

STATE OF NEW YORK  
SUPREME COURT COUNTY OF ONONDAGA

---

Kelly Varano, as parent and natural guardian of infant Jeremy Bohn; Shannon Froio, as parent and natural guardian of infant Shawn Darling; Brenda Fortino, as parent and natural guardian of infant Julie Fortino; Marie Martin, as parent and natural guardian of infant Kenneth Kenyon; Jenny Lynn Cowher, as parent and natural guardian of infant William Martin; Hollan Crippen, as parent and natural guardian of infant Devan Mathews; Jessica Recore, as parent and natural guardian of infant Samantha McLoughlin; Laurie and Dominick Rizzo, as legal custodians of infant Jacob McMahan; Jason Montanye, as parent and natural guardian of infant Kadem Montanye; and Frances Shellings, as parent and natural guardian of infant Rayne Shellings,

Plaintiffs,

vs.

FORBA Holdings, LLC n/k/a Church Street Health Management, LLC; FORBA N.Y., LLC; FORBA, LLC n/k/a LICSAAC, LLC; FORBA NY, LLC n/k/a LICSAAC NY, LLC; DD Marketing, Inc.; DeRose Management, LLC; Small Smiles Dentistry of Syracuse, LLC; Daniel E. DeRose; Michael A. DeRose, D.D.S.; Edward J. DeRose, D.D.S.; Adolph R. Padula, D.D.S.; William A. Mueller, D.D.S.; Michael W. Roumph; Naveed Aman, D.D.S.; Koury Bonds, D.D.S.; Tarek Elsafty, D.D.S.; Dimitri Filostrat, D.D.S.; Yaqoob Khan, D.D.S.; Delia Morales, D.D.S.; Janine Randazzo, D.D.S.; Loc Vinh Vuu, D.D.S.; and Grace Yaghmai, D.D.S.,

Defendants.

---

AMENDED COMPLAINT

Index No. 2011-2128

RJI No.: 33-11-1413

LCP Case No.: 011/2011

Coordinated in Onondaga  
County with

Timothy Angus, et al v.  
FORBA Holdings, LLC, et al  
(Schenectady County);  
Shantel Johnson, et al v.  
FORBA Holdings, LLC, et al  
(Monroe County)

Coordinating Justice: Hon.  
John C. Cherundolo

10:31 10/18/11 ONONDAGA COUNTY CLERK MM

Plaintiffs, by and through their attorneys, as and for a complaint against the defendants, allege that at all times hereinafter mentioned:

#### **PRELIMINARY STATEMENT**

1. In 2010, top law enforcement officials from the Department of Justice and representatives of numerous state governments (including New York), announced that they had uncovered a nationwide scheme directed at infant dental patients and the Medicaid system. A dental clinic chain known as "Small Smiles", operating in twenty-two states – including New York – performed unnecessary, inappropriate, unsafe and excessive dental procedures on young children. It received hundreds of millions of taxpayer dollars.

2. This is an action by ten infants who received dental treatment at a Small Smiles clinic in Syracuse, New York ("the Syracuse Clinic"). Beginning in 2005, they suffered damages and loss from the Small Smiles' scheme, and the resulting improper dental care they received.

3. Because plaintiffs are infants, their parents or legal custodians bring this case for them. The parents or legal custodians seek no damages for themselves.

#### **FEDERAL AND STATE ACTIONS AGAINST THE FRAUD**

4. The Small Smiles dental clinic chain (hereinafter "Small Smiles") was, at all times, operated and directed by a unified and jointly controlled group of corporate entities. On or before September 26, 2006

these corporate entities were defendants FORBA, LLC, n/k/a LICSAAC, LLC, FORBA NY LLC, n/k/a LICSAAC NY LLC, DD Marketing, Inc., and DeRose Management, LLC, (collectively referred to here as "Old FORBA"). On or after September 26, 2006, these corporate entities were defendants FORBA Holdings, LLC n/k/a Church Street Health Management, LLC and FORBA NY, LLC (collectively referred to here as "New FORBA)."  
All six corporate entities are collectively referred to here as "FORBA".

5. In late 2007 and 2008, former employees at Small Smiles' clinics in Maryland, Virginia, and South Carolina filed whistleblower lawsuits in which each, independently and under seal, alleged that during 2007 and 2008 New FORBA was committing Medicaid fraud by abusing small children.

6. In late 2007, the United States Department of Justice, along with the Federal Bureau of Investigation and the National Association of Medicaid Fraud Control Units, commenced a nationwide investigation of the FORBA operation.

