

**COMMONWEALTH OF MASSACHUSETTS**

**SUFFOLK, ss.**

**SUPERIOR COURT  
C.A. NO. 08-**

**COMMONWEALTH OF MASSACHUSETTS**

**Plaintiff,**

**v.**

**GARY ANUSAVICE, MICHAEL RINALDI,  
JOSEPH A. ROBBIO, VINCENT O'NEILL,  
MICHAEL HAGHKERDAR A/K/A "MICHAEL  
KANE," HEATHER PAVAO, COAST DENTAL,  
INC., DR. WOOD, INC., ELECTRON  
MARKETING, INC. D/B/A SPECTRUM DENTAL,  
LHT SYSTEMS, INC. D/B/A SIERRA DENTAL,  
R.P. SYSTEMS, INC., WILLIAM E. SALISBURY,  
INC., ARVYDAS INC., VYTAUTUS, INC. and JX  
MARKETING, INC.**

**Defendants,**

**and**

**CITIZENS BANK, BANK OF AMERICA,  
BANKFIVE, A/K/A FALL RIVER FIVE CENTS  
SAVINGS BANK, AND ST. ANNE'S CREDIT  
UNION**

**Trustee-Defendants.**

**COMPLAINT**

**I. INTRODUCTION**

1. This action concerns the Defendants' egregious and repeated fraudulent schemes of using dental clinics and a web of fraudulent corporate fronts to target people in need of costly dental services with deceptive marketing, defraud them by providing shoddy or incomplete treatment, leave them with high-cost credit card debt, and then abandon the clinics before starting the scheme anew. Hundreds of patients have filed

formal complaints, and it is likely that thousands of people have been harmed by the Defendants unfair and deceptive conduct in Massachusetts.

2. The Defendants targeted their unfair and deceptive dental operations in low- and middle- income Massachusetts communities. The Defendants sought a high volume of patients who, due to economic circumstances and inadequate access to dental and health insurance, were more susceptible to the Defendants' scheme of using unfair and deceptive financing arrangements for the high-cost and poor quality dental services they offered.

3. The Defendants marketed "free" dental exams to lure in a high volume of new patients, fraudulently induced patients to agree to expensive treatments by misrepresentations, false statements and other unfair and deceptive inducements, and caused hundreds of patients to enter immediately into financing agreements with various lenders, ostensibly to pay for the dental work on credit.

4. Many patients only learned that the Defendants had caused them to enter into significant, costly loans similar to credit cards to finance the dental procedures proposed after the Defendants initiated - - and in numerous cases, did not complete - - significant dental work.

5. On at least three separate occasions in Massachusetts, the Defendants started up high-volume dental operations and suddenly abandoned the operations when the number of complaints about their scheme reached a critical mass. Each time, hundreds of patients were left in substantial debt to lenders and with costly and complex dental procedures unfinished or mismanaged.

6. For example, most recently, in December 2007, the Defendants abandoned the Weymouth, Massachusetts operation they called "Sierra Dental" without providing notice to any of their patients. Defendants abandoned patient records, as well as prostheses, x-rays and other material patients had paid for but had not received. The Defendants left their patients (many of whom had painful conditions and/or were in the midst of complex procedures) and their confidential medical records unattended.

7. The Defendants' conduct was not merely that of poorly performing dentists; rather, the Defendants knowingly orchestrated a scheme to defraud people, and knew or should have known that their conduct was unfair, deceptive and in violation of Massachusetts law.

8. The Defendants, acting individually and in concert, violated the Massachusetts Consumer Protection Act, G.L. c. 93A, § 2(a) and other provisions of law by, without limitation:

- a) tricking and misleading vulnerable patients into financing expensive dental treatment that the Defendants failed to provide;
- b) implementing an unfair and deceptive credit billing scheme;
- c) fraudulently inducing consumers to sign treatment plans and financing applications and agreements;
- d) overcharging and/or double-billing for services and/or charging for services never performed;
- e) failing to provide complete dental care and treatments in accordance with agreements with consumers and professional standards;
- f) failing to disclose to patients facts which, had the defendants disclosed such facts, would have caused patients not to undergo treatment with the Defendants or to accept Defendants' financing arrangements;
- g) failing to give patients notice before abandoning the dental operations and patients' records and treatment materials;

- h) failing to secure and protect the confidentiality of patients' dental records; and
- i) engaging in numerous violations of regulations issued by the Department of Public Health ("DPH") intended to protect the public, in violation of G.L. c. 93A § 4, 940 CMR 3.16(3); and 234 CMR 2.04, *et seq.*

9. Various law enforcement authorities have sought to curb the recidivist unlawful conduct of Gary Anusavice and the other Defendants for several years. The Attorney General in 1997 brought civil and criminal enforcement actions against the leader of the Defendants' schemes, Gary Anusavice and his company. Anusavice was convicted of larceny, barred from dentistry for five years and fined thousands of dollars.

10. When his ban expired in 2002, Anusavice promptly resumed operations, opening Spectrum Dental in Fall River, Massachusetts. In 2004, authorities in Fall River investigated numerous complaints of unlawful conduct at Spectrum Dental, leading Anusavice and the Defendants to close that operation and re-open as "Coast Dental." In 2005 the Board of Registry in Dentistry initiated proceedings to revoke Anusavice's license to practice, a matter which he litigated until the Supreme Judicial Court finally affirmed his license revocation in July 2008.

