

Raylene Ball,

Plaintiff,

v.

Sea Breeze Dental Care, et al.,

Defendants.

Class Action

Santa Barbara County Superior Court

Case No. 05-1165781

Honorable Thomas P. Anderle

NOTICE OF: (1) PENDENCY OF PROPOSED CLASS ACTION; (2) CERTIFICATION OF SETTLEMENT CLASS; (3) PROPOSED CLASS ACTION SETTLEMENT; AND (4) FINAL APPROVAL HEARING

TO: All current or former patients of Sea Breeze Dental Care in Santa Barbara (“Sea Breeze”) who, at any time between April 1, 2002 and February 18, 2005, financed their dental treatment, in whole or in part, through Unicorn Financial.

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT WITH CARE AND CONTACT CLASS COUNSEL IF YOU HAVE ANY QUESTIONS.

The purpose of this Notice is to inform you of: (1) the pendency of a proposed class action being pursued by one patient on behalf of certain other current and former patients of Sea Breeze; (2) the conditional certification, for settlement purposes only, of a settlement class of those certain current and former patients of Sea Breeze as defined below (“Settlement Class”); (3) a proposed settlement (“Settlement”) of the proposed class action on behalf of the Settlement Class; and (4) a final approval hearing which has been scheduled to take place on September 18, 2007 at 9:30 a.m. before the Santa Barbara County Superior Court to determine whether the Settlement is fair, reasonable and adequate for the members of the Settlement Class.

This Notice is being sent to you in a form and in a manner approved by the Santa Barbara Superior Court. However, this Notice is not an expression of any opinion by the Court as to the merit of the claims or defenses by any of the parties. Rather, this Notice is being sent to you because the records of Sea Breeze and/or Unicorn Financial indicate that you may be a member of the Settlement Class.

As set forth below in the section entitled “The Proposed Settlement”, a proposed settlement has been reached which is subject to approval by the Court. If the Settlement is approved, then eligible members of the Settlement Class will be entitled to participate in a one hour binding arbitration before a neutral arbitrator. Your eligibility to participate in the voluntary arbitration process will depend upon: (1) whether you are a current or former patient of Sea Breeze; (2) whether, at any time between April 1, 2002 and February 18, 2005, you financed your Sea Breeze dental treatment, in whole or in part, through Unicorn Financial; and (3) whether you fully complete and timely submit the Request to Arbitrate form appended to this Notice. If you timely request arbitration, the arbitrator will determine whether you incurred any damage as a result of financing your Sea Breeze dental treatment through Unicorn Financial and, if so, the amount that you will be compensated.

PARTIES TO THE PROPOSED CLASS ACTION

The plaintiff in the proposed class action who is pursuing this matter on behalf of the members of the Settlement Class is Raylene Ball (“Plaintiff” or “Mrs. Ball”). Mrs. Ball was a patient of Sea Breeze who claims that her Sea Breeze account was credited with less than the total amount that she borrowed from Unicorn Financial to pay for her dental treatment. The defendant in this proposed class action is Zak Dentistry Inc., doing business as Sea Breeze Dental Care in Santa Barbara, California, a company which provides dental treatment to its patients.

DESCRIPTION OF THE PROPOSED CLASS ACTION

This lawsuit arises out of Mrs. Ball's claim that Sea Breeze helped facilitate the financing of her dental treatment through Unicorn Financial, a third party financing company, but failed to credit her account with the total amount that she financed. Plaintiff alleges that Sea Breeze passed along to her and other patients certain finance charges from Unicorn Financial. She alleges that Sea Breeze failed to credit the accounts of its patients who financed their treatment with Unicorn Financial with the total amount financed. Therefore, Plaintiff claims that Sea Breeze violated both common law and California state statutes.

Sea Breeze denies any wrongdoing or liability whatsoever in connection with its patients who financed any of their dental treatment through Unicorn Financial. Sea Breeze is entering into the Settlement (1) to avoid the expense of continued litigation and (2) to ensure that any patient who believes that the financing of his or her dental treatment through Unicorn Financial was not accounted for or handled properly will be given the opportunity to present his or her case to a neutral arbitrator for a binding resolution. If any financing irregularity is established, Sea Breeze will provide appropriate reimbursement. The Court has not made any ruling on the validity of Mrs. Ball's claims, and the Settlement does not constitute an admission of any wrongdoing whatsoever by Sea Breeze.