7. The New York Office of Medicaid Inspector General, with the New York State Attorney General and the New York Office of Professional Discipline, investigated the FORBA clinics operating in New York.

8. The United States Department of Justice and the State of New York alleged that FORBA billed Medicaid for dental services that were either unnecessary or performed in a manner that did not meet professionally recognized standards of care.

9. The government investigations took approximately two years. In January 2010, New FORBA agreed to pay \$24 million to the United States, including \$1.15 million for the State of New York, as a result of the fraud scheme. New FORBA also agreed to pay \$2.3 million directly to the State of New York, including a substantial sum for fraudulent billings that took place before September 2006.

10. The United States Department of Justice described FORBA's scheme by stating, "[i]llegal conduct like this endangers a child's well-being, distorts the judgments of health care professionals, and puts corporate profits ahead of patient safety" and "we will not tolerate Medicaid providers who prey on vulnerable children and seek unjust enrichment at taxpayers' expense."

#### **EARLIER FEDERAL AND STATE ACTIONS AGAINST FORBA AND ITS EXECUTIVES**

11. FORBA, its owners, and dentists have regularly been charged by federal and state authorities with committing Medicaid fraud, violating dental standards of care, and breaching other state dental rules in connection with the treatment they provided to young children. Between 2003 and 2008, FORBA, and its management and dentists were disciplined for fraud or inappropriate dental care in, at least, the following matters:

12. In 2003, the Arizona Dental Board revoked the license of a FORBA dentist after a young child died while strapped down to a papoose board at a FORBA clinic. The dentist admitted that the clinic

routinely restrained children under the age of five for the convenience of the clinic and not because restraints were medically necessary.

13. In 2003 or 2004, the Tennessee Dental Board investigated defendant William A. Mueller, D.D.S., one of the founders of FORBA and a company senior executive, for routinely and arbitrarily restraining young children without justification. The same board reprimanded him for engaging in false and misleading advertising on FORBA's behalf.

14. In 2004, the Colorado Dental Board disciplined defendants and FORBA Vice-Presidents Michael A. DeRose, D.D.S. and Edward J. DeRose, D.D.S., for training unlicensed dentists in Colorado. The Colorado Dental Board ordered them to stop aiding and abetting dentists from practicing dentistry in Colorado without a license.

15. In 2005, North Carolina disciplined defendant Michael A. DeRose, D.D.S. for employing and training dentists who performed unnecessary dental procedures on children, and for establishing office policies causing such overtreatment. These treatments included unwarranted baby root canals and stainless steel crowns. The North Carolina Board of Dental Examiners suspended the dental license of defendant Michael A. DeRose, D.D.S.

16. In 2004, the Colorado Dental Board began a new investigation of defendants Michael A. DeRose, D.D.S. and William A. Mueller, D.D.S. It focused on the same conduct that subjected defendant Michael A. DeRose, D.D.S. to discipline in North Carolina. At the end of the investigation in 2009, defendants Michael A. DeRose D.D.S. and

William A. Mueller, D.D.S. permanently surrendered their Colorado dental licenses.

17. In 2006, FORBA's lead dentist in its Rochester, New York clinic was convicted of Medicaid fraud, sentenced to six months in prison, and had his New York dental license revoked. FORBA repaid the Medicaid program hundreds of thousands of dollars for fraudulent billings.

18. Later in 2006, the Kansas Dental Board suspended defendant Michael A. DeRose, D.D.S.'s dental license for six months for the same wrongful acts that caused his suspension in North Carolina.

19. In 2008, the United States Department of Justice and North Carolina completed their investigations of defendant Michael A. DeRose, D.D.S., and his North Carolina dental clinics. The Assistant Attorney General of the United States concluded that defendant Michael A. DeRose, D.D.S. and the dentists at his clinics "subjected their child patients to invasive and sometimes painful procedures, often for the sake of obtaining money from the North Carolina Medicaid program." Defendant Michael A. DeRose, D.D.S. and his partner paid \$10 million to reimburse the United States government for money it paid for unnecessary root canals, stainless steel crowns and other dental procedures performed without informed consent.

#### **THE GENESIS AND MOTIVE FOR THE SCHEME**

20. FORBA began in Pueblo, Colorado. Until 1995, defendants Edward J. DeRose, D.D.S. and Michael A. DeRose, D.D.S. operated a

single dental office there. Over the next five years, they opened four other dental clinics in Colorado and New Mexico treating children on Medicaid.