11. Attorney General Martha Coakley now brings this action on behalf of the Commonwealth of Massachusetts (the "Commonwealth") to enjoin permanently Anusavice and the other Defendants from ever repeating their unlawful conduct in Massachusetts. The Commonwealth also seeks to recover restitution for the many harmed patients who dealt with the Defendants, as well as civil penalties, attorneys fees and costs, and other necessary relief pursuant to G.L. c. 93A, §4.

## **II. JURISDICTION AND VENUE**

12. The Attorney General is authorized to bring this action pursuant to G.L. c. 12, § 10 and G.L. c. 93A, §4.

13. This Court has jurisdiction over the subject matter of this action pursuant to G.L. c. 12, § 10, G.L. c. 93A, §4, and G.L. c. 214, §1.

14. This Court has personal jurisdiction over each of the Defendants pursuant to G.L. c. 223A, §§2 and 3.

15. Venue is proper in Suffolk County pursuant to G.L. c. 223, §5 and G.L. c. 93A, §4.

## **III. PARTIES**

16. The Plaintiff is the Commonwealth of Massachusetts, represented by Attorney General Martha Coakley, who brings this action in the public interest.

17. Defendant Gary Anusavice ("Anusavice"), of 165 Shady Hill Lane, East Greenwich, RI 02818, was a registered dentist in several states, including, without limitation, Massachusetts, Rhode Island and Pennsylvania. Due to his pattern of unlawful misconduct, Anusavice has lost his right to practice dentistry in several states, including Massachusetts and Rhode Island. Anusavice did business, committed unlawful conduct, and caused harm in Massachusetts.

18. Defendant Michael Rinaldi ("Rinaldi") resides at 20 Vanderwater Street, Providence, RI 02908. Rinaldi did business, committed unlawful conduct, and caused harm in Massachusetts.

19. Defendant Joseph (Giuseppe) A. Robbio ("Robbio") resides at 1149 Narragansett Blvd., Cranston, RI. 02905. Robbio did business, committed unlawful conduct, and caused harm in Massachusetts.

20. Defendant Vincent O'Neill ("O'Neill") resides at 85 Whittier Road, Pawtucket, RI. O'Neill did business, committed unlawful conduct, and caused harm in Massachusetts.

21. Defendant Heather Pavao ("Pavao") resides at [REDACTED]  
[REDACTED]

22. Defendant Dr. Merhad Haghkerdar a/k/a Dr. Mike a/k/a Dr. Michael D. Kane ("Haghkerdar") is or was a registered dentist in Massachusetts. Haghkerdar maintains residences at 12963 Tamiami Trail East #102, Naples, FL 34113 and 9405 Marino Circle Unit #306, Naples, FL 34114. Haghkerdar did business, committed unlawful conduct, and caused harm in Massachusetts.

23. Defendant LHT Systems, Inc. d/b/a Sierra Dental ("Sierra Dental") is a Delaware corporation, which had a principal place of business at 330 Washington St., Weymouth, MA. Anusavice and the other Defendants incorporated and used LHT Systems, Inc. to further their fraudulent scheme at Sierra Dental in Weymouth, Massachusetts. LHT Systems, Inc. did business, committed unlawful conduct, and caused harm in Massachusetts.

24. Defendant Coast Dental, Inc. ("Coast Dental") is a Delaware corporation, which maintained a principal place of business at 275 Martine St., Fall River, MA. Anusavice and the other Defendants incorporated and used Coast Dental to further their fraudulent scheme at Coast Dental and Spectrum Dental in Fall River, Massachusetts, as

well as other operations. Coast Dental, Inc. did business, committed unlawful conduct, and caused harm in Massachusetts.

25. Defendant Dr. Wood, Inc. is a Delaware corporation, which maintained a principal place of business at 330 Washington St., Weymouth, MA. Anusavice and the other Defendants incorporated and used Dr. Wood, Inc. to further their fraudulent scheme at Sierra Dental in Weymouth, as well as other operations. Dr. Wood, Inc. did business, committed unlawful conduct, and caused harm in Massachusetts.

26. Defendant Electron Marketing, Inc. d/b/a Spectrum Dental ("Spectrum Dental") is a Delaware corporation, which maintained a principal place of business at 275 Martine St., Fall River, MA. Anusavice and the other Defendants incorporated and used Electron Marketing, Inc./Spectrum Dental to further their fraudulent scheme at Spectrum Dental, Coast Dental, Sierra Dental, and other operations. Electron Marketing, Inc. did business, committed unlawful conduct, and caused harm in Massachusetts.

27. Defendant William E. Salisbury, Inc. is a Delaware corporation, which maintained a principal place of business at 275 Martine St., Fall River, MA 02723. Anusavice and the other Defendants incorporated and used William E. Salisbury, Inc. to further their fraudulent scheme at Spectrum Dental, Coast Dental, Sierra Dental and other operations. William E. Salisbury, Inc. did business, committed unlawful conduct, and caused harm in Massachusetts.

28. Defendant JX Marketing, Inc. is a Delaware corporation and maintained a principal place of business at 2510 West Virginia Avenue, Tampa, FL 33607 and a mailing address at 11 S. Angell St #498, Providence, RI. Defendants Michael Rinaldi and Vincent O'Neill were JX Marketing's only officers until April 2008, when they were

replaced by Joseph Robbio. Anusavice and the other Defendants incorporated and used JX Marketing, Inc. to further their fraudulent scheme at Spectrum Dental, Coast Dental, Sierra Dental and other operations. JX Marketing did business, committed unlawful conduct, and caused harm in Massachusetts.