CLAIMS ALLEGED IN THE PROPOSED CLASS ACTION

The original complaint in this case was filed in Santa Barbara Superior Court on February 18, 2005. The operative fifth amended complaint, filed on October 2, 2006 alleges causes of action for: (1) violations of the Unfair Business Practices Act, California Business & Professions Code §17200, et seq.; (2) fraudulent concealment and nondisclosure; (3) conversion; (4) violation of the Consumers Legal Remedies Act, Cal. Civil Code § 1720; and (5) declaratory relief.

Sea Breeze filed its answer to the fifth amended complaint, denying all allegations in the fifth amended complaint and asserting various affirmative defenses.

CONDITIONAL CLASS ACTION CERTIFICATION FOR SETTLEMENT

In an order granted by the Court on July 17, 2007, pursuant to an agreement between the parties, this action was conditionally certified, for settlement purposes only, as a class action. Mrs. Ball was certified to act as the representative of the Settlement Class. J. Paul Gignac, Esq. of Arias Ozzello & Gignac^{LLP} was appointed as Class Counsel. The Settlement Class is defined as follows: all persons residing within the State of California who were patients of Sea Breeze Dental Care in Santa Barbara and who financed their dental treatment, in whole or in part, through Unicorn Financial at any time between April 1, 2002 and February 18, 2005 ("the Settlement Class"). The Settlement Class shall exclude any current or former Sea Breeze patients who timely and properly request exclusion from the Settlement Class in accordance with the provisions of this Class Notice.

THE PROPOSED SETTLEMENT

In full and complete settlement of all claims alleged in the proposed class action, Sea Breeze has agreed to provide the following benefits for its patients:

(1) **Right To Participate In A Binding Arbitration.** Each Settlement Class member who voluntarily elects within 60 days of the date of mailing of this Class Notice has the right to participate in a one hour, binding arbitration before a neutral arbitrator appointed by the Court. The arbitration shall not include an attorney for any party, but each party may put on evidence. Sea Breeze will produce the Settlement Class member's entire patient file and accounting records for the arbitrator's review. The arbitrator may award compensation if, and only if, the arbitrator determines that the fact that the Settlement Class member financed his or her Sea Breeze dental treatment, in whole or in part, through Unicorn Financial: (1) resulted in the Settlement Class member paying more for Sea Breeze dental care than was originally agreed upon in his or her treatment plan; (2) resulted in any promised treatment for that Settlement Class member not being

completed; and/or (3) resulted in that Settlement Class member receiving lesser quality treatment than the Settlement Class member would have received in the absence of financing his or her Sea Breeze dental treatment through Unicorn Financial. The arbitrator will make a final, binding decision as to whether the Settlement Class member is entitled to compensation. If it is determined that the patient is entitled to compensation, Sea Breeze will tender the payment within twenty (20) days.

(2) **Prospective Relief For Future Patients:** On a going forward basis, Sea Breeze shall provide to each patient who finances treatment through Unicorn Financial a written disclosure stating that: (1) Unicorn Financial charges Sea Breeze a fee in exchange for providing “same as cash” loans to Sea Breeze patients; (2) any fees for obtaining such financing (as opposed to charges a patient may incur for failure to timely repay a loan to Unicorn Financial) that may be assessed by Unicorn Financial during the first year a patient finances with Unicorn Financial will be absorbed by Sea Breeze; (3) even though Sea Breeze will receive less money than the patient borrowed from Unicorn Financial, Sea Breeze will complete all dental treatment as originally prescribed in the treatment plan for that patient that is to be paid or partially paid for by the loan agreement between the patient and Unicorn Financial; (4) Sea Breeze will provide the same quality of treatment as though it had been paid the entire amount financed by the patient; and (5) the patient will not be charged more than agreed to in the treatment plan as a result of having financed his or her dental treatment with Unicorn Financial.