21. On or about 2001, they and defendants Daniel E. DeRose, Adolph R. Padula, D.D.S., William A. Mueller, D.D.S., and Michael W. Roumph, (collectively “the Individual Defendants”), created Old FORBA to operate and manage the existing clinics and expand them across the United States. Each Individual Defendant was also an officer of the corporate entities making up Old FORBA and was actively involved in its daily operations and management.

22. By 2004, Old FORBA was operating about twenty children’s Medicaid dental clinics--more than any other company in the United States.

23. Knowing that the company’s success was based on a fraudulent business model (that was later uncovered by the federal and state authorities), the Individual Defendants began trying to sell Old FORBA. They nearly did in June 2004, but the prospective purchaser broke off negotiations due to concerns about Old FORBA’s management and operations.

24. In 2005, a lawyer hired by Old FORBA was already concerned that Old FORBA was going to be the subject of a full-scale fraud investigation by the government, a concern that he expressed to Old FORBA in a written memorandum. He also warned that then-pending investigations were merely the initial steps to an all-out investigation, and that Old FORBA should proceed with extreme caution. The Individual Defendants and Old FORBA ignored the lawyer’s advice. Instead, they

rapidly expanded the business, using the same fraudulent business model then under investigation. Between 2004 and 2006, Old FORBA opened 30 more children's Medicaid clinics across the United States.

25. By 2006, Old FORBA utilized its fraudulent business model to dominate the market for supplying dental services to Medicaid children. During that year, Old FORBA had three times more children visit its clinics than its nearest competitor.

26. In 2006, the Individual Defendants renewed their efforts to sell Old FORBA. In April 2006, some Individual Defendants met with representatives of a new potential purchaser, New FORBA. At the meeting, the parties agreed on a purchase price based on a simple mathematic formula: ten times Old FORBA's 2006 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) forecast.

27. Old FORBA's EBITDA was tied directly to the revenues generated at its clinics. Under the purchase price formula, every dollar that the clinics made equaled ten dollars to the Individual Defendants.

28. On September 26, 2006, Old FORBA sold the business to New FORBA for \$435 million. New FORBA acquired substantially all of the assets held or used in the conduct of Old FORBA's business. This included "all of the properties and assets (whether tangible or intangible, whether real or personal, whether owned or leased, regardless of location) that are necessary to enable [New FORBA] to carry on the Business following the Closing in the same manner as it was operated immediately prior to the Closing."



29. New FORBA knew that the entire \$435 million proceeds of the sale, except for an escrow of \$27.5 million, would immediately be distributed to the Individual Defendants as owners of Old FORBA. And it was. On information and belief, defendant Daniel E. DeRose received approximately \$80 million, defendants Edward J. DeRose, D.D.S., Michael A. DeRose, D.D.S., William A. Mueller, D.D.S., and Adolph Padula, D.D.S. *each* received approximately \$58 million, and defendant Michael Rounph received approximately \$38 million.

30. Old FORBA immediately became a dormant shell, and remains that way today.

31. The owners of New FORBA were and are not dentists. They had no experience running dental clinics or treating children, and no desire to learn about these things. They were private equity funds and a Bahranian bank with one objective: to quickly and dramatically increase the company's EDITDA so they could re-sell the business for a sizeable profit on their \$435 million investment.

32. As soon as it purchased Old FORBA, New FORBA announced plans to triple the company's size. It believed that the company was well placed to continue the strategy that caused its revenues to grow at an annual compound rate of more than 40% from 2000 through 2006.

33. The new owners planned to continue the successful business operations at the existing 50 FORBA clinics and to expand the business into new markets. To do so, the new investors utilized Old FORBA's fraudulent business scheme.

34. After the sale in September 2006, New FORBA managed and operated the same clinics with the same dentists and the same employees as Old FORBA had used before the sale.

35. With the exception of the Old FORBA owners, Old FORBA employees continued as employees of New FORBA. Publicly, New FORBA emphasized that it was continuing the prior business, proclaiming that it had been serving the dental needs of children “for decades.”

#### **FORBA’S DIRECTION AND CONTROL OF THE CLINICS**

36. The FORBA business model was the same under Old FORBA and New FORBA.

37. New York law prohibits the corporate practice of dentistry. Thus, New York law prohibits non-dentists from owning or controlling dental service companies. In addition, New York law requires that the owner of a dental service company practice at the company. FORBA organized each New York Small Smiles dental clinic, including the Syracuse Clinic and those in Colonie, and Rochester, New York, (collectively referred to here as “the New York Clinics”), as a limited liability dental service company, purporting to be owned by an individual dentist licensed in the state.