29. R.P. Systems Inc. is a Delaware corporation and maintained a principal place of business at 451 Broadway, Pawtucket, Rhode Island. Anusavice and the other Defendants incorporated and used R.P. Systems Inc. to further their fraudulent scheme at Sierra Dental and their other operations. R.P. Systems Inc. did business, committed unlawful conduct, and caused harm in Massachusetts.

30. Defendant Arvydas Inc. is a Delaware corporation and maintained a principal place of business at 11 South Angell St., Providence, Rhode Island. Anusavice and the other Defendants incorporated and used Arvydas Inc. to further their fraudulent scheme at the Sierra Dental and their other operations. Anusavice and Rinaldi were the officers and directors of Arvytus, Inc. Arvydas Inc. did business, committed unlawful conduct, and caused harm in Massachusetts.

31. Defendant Vytautus, Inc. is a Delaware corporation and maintained a principal place of business at 11 South Angell St., Providence, Rhode Island. Anusavice and the other Defendants incorporated and used Vytautus, Inc. to further their fraudulent scheme at the Sierra Dental and their other operations. Vytautus, Inc. did business, committed unlawful conduct, and caused harm in Massachusetts.

32. Anusavice and the other Defendants maintained and commingled various personal and corporate accounts at various institutions. By way of example, Defendants paid employees, suppliers and others from multiple and various "corporate" accounts and



funneled revenues into various accounts without due regard for the corporate forms; Defendants opened multiple "Provider Agreements" with different lenders using multiple and various corporate fronts and "d/b/a" arrangements for the same dental operation; a manager of Sierra Dental used personal checks on behalf of Sierra Dental, and executed Provider Agreements with lenders on behalf of a corporate entity doing business as Sierra Dental, but directed deposits to another account at Bank of America; LHT Systems, Inc. d/b/a Sierra Dental used an account at Citizens Bank to pay funds to Defendant William Salisbury, Inc., Coast Dental, and other Defendants and related parties.

33. Accordingly, the Commonwealth has named the following banking institutions as "Trustee Defendants" for the purpose of securing and attaching funds belonging to any of the Defendants that are maintained with any of the Trustee Defendants.

34. Trustee Process Defendant Bank of America is a banking institution with a principal place of business in Massachusetts at 100 Federal Street, Boston, MA 02110. One or more of the Defendants maintained accounts at Bank of America and the Commonwealth requests that a Summons for Trustee Process issue against Bank of America pursuant to Mass. R. Civ. P. 4.2.

35. Trustee Process Defendant Citizens Bank is a banking institution with a principal place of business in Massachusetts at 28 State Street Boston, MA 02109. One or more of the Defendants, including Defendants Coast Dental, Inc., LHT Systems, Arvydas Inc., and W.E. Salisbury, Inc., maintained bank accounts at Citizens Bank and the Commonwealth requests that a Summons for Trustee Process issue against Citizens Bank pursuant to Mass. R. Civ. P. 4.2.

36. Trustee Process Defendant Fall River Five Cents Savings Bank d/b/a BankFive is a corporation with a principal place of business at 79 North Main Street, Fall River, MA 02722. One or more of the Defendants, including Defendants Electron Marketing, Inc. and Michael Rinaldi, maintained a bank account at Fall River Five Cents Savings Bank and the Commonwealth requests that a Summons for Trustee Process issue against Fall River Five Cents Savings Bank pursuant to Mass. R. Civ. P. 4.2.

37. Trustee Process Defendant St. Anne's Credit Union of Fall River Massachusetts is a corporation with a principal place of business at 286 Oliver Street, Fall River, MA 02724. One or more of the Defendants, including Rinaldi and/or Robbio, maintained a bank account at St. Anne's Credit Union and the Commonwealth requests that a Summons for Trustee Process issue against St. Anne's Credit Union pursuant to Mass. R. Civ. P. 4.2.

#### **IV. OVERVIEW OF THE SCHEME**

38. Beginning in approximately 2002, after the expiration of Anusavice's five-year suspension of his right to practice dentistry in Massachusetts, Anusavice began operating multiple dental practices in Massachusetts and elsewhere (the dental operations in Massachusetts are referred to herein collectively as "the Massachusetts Operations"), and on several occasions, suddenly closed these operations as complaints and scrutiny mounted.

39. Anusavice was joined in the activities of the Massachusetts Operations by the other Defendants, and all of the Defendants, acting individually and in concert, committed repeated unfair, deceptive and unlawful acts in these operations. These Massachusetts Operations included, without limitation:

- a. Spectrum Dental in Fall River, which operated from in or around September 2002 until its abrupt closure in or around February 2005;
- b. Coast Dental in Fall River, which operated from in or around March 2005 until its abrupt closure in or around May 2007; and
- c. Sierra Dental in Weymouth, which operated from in or around March 2005 until its abrupt closure in or around December 2007.

40. The Defendants used the same unlawful model in each of these dental operations: First, the Defendants targeted people with limited means and inadequate or no dental insurance and “baited” them with false and misleading marketing tactics about the Defendants’ dental practices. The Defendants promised “free exams” and affordable “monthly payment plans” for quality treatment.

41. After luring people into the dental operations for allegedly affordable and quality treatment, the Defendants then “switched” people into expensive, hasty and often incomplete or shoddy treatment, together with costly credit card debt to pay for it.

42. Over and over, the Defendants collected thousands of dollars per patient by arranging loans for them from credit companies and billing for the entire proposed procedure up-front, and then left the patients with inadequate and incomplete treatment, and costly debt from the credit companies.