PRELIMINARY APPROVAL BY THE COURT

The Court has preliminarily approved the proposed Settlement as fair, reasonable and adequate to the members of the Settlement Class. If the Court grants final approval to the Settlement, then a final judgment will be entered by the Court, approving the Settlement and dismissing the proposed class action with prejudice. This final judgment will be binding upon all members of the Settlement Class who do not exercise their right to exclude themselves from the Settlement Class.

RECOMMENDATION OF CLASS COUNSEL

The Settlement was agreed upon by the parties after the parties had completed extensive discovery, participated in mediation, and engaged in arm’s-length negotiations. After taking into account the disputed factual and legal issues involved, the information learned through discovery, and the benefits to be received by the members of the Settlement Class, Plaintiff and Class Counsel have concluded that the Settlement is in the best interests of the members of the Settlement Class.

RELEASE OF ALL CLAIMS BY SETTLEMENT CLASS MEMBERS

If the Agreement is granted final approval by the Court, then all members of the Settlement Class (except those who timely and properly exclude themselves from the Settlement Class) will release any and all claims of every kind and nature whatsoever, whether or not presently known, suspected, had, possessed, owned or held, that were or could have been asserted by any member of the Settlement Class, or their heirs, spouses, marital or civil union community, administrators, devisees, predecessors, successors, attorneys, representatives, agents, shareholders, partners, directors, owners, co-tenants of any kind, affiliates, subrogees, assignees or insurers (collectively “Releasing Parties”), against Sea Breeze or its past or present owners, predecessors, successors, parent or sister companies, subsidiaries or affiliates, and each of its or their respective owners, officers, directors, agents, employees, shareholders, attorneys, partners, assignees, contractors, service providers, representatives, dealers, or resellers (collectively “Released Parties”), based on, arising out of, or related to the financing of their Sea Breeze dental treatment plans through Unicorn Financial independently or in conjunction with Sea Breeze (collectively and without limitation, “Released Claims”).

In connection with this general release and discharge of the Released Parties, each member of the Settlement Class shall be deemed to have expressly waived all rights under *California Civil*

Code section 1542 (or any comparable statute) and to have done so understanding the significance of that waiver. Section 1542 provides:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

ATTORNEYS' FEES, EXPENSES AND OTHER PAYMENTS

Class Counsel will apply to the Court for an award of attorneys' fees in the amount of \$100,000 and for reimbursement of expenses in the amount of \$10,000. Plaintiff will apply to the Court for an incentive award in the amount of \$2,500 for her services in bringing the proposed class action and carrying out her responsibilities as the putative class representative.

THE SETTLEMENT APPROVAL HEARING

A hearing will be held by the Court on **September 18, 2007 at 9:30 a.m. in Department 3 of the Santa Barbara Superior Court, Anacapa Division, located at 1100 Anacapa Street, Santa Barbara, California** to determine whether: (1) the Settlement should be finally approved as fair, adequate and reasonable; (2) attorneys' fees and expenses should be awarded to Class Counsel; and (3) an incentive award should be granted to Plaintiff. The settlement approval hearing may be rescheduled or continued to a later date without further notice. You are not required to attend the hearing, but you may do so on your own or through an attorney retained by you at your own expense.

RIGHT TO BE EXCLUDED FROM THE SETTLEMENT CLASS

Any Settlement Class member who wishes to exclude himself or herself from the Settlement Class may do so by exercising his or her right to be excluded from the Settlement Class as instructed below. If you request exclusion, then: (1) you will not be entitled to receive the benefits being made available under the Settlement; (2) you will not be bound by the final judgment entered in this action; and (3) you will be free to pursue or not pursue any legal rights you may have against Sea Breeze. **If you do not request exclusion, then you will be bound by the judgment entered in this proposed class action under the legal doctrine of *res judicata*.**

All requests for exclusion must be made in writing, must affirmatively state that you wish to be excluded from the Settlement Class, and must be mailed to Class Counsel at the following address:

J. Paul Gignac, Esq.
ARIAS OZZELLO & GIGNAC ^{LLP}
4050 Calle Real, Suite 130
Santa Barbara, California 93110

All written requests for exclusion must be postmarked no later than August 31, 2007, and must include your name, address, telephone number and signature. Any request for exclusion made on behalf of a Settlement Class member by a representative of that Settlement Class member must state the capacity in which the representative is acting. **You may use the form which is attached to this Notice in order to request exclusion.**

RIGHT TO APPEAR IN THE PROPOSED CLASS ACTION

Any Settlement Class member who does not request exclusion, and who so wishes, may apply to the Court for permission to appear in the proposed class action. Prior to doing so, you must enter a formal appearance either individually or through your own counsel.