38. In so doing, FORBA fraudulently organized the New York Clinics, including the Syracuse Clinic, to make it look like the clinics were complying with state law. In the organizing papers filed with the State of New York, FORBA represented that Defendant Adolph Padula was the

owner (known as the member of a limited liability company) and manager of all three of the New York Clinics.

39. In fact, Defendant Padula was not the owner of the New York Clinics. In addition, he did not practice at any of the New York Clinics. He was a founder and the Treasurer of FORBA. He was the brother-in-law of FORBA founder Edward DeRose and the uncle of FORBA founders Dan DeRose and Michael DeRose.

40. FORBA later removed Defendant Padula as the listed "owner" of the New York Clinics and designated Dr. Kenneth Knott, a FORBA officer, as the "owner." Knott was FORBA's Senior Vice President for its Central Region.

41. FORBA removed Knott as the listed "owner" of the Colonie Clinic in 2008 and designated Dr. Maziar Izadi as the "owner."

42. In addition, Knott falsified his dental licensure materials, and FORBA fired Knott and removed him as "owner" of the Syracuse and Rochester Clinics in 2008. FORBA designated Defendant Bonds as the listed "owner" of the Syracuse and Rochester Clinics. FORBA later removed Izadi as the "owner" of the Colonie Clinic and designated Defendant Bonds as the "owner" of the Colonie Clinic as well.

43. None of the persons designated by FORBA as the "owners" of the New York Clinics provided the capital for the establishment or operation of the New York Clinics, nor did any of them assume the risk of loss of the New York Clinics, and none of them was entitled to nor did any of them receive the profit from the New York Clinics. None of them was the true owner of any of the New York Clinics.

44. At all times, FORBA was the true owner and manager of the Small Smiles Clinics, including the New York Clinics.

45. FORBA identified the locations and provided the capital to open and operate the clinics.

46. FORBA selected the "owners" of the clinics. All profit generated by the clinics went to FORBA. All of the revenues of the Small Smiles Clinics in excess of their expenses went to FORBA under Management Agreements.

47. FORBA established all operational policies and procedures necessary for establishing standards of patient care at the clinics.

48. FORBA established all operational policies and procedures necessary for establishing standards of patient care at the clinics.

49. FORBA recruited, employed, trained, promoted, directed, supervised, and terminated the employment of the clinics' staffs.

50. FORBA established and maintained the quality control programs at each clinic.

51. FORBA performed all of the business functions of the clinics.

52. FORBA acquired the clinics' assets, equipment and supplies.

53. FORBA made repairs, replacements and additions to the clinics and their equipment when and if it deemed necessary.

54. FORBA performed the bookkeeping, accounting, billing and collection, human resources, marketing, legal, government affairs, compliance, and IT support functions.

55. In short, FORBA was the true owner and manager of the New York Clinics in violation of New York law. FORBA established,

operated, directed, controlled and managed the clinics in every respect, and all the clinics' profits went to FORBA. FORBA evaded New York law by fraudulently organizing the clinics to create the false appearance that licensed dentists were the owners and managers when in fact that was not the case.

#### **FORBA'S SCHEME**

56. At least as early as 2001 and continuing to the present, FORBA and the Individual Defendants have engaged in a course of conduct that was intended to and did create a culture at the clinics that put revenue generation as the top priority at the expense of quality of dental treatment.

57. FORBA dentists were required to – and did – treat patients with revenue generation as the primary goal rather than the medical needs of the patients.

58. This planned course of conduct was originally conceived and implemented by the Individual Defendants, Old FORBA, and the dentists working for Old FORBA.

59. New FORBA and its dentists, many of whom had participated in the conduct when working for Old FORBA, continued this course of conduct unabated.

60. FORBA indoctrinated its dentists by requiring new dentists to attend FORBA training sessions in Colorado. At the training sessions, FORBA made clear that production was more important than quality of patient care.

61. FORBA also made clear the conduct required of its dentists. They were expected to meet FORBA's set production goals. The dentists received bonuses if they produced revenue exceeding these goals.

62. FORBA trained the dentists how to achieve FORBA's production goals. Among those means were two that would inevitably injure the victims of the scheme – the small children who came to the clinics for legitimate treatment.