43. When the complaints mounted and the scheme became apparent, the Defendants simply abandoned the patients, their records, and the dental practice, and reopened under another name to repeat the scheme.

**High Volume/High Pressure Tactics and Misrepresentations To Lure Patients**

44. The Defendants marketed heavily on the radio, television and in supermarkets and malls offering free exams and consultations.

45. The Defendants sought to exploit those who, because of economic circumstances and lack of dental insurance, had both a pressing need for dental care, and a dependence on credit financing in order to obtain such care.

46. The Defendants marketed "free exams" to trigger telephone inquiries. The Defendants used a "call center" in order to control the deceptive marketing scheme, and instructed their employees answering telephones at the call center that they were "selling something," should not answer questions, and should try to entice the prospective patient to come in for a "free" appointment.

47. The Defendants' instructions stated that call operators should not give much information or answer questions but instead "MUST take control of the conversation." Rather than answer questions, the Defendants instructed their employees answering calls that "most often you should answer a question with a question."

48. When potential patients sought information about the cost of treatment, the Defendants instructed employees never to answer a question such as "How much for \_\_\_\_?" Instead, the Defendants' instructed their employees again to "always answer a question with a question." The Defendants illustrated these instructions to employees by giving sample scripts, such as:

Q: "How much for a root canal?"

A. "Why do you think you need a root canal?"

Q. "Because the dentist told me I do."

A. "Well let's make sure the dentist was right. It might not need a root canal.

Let's have you come in, we'll see what the real story is."

49. The Defendants instructed personnel on the telephone to target those with medicare, welfare, or a "discount insurance card," by offering a free appointment because "a Mass Health patient is looking for something for nothing and a FREE EXAM is perfect for them!"

50. **The Defendants misrepresented the scope of dental coverage under programs such as MassHealth to induce patients to incur excessive costs that the Defendants would seek to finance with the credit companies.** The Defendants encouraged patients with limited dental coverage through programs such as MassHealth to believe that they had no coverage at all so that the Defendants could "switch" the patients into expensive treatments and credit card arrangements.

51. When people without insurance called, the Defendants' protocol instructed employees to tell them "Don't worry, we have low monthly payment plans. Much easier to do it that way instead of having to write huge checks each visit like most of the other dentists around here want."

52. The Defendants instructed their personnel to try to get patients in for a first appointment by stating - - falsely - - that at the Defendants' dental operations they would "end up with a low monthly payment, and have their dental work done properly."

53. The Defendants falsely represented that financing expensive treatment at the Massachusetts Operations consisted of affordable "Monthly Payment Plans," and failed to disclose critical terms and conditions about the financing.

**The Switch to High-Cost, Sub-Standard and Incomplete Treatment  
Funded By Deceptive Credit Practices**

54. Once the Defendants had persuaded people to come into the dental operations for a "free exam," the Defendants began to "sell" and "close" the patients. To

the Defendants, a patient was "closed" when the patient was signed up for financing arrangements with one of the Defendants' credit providers.

55. The Defendants used a pressurized atmosphere to exploit patients' vulnerabilities. The Massachusetts Operations were open 6-7 days per week for approximately 12 hours per day, employed few dentists for the high volume of patients, and waiting rooms often were crowded with people seeking "free exams."

56. The Defendants injected a "finance advisor" into the patient-dentist interaction, intended to immediately "close" the patient with credit obligations, and start immediate treatment so that the patient would not be able to consider alternatives or fairly assess the terms promised by the Defendants.

57. The Defendants followed a "NEW PATIENT PROTOCOL" under which a "finance advisor" put the patient into an "operatory chair," "bib[bed] the patient," placed the x-rays in a viewer, introduced the on-call dentist to the patient, and "remain[ed] present while the DR performs the eval[uation]."

58. The Defendants' "protocol" called for the "finance advisor," rather than the dentist, to explain the treatment, "run credit immediately," ensure "everything is signed" and then get the dentist to start treatment "immediately." In many cases, the dentist left the "operatory" while the finance advisor sought to "close" the patient.

59. At the Defendants' instruction, the dentists and "finance advisors," typically proposed extensive, aggressive treatment to the exclusion of more minor treatment in order to generate larger fees.

60. At the Defendants' instruction, the finance advisors (also called "business managers") wrote the treatment plans for the patients. In numerous instances, the

Defendants checked the patients' credit or "pre-qualified" the patients before writing the treatment plan.

61. The Defendants intentionally obscured the true nature of the credit arrangements and misled patients about the obligations and costs of the financing.

62. The Defendants compensated the finance advisors with commissions, creating incentives for more expensive treatment.

63. The Defendants, using an array of corporate fronts and false "owners of record," arranged a number of "Provider Agreements" with lenders, including, without limitation, lenders such as GE Money, Capital One, Unicorn Financial, Citicorp, and **HelpCard**. **Under these agreements, the Defendants arranged financing for patients of the** Massachusetts Operations by obtaining patients' signatures on agreements to borrow the costs of the treatment (and/or a credit line at a set amount) from the lenders.

64. Rather than "low monthly payments" promised by the Defendants, the loans they arranged with their cooperating lenders were essentially credit card loans that carried monthly interest rates as high as 22.98% after an initial "interest free" period.

65. Once the credit arrangements were confirmed, the Defendants and their employees initiated immediate, and often invasive, treatment that frequently would not be completed in the initial visit. The Defendants billed the entire estimated cost of the treatment, including procedures that were not completed, to the patients' new accounts with the credit company, but frequently did not disclose this to the patients.

