS

(ii) 40% of the Net Operating Margin for the Memphis Practice.

(b) ***Definitions.*** For the purposes of this Amendment and the operation of the Memphis Practice, the following definitions shall apply:

"Center Expenses" means those costs and expenses incurred by the Manager in association with its provision of the Business Services to the Memphis Practice and its performance of the Agreement with respect to the Memphis Practice, as specified in Exhibit A-1 attached hereto.

"Net Operating Margin" means the total amount of cash and cash equivalents collected in respect of orthodontic goods and services by or on behalf of the Orthodontist for the Memphis Practice during the applicable period, less the Center Expenses of the Memphis Practice for the applicable period.

"Patient Revenue" means the total amount of cash and cash equivalents collected in respect of orthodontic goods and services by or on behalf of the Orthodontist for the Memphis Practice during the applicable period.

(c) ***Method of Calculation.*** The amount of the monthly Service Fee for the Memphis Practice will be estimated by the Manager each month based upon the Memphis Practice's prior month's operations. Adjustments to the estimated payment to reconcile actual amounts due will be made by the end of the following month. A final reconciliation will be made by the Manager each calendar quarter in connection with the Manager's preparation of financial reports for such quarter, and any further adjustments to the payments for such quarter will then be made. Any audit adjustments shall be reflected in the calculations for the monthly Service Fee payments in the fourth quarter.

(d) ***Accounts Receivable.*** On approximately the first business day of each month, the Manager shall purchase the accounts receivable of the Orthodontist arising from the provision of orthodontic services performed during the previous month in the Memphis Office, by payment of cash or other readily available funds into an account of the Orthodontist. The consideration for the purchase shall be an amount equal to Patient Revenue generated during such month less the applicable monthly Service Fee.

CERTIFIED MAIL

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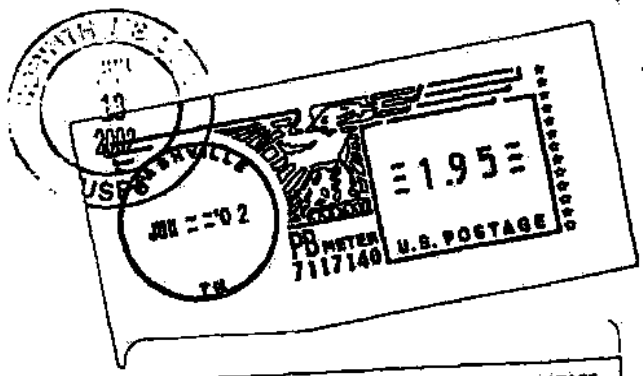

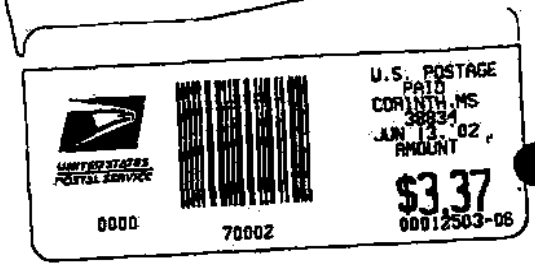

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