63. First, to increase production, FORBA dentists were expected to, and did, perform unnecessary dental procedures.

64. Second, to also increase production, FORBA dentists were expected to and did reduce the time spent with each child without regard for the health and welfare of the child. To do so, FORBA dentists commonly placed a child in restraints to perform dental work. This FORBA "common practice" was not the common practice of accepted pediatric dental medicine. It is highly unusual, and appropriate in only very limited circumstances. It terrifies young children and can significantly and permanently harm them.

65. At FORBA clinics, however, children were commonly improperly restrained in order to speed up treatment in an effort to meet and exceed FORBA's production goals. The dentists routinely fraudulently represented to parents and custodians, including the infant plaintiffs, that restraints were necessary when they knew they were not. Nine of ten the children in this case was improperly restrained as a part of defendants' fraudulent pursuit of hundreds of millions of dollars.

66. The fraudulent conduct utilized to obtain "consent" from parents and guardians to place their children in restraints was scripted by FORBA. It knew that parents and custodians who were told that advanced behavior management might be necessary for their child might be reluctant to consent to restraints and would likely prefer that their child receive sedation or general anesthesia.

67. The FORBA clinics, including the Syracuse Clinic, were not able to handle sedation or general anesthesia cases and so they would have to refer them elsewhere. FORBA therefore implemented a patently fraudulent procedure for overcoming this natural reluctance to restraints.

68. Under the fraudulent script prepared by FORBA, the dentists were required by FORBA and did fraudulently represent as a routine practice that the use of restraints had "no known risks", when in fact defendants knew that it had very significant risks. The dentists were also required by FORBA and did represent that the alternative was sedation or general anesthesia, which they represented did "have an increased risk of injury."

69. Faced with what they believed to be a choice between no risk (restraints) and risk (sedation or general anesthesia), many parents and custodians including those in this case, chose what they believed to be the no risk option for their children. The fraudulent misrepresentations that restraints had no risk and that sedation or general anesthesia would involve more risk than restraints, made at FORBA's direction, were part of an effort that was intended to and did fraudulently induce parents and

custodians, including plaintiffs, to “consent” to the restraints and remain at Small Smiles for treatment.

70. FORBA’s emphasis on meeting production goals sacrificed quality care and neglected the real dental needs of the children.

71. New FORBA has confirmed that the foundation of FORBA’s business was fraudulent. As New FORBA states in a federal court filing: Old FORBA “created a culture within the Small Smiles Centers that emphasized production over quality care, in clear contravention of . . . accepted standards of dental care.”

72. New FORBA has further admitted in the federal court filing that Old FORBA tracked the production of each dentist, and routinely exerted pressure on the dentists and staff to increase production through emails, conversations and salary negotiations. The scheme was fully operational when the Syracuse Clinic opened in 2004. As New FORBA states, “Old FORBA’s management, including, but not limited to, Dan DeRose and Michael Roumph, threatened and berated Small Smiles dentists in an effort to increase production. Old FORBA exerted significant pressure on Small Smiles dentists across the country, including dentists in. . . New York. . . .”

73. In addition, FORBA management pressured its dentists to increase “production per patient.” As New FORBA admits, Old FORBA management “sent emails to Small Smiles Centers emphasizing that ‘production per patient . . . [s]hould be an area to focus on with your dentists;’ and ‘[a]s we have discussed, our focus needs to be on increasing production per patient.’”



74. As New FORBA also admits, Old FORBA management routinely prepared reports of “production per dentist”, a red flag that revenue generation is the number one priority ahead of quality of care. As Individual Defendant Daniel E. DeRose has stated, tracking “production per dentist” is the “number one trigger point for fraud.”

75. As New FORBA stated: “Old FORBA actively monitored production per dentist, and actively and repeatedly pressured dentists to keep their production up. For instance, Old FORBA generated spreadsheets tracking ‘Dentist Efficiency’ that specifically tracked individual dentist production. Old FORBA discussed these production metrics with Small Smiles dentists, and sent e-mails emphasizing the need for increased production.”

76. As New FORBA admits in the federal court filing, FORBA was obligated under its Management Agreement with the Syracuse Clinic to “establish . . . all operational policies and procedures reasonably necessary for establishing the appropriate standards of care at the [Syracuse] Clinic” and to “maintain and update, as reasonably required, quality control programs for the [Syracuse] Clinic.”

77. As a result of the course of conduct described above, FORBA did not do so. As New FORBA states in the federal court filing, Old FORBA “did not have a sufficient compliance program, did not establish or promote clinical guidelines or quality assurance protocols, and did not establish guidelines regarding proper charting and documentation.” As New FORBA states in the federal court filing, Old FORBA “did not

establish policies, procedures, or quality control measures to promote appropriate standards of care at the Small Smiles facilities.”