66. Repeatedly, the Defendants failed to complete treatment, and performed sub-standard or unnecessary treatment.

### **Inflated Fees and Misrepresentations to Insurers**

67. In cases where patients did have dental insurance, the Defendants submitted false claims, inflated fees, and hid or destroyed records from insurer audits.
68. Defendants misled insurers about the nature of the Defendants' dental operations.
69. Defendants fraudulently submitted insurance claims using the names and license numbers of dentists who were not employed by Defendants.
70. Defendants took action to prevent insurers from auditing and ascertaining the extent of Defendants' unlawful conduct.

### **Sudden Closures Without Notice or Protection of Confidential Records**

71. As complaints mounted at the Massachusetts Operations, the Defendants closed each of them suddenly and without notice to patients.
72. At the time of each of the closings, many patients were in the midst of extensive dental procedures that they had paid for in full.
73. In Massachusetts, dentists are required to preserve the confidentiality of patient records, to maintain patient records for at least three years from the date of the last patient encounter, and to provide patients with copies of their records upon request.
74. The Defendants violated these requirements and instead abandoned and caused unlawful disclosure of patients' confidential health information and financial information, including social security numbers.
75. The Defendants "dumped" certain patient records into a storage facility, willfully renting the facility under another name and without intending to pay rental fees, knowing that the records would be discarded by the facility.



76. The Defendants simply abandoned other patient records, leaving them behind when they abandoned Sierra Dental in Weymouth.

77. With the sudden closures of the Massachusetts Operations, patients were left with incomplete treatment, lost prostheses that they had paid for but not received, and costs and hardship as they sought information, records, and replacement treatment.

#### **The Results of Defendants' Unlawful Conduct**

78. As shown in the affidavits that the Commonwealth has filed with this Complaint, the Defendants' unlawful conduct caused serious financial and physical harm to hundreds of residents of Massachusetts and elsewhere.

79. Many people who were patients at the Massachusetts Operations are now thousands of dollars in debt, and have continuing pain due to incomplete or substandard dental work. Many others have incurred additional costs after seeking other dentists who would be able to either complete the necessary treatment or repair the mistreatment provided by the Defendants. Still others have been unable to recover their records or prostheses from the Defendants and needed to begin again with new dentists, or forego needed dental care.

80. More than 200 complaints from victims of the Defendants have been provided to the Office of the Attorney General.

81. Several complaints describe Defendants' "bait and switch" tactics. For example, one patient "went to Coast Dental for a free exam sent in mail. [The dentist] look[ed] in my mouth for 2 seconds & said I needed r[oo]t canals & bridges etc at cost by Vinni of \$16,126. I felt like I was at a car dealer they checked my credit & asked how my credit was how much I could afford....[My face] swelled black & blue for weeks on

end. I have been in pain & suffering ever since I went there. I am [terrified] to go back...These people at Coast Dental are total[ly] unprofessional and only care about the money & not the patient.”

82. Another person went to Coast because of pain and swelling in her mouth and because her regular dentist was closed. In her complaint, this patient describes the Defendants “protocol” in action: “...Then another man came in [to the treatment room] named Joe who said you have an infection, and we need to treat it before it spreads...Then he brought up monthly payment plans...I said I have insurance, I have given my info at the desk...He then said we have ‘Care Credit’ and you’ll pay no interest. I’m sure your parents will help you pay. We’re going to take your pain away....Joe came in again with a paper and I signed it. They did not tell me how much this would cost. I was in much pain and believed I needed to do this asap, as I was led to believe. I was in the chair for approx. 7 hours being worked on...I received a statement in Oct. for Care Credit for \$8500. I was shocked...[My mother and I went back to Coast to meet with Joe and] he gave us a copy of the treatment plan which was now written in, but was blank the day I was treated...figures on original are in different color ink...I was manipulated; most, if not all of the work done was not reviewed in a ‘treatment conference in detail’ as stated on their treatment statement. I don’t truthfully know if I needed this work done. My teeth are gone. I don’t know why they ‘over treated’ me. I was not presented options or treatment (to be done later by my own dentist) so that I could make an informed decision. I felt vulnerable and I was very worried about the pain and the condition of my teeth, and trusted them. If I had been told before treatment what the costs were, I would not have

done any treatment that day except to receive the prescription and would have seen my own dentist the following day.”

83. A disabled person who responded to the Defendants’ marketing stated that a “business guy” tried to confuse him when he applied for credit, and that he was told the price given to him was a “special half price offer” if he agreed to finance the entire treatment plan that day—otherwise, he was told it would cost \$18,000.00. The dentists then extracted multiple teeth, but the patient never received the implants. Instead, after his natural teeth were extracted, he was told there had been a “mistake” and he would have to pay another \$5,000.00 to complete the work. The patient was unable to pay for additional dental work, he is disabled, and has since been responsible for making large monthly repayments out of his Social Security disability check. He states that he suffers from panic attacks and “can’t sleep and eat because...of this matter.”

84. Numerous complainants have suffered permanent and irreparable damage to their natural teeth, gums, and bones as a result of the practices’ incomplete and/or substandard work. One patient described a root canal which resulted in permanent damage to the root, “ruined the bone structure,” and required the extraction of the tooth by another dentist, as well as constant pain, “like there was something sharp stuck under the bridges,” and fillings that fell out.

85. The Defendants billed a Sierra Dental patient in full for the \$5,000 “treatment plan” for bridges and never provided the bridges. “I am paying \$5000.00 on a credit card for 2 bridges that are not in my mouth (that are sitting in an empty dentist office) and I am paying Captial One for my daughter’s work that never got completed. I have called the location and tel# has been disconnected.”