The original of all documents relating to an appearance should be filed with the Clerk of the Santa Barbara Superior Court at the addresses set forth below in the section entitled "Mailing

Addresses For All Communications”. Such documents shall be identified as filed in connection with this proposed class action by including thereon the caption and case number appearing at the head of this Notice. Copies of all documents filed with the Santa Barbara Superior Court must be served by mail upon Class Counsel and Defense Counsel at the addresses set forth below in the section entitled “Mailing Addresses For All Communications”.

If you do not enter an appearance individually or through counsel of your choice at your own expense, you will continue to be represented in this proposed class action by Class Counsel.

RIGHT TO OBJECT TO THE SETTLEMENT

Any member of the Settlement Class who does not exercise his/her right to be excluded from the Settlement Class may object to the Settlement. All objections must be in writing and **must**: (1) include your name, address and telephone number; (2) provide a detailed explanation of your objection and include any documents upon which you rely to support your objection; (3) include the caption and case number appearing at the head of this Notice; (4) include a statement of whether you intend to appear, either in person or through your own counsel at your own expense, at the settlement approval hearing; (5) be filed with the Clerk of the Santa Barbara Superior Court, by NO LATER THAN AUGUST 31, 2007, at the addresses set forth below in the section entitled “Mailing Addresses For All Communications”; and (6) be served via first class mail, by NO LATER THAN AUGUST 31, 2007, on both Class Counsel and Defense Counsel at the addresses set forth below in the section entitled “Mailing Addresses For All Communications”. Any member of the Settlement Class who fails to comply with these requirements will not be heard, either in person or through counsel, at the time of the settlement approval hearing unless specifically permitted by the Court.

ADDITIONAL COPIES OF THIS NOTICE

Additional copies of this Notice may be obtained by sending a written request to the Settlement Administrator at the address set forth below in the section entitled “Mailing Addresses For All Communications”. Alternatively, any member of the Settlement Class may obtain a copy of this Notice over the Internet at the following web site: www.dmaaction.com.

MAILING ADDRESSES FOR ALL COMMUNICATIONS

For purposes of submitting a request to arbitrate form or requesting additional copies of this Notice, the mailing address for the Settlement Administrator is:

Settlement Administrator
Desmond, Marcello & Amster
6060 Center Drive, Suite 825
Los Angeles, California 90045

For any questions regarding the Settlement or the proposed class action, or for purposes of serving an objection or requesting exclusion, the mailing address for Class Counsel is:

J. Paul Gignac, Esq.
Arias Ozzello & Gignac ^{LLP}
4050 Calle Real, Suite 130
Santa Barbara, California 93110

For purposes of serving an objection, the mailing address for Defense Counsel is:

Douglas B. Large, Esq.
Archbald & Spray LLP
505 Bath Street
Santa Barbara, California 93101-3470

For purposes of filing an objection or entering an appearance, the address for the Clerk of the Court is:

Clerk of the Court
Santa Barbara Superior Court
1100 Anacapa Street
P.O. Box 21107
Santa Barbara, California 93121-1107

Please direct all questions to Class Counsel in writing at the address listed above or via e-mail to SeaBreezeClassAction@aogllp.com Please do not contact the Court, the Settlement Administrator, or Defense Counsel with your questions.

ADDITIONAL INFORMATION

The matters identified and described in this Notice do not purport to be comprehensive and should not be considered as such. Settlement Class members who desire further information may wish to review the pleadings and other records on file with the Santa Barbara Superior Court. The documents publicly filed in this proposed class action are available for inspection and copying during regular business hours at the Office of the Clerk, Santa Barbara Superior Court, 1100 Anacapa Street, Santa Barbara, California.

Dated: July 27, 2007

Honorable Thomas P. Anderle