78. Instead, as set forth above, Old FORBA established policies and procedures that required its clinics, including the Syracuse clinic, to treat its patients with revenue generation as the primary goal to the detriment of quality care. As New FORBA states in the federal court filing, these policies and procedures were “in clear contravention of . . . accepted standards of dental care.”

79. When New FORBA bought Old FORBA’s business in late September 2006, the dentists who committed and benefited from these fraudulent practices kept working at the clinics.

80. The fraudulent practices, which grounded and made up the core of Old FORBA’s business, continued unabated and unchecked at the direction of New FORBA.

#### **THE OLD FORBA DEFENDANTS**

81. Defendant FORBA, LLC, (“FORBA LLC”) n/k/a LICSAAC LLC is a foreign limited liability company duly organized under the laws of Colorado. It transacted business in New York that is the subject of this case, and is otherwise subject to New York State jurisdiction. FORBA, LLC was owned and controlled by the Individual Defendants. Each Individual Defendant was an officer of the company. In October 2006, FORBA, LLC changed its name to LICSAAC, LLC.

82. Defendant FORBA NY, LLC n/k/a LICSAAC NY, LLC (“FORBA NY, LLC”) is a limited liability company organized and existing

according to the laws of the State of New York as of May 7, 2004. It transacted business in New York that is the subject of this case, and is otherwise subject to New York State jurisdiction. At all material times, Defendant FORBA, LLC owned and controlled FORBA NY, LLC. In October, 2006, FORBA NY, LLC changed its name to LICCSAC, NY, LLC.

83. Defendant DD Marketing, Inc. is a corporation organized under the laws of Colorado. It transacted business in New York that is the subject of this case, and is otherwise subject to New York State jurisdiction. DD Marketing, Inc. is owned by defendants Daniel E. DeRose and Michael W. Roumph. They are also the two senior executives at DD Marketing.

84. Defendant DeRose Management LLC is a foreign limited liability company duly organized under the laws of Colorado. It transacted business in New York that is the subject of this case, and is otherwise subject to New York State jurisdiction. Defendant Edward J. DeRose, D.D.S. is the president of DeRose Management and defendants Edward J. DeRose, D.D.S. and Michael A. DeRose are the owners of DeRose Management.

85. Until September 26, 2006, defendants FORBA LLC, FORBA NY, LLC, DD Marketing, Inc. and DeRose Management, Inc., developed, opened, operated, managed and supervised the clinics.

## THE INDIVIDUAL DEFENDANTS

86. Defendant Daniel E. DeRose is the president of defendants FORBA, LLC, FORBA NY, LLC, and DD Marketing, Inc., and an owner of defendants DD Marketing, Inc, and FORBA, LLC.

87. Defendant Daniel E. DeRose is and was an owner, senior officer, and agent of Old FORBA.

88. Defendant Daniel E. DeRose participated in Old FORBA operations on a day-to-day basis. He was actively involved in the opening, operation and management of the clinics.

89. Defendant Daniel E. DeRose knew of, participated in, and benefited from the FORBA scheme described above.

90. Defendant Michael A. DeRose, D.D.S. is an owner, senior officer, and agent of Old FORBA. In that capacity, he was actively involved in the opening, operation and management of the clinics. He also trained the dentists working at the clinics.

91. Defendant Michael A. DeRose, D.D.S. knew of, participated in, and benefited from the FORBA scheme described above.

92. Defendant Edward J. DeRose, D.D.S. is an owner, senior officer and agent of Old FORBA. In that capacity, he was actively involved in the opening, operation and management of the clinics.

93. Defendant Edward J. DeRose, D.D.S. knew of, participated in, and benefited from the FORBA scheme described above.

94. Defendant Adolph R. Padula, D.D.S., is an owner, senior officer, and agent of Old FORBA. In that capacity, he was actively involved in the opening, operation and management of the clinics.

95. Defendant Adolph R. Padula, D.D.S. was licensed to practice dentistry in the State of New York, and was responsible in part for setting up and managing the Syracuse Clinic and the other clinics in New York.

96. Defendant Adolph R. Padula, D.D.S. knew of, participated in, and benefited from the FORBA scheme described above.

97. Defendant Adolph R. Padula, D.D.S. is Edward DeRose's brother-in-law. The documents by which Defendant Small Smiles Dentistry of Syracuse, LLC, ("the Syracuse Clinic") was organized and authorized to practice dentistry represented that Adolph R. Padula was its member and manager.