86. A person who went to Spectrum Dental with a toothache emerged four hours later with tooth extraction, root canal, filed down teeth, a temporary bridge and, unbeknownst to her at the time, a \$5,000 credit line with annual interest at 27.99%. She then developed a large space between the bridge and her gums, a lisp, and a "foul odor."

87. Many have shared the experience of one victim of the Defendants' scheme, who described her encounter with the Defendants as a "long and horrifying ride which I am still experiencing."

#### **V. THE DEFENDANTS' ROLES IN THE CONCERTED SCHEME**

88. All of the Defendants acted in concert with each other to further the Defendants' unlawful scheme, and each committed, individually and in concert, numerous and various unfair and deceptive acts and practices in the Massachusetts Operations.

89. Certain conduct of each of the Defendants is described below only by way of example. Each of the Defendants is responsible for all of the allegations contained in this Complaint.

##### ***A. Gary Anusavice***

90. Defendant Anusavice obtained a license to practice dentistry in Massachusetts in 1980.

91. Hundreds of patients have made complaints about Anusavice for engaging in unprofessional conduct, overcharging for services, providing inferior or unnecessary dental work, credit and billing fraud, and failing to render services for which the consumer had paid.

92. On July 8, 1997, Anusavice, operating a dental practice called Massdent, Inc., d/b/a DDS ("DDS"), pleaded guilty to larceny over \$250 in connection with his operation of Massdent/DDS (*Commonwealth v. Massdent, Inc., et al.*, Crim. Action No. 1996-00030 (Worcester)).

93. The court sentenced Anusavice to five years probation, enjoined him from practicing of dentistry in any form, in any state during the probationary period, ordered him to pay restitution of \$170,000, and ordered him to perform 300 hours of community service.

94. In a related civil enforcement proceeding in 1997, Anusavice, as President of MassDent/DDS, entered into a Final Judgment by Consent, pursuant to which DDS was enjoined from operating a dental center in the Commonwealth, and was obligated to pay \$55,000 into a Consumer Restitution Fund and \$75,000 to Healthsource Central Massachusetts Health Care. (*Commonwealth v. Massdent Business Management, Inc.*, Civil Action No. 1997-01459C (Worcester)).

95. In the same period, Anusavice entered into a Consent Agreement with the Massachusetts Board of Registration in Dentistry (the "Board" or the "Dentistry Board") to resolve 24 complaints against him, pursuant to which he surrendered his license to practice for 5 years and agreed to a subsequent 5-year probation term. In that Consent Agreement, Anusavice admitted and acknowledged that "he engaged in conduct which the Board could conclude constitutes sufficient grounds for disciplinary action under G.L. c. 112, § 61."

96. In 1999, Anusavice pleaded guilty to a federal felony of tax fraud for filing a false tax return in 1993. He was sentenced to 4 months confinement and 1 year supervised release.

97. In November 2005, the Rhode Island Department of Health Board of Examiners in Dentistry brought an action against Anusavice, alleging that he “engaged in activities amounting to fraud, a bait and switch scheme with regard to dental services, billing patients for services not delivered, deceiving patients with respect to credit that respondent arranged for them, refusing to respond to patients repeated requests for care, refusing to provide patients with copies of their medical records . . .”

98. Anusavice entered into a consent order suspending his right to practice dentistry in Rhode Island.

99. In 2005, the Massachusetts Dentistry Board initiated disciplinary proceedings against Anusavice, who contested the matter.

100. On June 22, 2006 the Board issued its Final Decision and Order revoking Anusavice’s license to practice dentistry in Massachusetts. The Board concluded that Anusavice “demonstrated an egregious pattern of dishonesty and a complete and utter disregard for his patients and the general public,” and found in Anusavice’s conduct “an inability to adhere to the rules and regulations that govern his profession as well as an inability to adhere to the laws of the Commonwealth.”

101. Anusavice appealed the revocation of his license to the Supreme Judicial Court of Massachusetts, which affirmed the Board’s sanction on July 11, 2008. The Supreme Judicial Court took note of Anusavice’s “history of discipline and regulatory

noncompliance in Massachusetts, as well as his criminal misconduct.” See SJC-09970, *Anusavice v. Board of Registration in Dentistry*.

102. Despite a decade of judicial and Board discipline, probation, penalties, and warnings, Anusavice took and maintained a leadership role in creating and operating the Defendants’ scheme. He actively participated in the creation, control, management, decision-making and operations of the dental practices and the various corporate entities used to both further and conceal the unlawful nature of the Massachusetts Operations, and profited from their unlawful operation.

103. At various times, Anusavice attempted to conceal his role in these operations, fraudulently using corporate entities, aliases, and other deception.

104. Anusavice instructed employees at the Massachusetts Operations to take personal information, including social security numbers, from consumers setting up appointments, and to apply for credit on their behalf without the consumer’s knowledge or consent.

105. Anusavice created, implemented and enforced the unfair and deceptive business model and practices described in this Complaint.

***B. Other Defendants Who Acted in Concert with Defendant Anusavice***

***i. The “Finance Advisors” and “Business Managers” at the Massachusetts Practices***

106. Defendants Rinaldi, Robbio, O’Neill and Pavao (with Anusavice, referred to herein as the “Business Manager Defendants”), actively participated in the control, management, decision-making and day-to-day operations of one or more of the Massachusetts Practices, and in so doing engaged in unlawful unfair and deceptive conduct.