98. Defendant William A. Mueller, D.D.S. is an owner, senior officer, and agent of Old FORBA. In that capacity, he was actively involved in the opening, operation and management of the clinics.

99. Defendant William A. Mueller, D.D.S. also trained dentists working at the clinics.

100. Defendant William A. Mueller, D.D.S. knew of, participated in, and benefited from the FORBA scheme described above.

101. Defendant Michael W. Roumph is an owner, senior officer, and agent of Old FORBA. He participated in Old FORBA operations on a day-to-day basis. He was actively involved in the opening, operation and management of the clinics.

102. Defendant Michael W. Roumph knew of, participated in, and benefited from the FORBA scheme described above.

103. At all material times, the Individual Defendants were the agents, employees, servants or associates of Old FORBA.

104. The Individual Defendants joined in the sale of Old FORBA to New FORBA and executed the contract for the sale. They agreed that they were responsible, with Old FORBA, for indemnifying New FORBA for Old FORBA'S acts or omissions occurring before the sale, and or any third party claims arising out of Old FORBA'S ownership and operation of FORBA before the sale.

#### **THE NEW FORBA DEFENDANTS**

105. Defendant FORBA Holdings, LLC n/k/a Church Street Health Management, LLC ("FORBA Holdings, LLC") is a foreign limited liability company duly organized under the laws of the State of Delaware, and authorized to conduct business in the State of New York. FORBA Holdings, LLC has been managing dental clinics in New York, including the Syracuse Clinic, since September 2006. FORBA Holdings, LLC has its principal New York office and its residence in Onondaga County.

106. On December 31, 2010, defendant FOBRA Holdings, LLC changed its name to Church Street Health Management LLC.

107. Defendant FORBA NY, LLC ("FORBA NY") is a limited liability company organized and existing under the laws of the State of New York. It was originally organized in New York State under the name SANUS NY, LLC on September 13, 2006. It assumed the name FORBA

NY, LLC on October 25, 2006 by filing with the New York Secretary of State. Upon information and belief, FORBA NY, LLC is wholly-owned and controlled by FORBA Holdings, LLC.

108. Since September 2006, defendant FORBA NY has, through its sole member and agent, FORBA Holdings, LLC, managed several New York FORBA clinics, including the Syracuse clinic.

#### **THE SYRACUSE CLINIC**

109. Defendant Small Smiles Dentistry of Syracuse, LLC, (“the Syracuse Clinic”) holds itself out as a professional limited liability company organized under the laws of New York that has its principal office and residence in Syracuse, Onondaga County, New York.

110. Defendant Small Smiles Dentistry of Syracuse, LLC was fraudulently organized and operated. FORBA designated various licensed dentists as the member (owner) and manager of the Syracuse Clinic. None of the “owners” designated by FORBA were the true members (owners) or managers of the Syracuse Clinic.

111. At all times, FORBA was the true member (owner) and manager of the Syracuse Clinic.

#### **THE DENTIST DEFENDANTS**

112. Defendant Naveed Aman, D.D.S. was, and is licensed to practice dentistry in the State of New York.

113. At all material times, FORBA and the Syracuse Clinic held defendant Naveed Aman, D.D.S. out to the infant plaintiffs’ parents and

legal custodians, and all other parents in the community, as a dentist who was trained, competent and qualified to treat young children.

114. Defendant Naveed Aman, D.D.S. provided dental services to infant plaintiffs in this case at the Syracuse Clinic.

115. At all material times, defendant Naveed Aman, D.D.S. was the agent, employee, servant, and/or associate of FORBA and the Syracuse Clinic.

116. Defendant Koury Bonds, D.D.S. was licensed to practice dentistry in the State of New York.

117. At all material times, FORBA and the Syracuse Clinic held defendant Koury Bonds, D.D.S. out to the infant plaintiffs' parents and legal custodians, and all other parents in the community, as a dentist who was trained, competent and qualified to treat young children.

118. Defendant Koury Bonds, D.D.S. provided dental services to infant plaintiffs in this case at the Syracuse Clinic.

119. At all material times, Defendant Koury Bonds, D.D.S. was the agent, employee, servant or associate of FORBA and the Syracuse Clinic.

120. Defendant Tarek Elsafty, D.D.S. was and is licensed to practice dentistry in the State of New York.

121. At all material times, FORBA and the Syracuse Clinic held defendant Tarek Elsafty, D.D.S. out to the infant plaintiffs' parents and legal custodians, and all other parents in the community, as a dentist who was trained, competent and qualified to treat young children.