107. Anusavice regularly dispatched Rinaldi, Robbio, and O'Neill to the Massachusetts Operations to enforce the Defendants' deceptive protocols and to ensure that patient volume and cash from credit arrangements stayed high.

108. At various times, the Business Manager Defendants described themselves to patients as "finance advisors" or "case managers," among other terms intended to create a sense of trust so as to facilitate their misrepresentations and unfair inducements to patients.

109. The Business Manager Defendants repeatedly used unfair and deceptive sales and billing tactics and made knowing and willful misrepresentations and/or material omissions to Massachusetts consumers concerning treatment and financing, and furthered the unfair, deceptive and fraudulent conduct, by the acts such as, without limitation, the following:

- a. Making misleading representations about treatment plans, and unfairly pressuring patients to commit to the initiation of immediate dental work in order to sign patients up for credit card payments to Defendants;
- b. Failing to disclose relevant facts, terms and conditions about the "payment plan" and credit arrangements with Defendants' third party lenders;
- c. Pressuring patients who did not qualify for credit to find a co-signer and failing to disclose that those co-signers were actually the principal borrowers;
- d. Misrepresenting the loan terms, including, without limitation, the amount financed, the interest rate and the duration of the loan;
- e. Falsely assuring patients that they would not bill for work until it had been completed despite the fact that they typically billed for the entire procedure on the first day of treatment;
- f. Obtaining patients' signatures on blank forms;



- g. Obtaining signatures from patients already in the dentist's chair receiving treatment;
- h. Creating a coercive atmosphere by threatening not to treat patients who presented with dental issues like abscesses unless they agreed to finance an extensive treatment plan;
- i. Over-billing and/or double-billing for dental work;
- j. Assuring patients that they would receive insurance reimbursements for proposed treatment when they knew or should have known that they would not;
- k. Failing to disclose that the prostheses were of inferior quality;
- l. Failing to disclose that the work would never be completed in accordance with the treatment plan and/or the standard of care;
- m. Failing to disclose that they would not maintain the security or privacy of the patient's personal medical information or provide that information to patients upon request; and
- n. Failing to disclose that closure of the practice was imminent and, therefore, that continuity of care would be impossible.

110. Several of the Business Manager Defendants also engaged in numerous unfair and deceptive acts in the creation and operation of a web of corporate entities that were used both to mask and advance the Defendants unlawful scheme.

**Joseph A. Robbio**

111. In 1997, a federal jury convicted Robbio of conspiracy to transport counterfeit securities, possession of implements for making counterfeit securities, production of false identification documents, possession of false identification documents, and possession of document-making implements used in production of false identification documents, and two counts of transporting counterfeited securities. Before that, Robbio had a previous criminal history, including a prior conviction for counterfeiting.

112. With this criminal history, Robbio joined Anusavice in creating and running the Massachusetts Operations and acted in - - and abused - - positions of trust with patients' financial arrangements, dental care, and private health information.

113. Robbio, with others, managed the day-to-day operations of the Massachusetts Operations, enforced the Defendants' protocols, made merchant agreements with credit providers, collected money from patients, and actively recruited other participants to the scheme, among other activity.

114. Robbio worked with Rinaldi and O'Neill to facilitate and enforce Anusavice's control over the Massachusetts operations.

115. Robbio and Anusavice together negotiated the lease for the Sierra Dental premises in Weymouth, during which Anusavice used an alias, "Gary Andrews."

116. Robbio was a leading manager of Electron Marketing, Spectrum Dental, Coast Dental and Sierra Dental and was actively engaged in repeated misleading, unfair, deceptive and other unlawful conduct in those operations.

117. Robbio arranged accounts with credit providers that were used by the Defendants deceptively to obtain immediate payment for work that had not yet been performed.

118. Robbio also served as a "finance advisor," and implemented the Defendants' unfair and deceptive "protocol" to commit patients to expensive treatment and credit obligations.

119. Robbio repeatedly made false and misleading representations to patients to induce them to agree to credit arrangements resulting in payment to the Defendants of many thousands of dollars for unperformed or badly performed dental work.

120. Robbio, a non-dentist, repeatedly created "treatment plans" to push people into high-cost, financed dental work.

121. Robbio signed up one or more patients for credit card financing without providing the patients with information or required disclosures about the financing.

122. Robbio falsely represented to one or more patients that he would arrange an "affordable monthly payment plan" without disclosing the true costs and terms of the financing he then arranged with credit card lenders.

**Michael Rinaldi**

123. Rinaldi was an officer of Electron Marketing, Inc./Spectrum Dental, and participated actively in the unlawful activities of the Defendants' Massachusetts Operations.

124. Rinaldi worked with O'Neill and Robbio to facilitate and enforce Ansuavice's control over the Massachusetts operations.

125. Rinaldi controlled numerous financial accounts of the Defendants and actively managed the financial interactions among the Defendants. Among others, Rinaldi was the signatory for accounts of Defendants Sierra Dental/LHT Systems, Inc., W.E. Salisbury, Inc., Electron Marketing, JX Marketing, R.P. Systems and others.

126. Rinaldi recruited dentists to the Massachusetts Operations.

127. Rinaldi instructed employees to take personal information, including social security numbers, from consumers setting up appointments, and to apply for credit on their behalf without the consumer's knowledge or consent.

128. Rinaldi arranged accounts with credit providers that the Defendants used deceptively to obtain immediate payment for work that had not yet been performed.

129. Rinaldi has stated that his duties at Spectrum Dental “included all aspects of the business management of the office including the hiring and supervision of personnel, dealing with vendors of dental equipment and supplies, arranging for advertising in various media, dealing with dental insurance providers and finance companies and general financial management.”