122. Defendant Tarek Elsafty, D.D.S. provided dental services to infant plaintiffs in this case at the Syracuse Clinic.

123. At all material times, Defendant Tarek Elsafty, D.D.S. was the agent, employee, servant or associate of FORBA and the Syracuse Clinic.

124. Defendant Dimitri Filostrat, D.D.S. was licensed to practice dentistry in the State of New York.

125. At all material times, FORBA and the Syracuse Clinic held defendant Dimitri Filostrat, D.D.S. out to the infant plaintiffs' parents and legal custodians, and all other parents in the community, as a dentist who was trained, competent and qualified to treat young children.

126. Defendant Dimitri Filostrat, D.D.S. provided dental services to infant plaintiffs in this case at the Syracuse Clinic.

127. At all material times, Defendant Dimitri Filostrat, D.D.S. was the agent, employee, servant or associate of FORBA and the Syracuse Clinic.

128. Defendant Yaqoob Khan, D.D.S. was and is licensed to practice dentistry in the State of New York.

129. At all material times, FORBA and the Syracuse Clinic held defendant Yaqoob Khan, D.D.S. out to the infant plaintiffs' parents and legal custodians, and all other parents in the community, as a dentist who was trained, competent and qualified to treat young children.

130. Defendant Yaqoob Khan, D.D.S. provided dental services to infant plaintiffs in this case at the Syracuse Clinic.

131. At all material times, Defendant Yaqoob Khan, D.D.S. was the agent, employee, servant or associate of FORBA and the Syracuse Clinic.

132. Defendant Delia Morales, D.D.S. was and is licensed to practice dentistry in the State of New York.

133. At all material times, FORBA and the Syracuse Clinic held defendant Delia Morales, D.D.S. out to the infant plaintiffs' parents and legal custodians, and all other parents in the community, as a dentist who was trained, competent and qualified to treat young children.

134. Defendant Delia Morales, D.D.S. provided dental services to infant plaintiffs in this case at the Syracuse Clinic.

135. At all material times, Defendant Delia Morales, D.D.S. was the agent, employee, servant or associate of FORBA and the Syracuse Clinic.

136. Defendant Janine Randazzo, D.D.S. was and is licensed to practice dentistry in the State of New York.

137. At all material times, FORBA and the Syracuse Clinic held defendant Janine Randazzo, D.D.S. out to the infant plaintiffs' parents and legal custodians, and all other parents in the community, as a dentist who was trained, competent and qualified to treat young children.

138. Defendant Janine Randazzo, D.D.S. provided dental services to infant plaintiffs in this case at the Syracuse Clinic.

139. At all material times, Defendant Janine Randazzo, D.D.S. was the agent, employee, servant or associate of FORBA and the Syracuse Clinic.

140. Defendant Loc Vinh Vuu, D.D.S. was licensed to practice dentistry in the State of New York.

141. At all material times, FORBA and the Syracuse Clinic held defendant Loc Vinh Vuu D.D.S. out to the infant plaintiffs' parents and legal custodians, and all other parents in the community, as a dentist who was trained, competent and qualified to treat young children.

142. Defendant Loc Vinh Vuu, D.D.S. provided dental services to infant plaintiffs in this case at the Syracuse Clinic.

143. At all material times, Defendant Loc Vinh Vuu, D.D.S. was the agent, employee, servant or associate of FORBA and the Syracuse Clinic.

144. Defendant Grace Yaghmai, D.D.S. was and is licensed to practice dentistry in the State of New York.

145. At all material times, FORBA and the Syracuse Clinic held defendant Grace Yaghmai, D.D.S. out to the infant plaintiffs' parents and legal custodians, and all other parents in the community, as a dentist who was trained, competent and qualified to treat young children.

146. Defendant Grace Yaghmai, D.D.S. provided dental services to infant plaintiffs in this case at the Syracuse Clinic.

147. At all material times, Defendant Grace Yaghmai, D.D.S. was the agent, employee, servant or associate of FORBA and the Syracuse Clinic.

148. Defendants Naveed Aman, D.D.S., Koury Bonds, D.D.S., Tarek Elsafty, D.D.S., Dimitri Filostrat, D.D.S., Yaqoob Khan, D.D.S., Delia Morales, D.D.S., Janine Randazzo, D.D.S., Loc Vinh Vuu, D.D.S., and