**Vincent O’Neill**

130. O’Neill was a “Business Manager” at Sierra Dental and Coast Dental, and an active participant in the Defendants’ unlawful conduct in the Massachusetts Operations.

131. O’Neill also worked with Rinaldi and Robbio to facilitate and enforce Ansuavice’s control over the Massachusetts operations.

132. O’Neill arranged accounts with credit providers that the Defendants used deceptively to obtain immediate payment for work that had not yet been performed.

133. O’Neill served as a “finance advisor,” and implemented the Defendants’ unfair and deceptive “protocol” to commit patients to expensive treatment and credit obligations.

134. O’Neill repeatedly made false and misleading representations to patients to induce them to agree to credit arrangements resulting in the payment to Sierra Dental and the Defendants of many thousands of dollars for unperformed or badly performed dental work.

135. O’Neill repeatedly created “treatment plans” to push people into high-cost, financed dental work.

136. O'Neill signed up one or more patients for credit card financing without providing the patients with information or required disclosures about the financing.

137. O'Neill falsely represented to one or more patients that he would arrange an "affordable monthly payment plan" without disclosing the true costs and terms of the financing she then arranged with credit card lenders.

138. O'Neill pressured one or more dentists at Sierra Dental to do work that was extensive and expensive, even when the dentist did not think such work was necessary.

**Heather Pavao**

139. Pavao was a "Business Manager" at Sierra Dental and other operations of the Defendants, and an active participant in the Defendants' unlawful conduct.

140. Pavao served as a "finance advisor," and implemented the Defendants' unfair and deceptive "protocol" to commit patients to expensive treatment and credit obligations.

141. Pavao repeatedly made false and misleading representations to patients to induce them to agree to credit arrangements resulting in the payment to Sierra Dental and the Defendants of many thousands of dollars for unperformed or badly performed dental work.

142. Pavao repeatedly created "treatment plans" to push people into high-cost, financed dental work.

143. Pavao led one or more patients who were in pain to believe that they would receive no treatment for their tooth pain unless they signed the financing agreement for extensive work beyond treating the cause of the pain.

144. Pavao signed up one or more patients for credit card financing without providing the patients with information or required disclosures about the financing.

145. Pavao falsely represented to one or more patients that she would arrange an “affordable monthly payment plan” without disclosing the true costs and terms of the financing she then arranged with credit card lenders.

146. Pavao falsely represented to one or more patients that Sierra Dental would not bill the amount financed until at least 85% of the work set out in the treatment plan was completed.

147. Another Sierra Dental employee repeatedly complained to Rinaldi that Pavao “put [her] in the difficult position by people that have had false promises made and are angry and feel lied to.” Rinaldi did not do anything in response to these complaints because Rinaldi approved of Pavao’s tactics.

148. Other “business managers” not named in this Complaint also committed numerous unfair, deceptive, and unlawful acts to further the Defendants’ unlawful operations and profit therefrom.

ii. The Dentists

149. In each of the Massachusetts Operations, the Defendants employed numerous dentists, whom they typically recruited using newspaper and internet ads offering high pay. These dentists may have been lured by promises of high compensation, but several dentists left the Massachusetts Operations promptly after learning of the nature of their operations.

150. For example, among the recruited dentists, one left Sierra Dental after working there only 6 days because she found the ethics and methods of delivering care

objectionable. She found she was discouraged from spending much time on minor procedures. Instead, the goal was to do costly work and get as much of it done on a patient before he or she had a chance to go home and have second thoughts about starting treatment.

151. Another dentist promptly left the operations, and filed a complaint about the Defendants.

152. Another dentist alerted an insurer to the Defendants' fraud. Several other dentists worked in the Massachusetts Operations only briefly before separating from the operations.

153. Certain dentists, however, continued in the unfair and deceptive Massachusetts Operations long after they knew or should have known of the Defendants' wrongful conduct. In doing so, they betrayed their patients and acted unlawfully.

154. Defendant Dr. Mehrad Haghkerdar a/k/a Dr. Michael D. Kane ("Haghkerdar"), Dr. William Earl Salisbury and other dentists (collectively, the "Participating Dentists") facilitated and advanced the Defendants' scheme.

155. While practicing at the Massachusetts Operations, the Participating Dentists advanced the fraudulent credit billing scheme by knowingly and willfully proposing excessive treatment plans, often based only on cursory oral examinations, and by performing improper or unnecessary dental procedures in violation of the fiduciary duties they owed their patients and their ethical duties as health care professionals.

156. The Participating Dentists opened new accounts with finance companies, often with false descriptions of the ownership and business structure of the dental operations, and knowingly allowed the Business Manager Defendants to open such

accounts, that were used by the Defendants deceptively to obtain immediate payment for work that had not yet been performed, or that Defendants were otherwise not entitled to receive.

157. Haghkardar instructed Spectrum employees to take personal information, including social security numbers, from consumers setting up appointments, and to apply for credit on their behalf without the consumer's knowledge or consent.

158. The Participating Dentists submitted false and inflated insurance claims.

159. The Participating Dentists, in contrast to other dentists who learned of the Defendants' operations, did not cease their participation in the Defendants' schemes, nor did they report or disclose the Defendants' conduct; instead they unfairly and deceptively continued to profit from the Defendants' unlawful conduct.

160. On March 31, 2008, the Commonwealth filed a Complaint against Salisbury, alleging that, while practicing at Sierra Dental, Salisbury engaged in unfair consumer credit and billing practices, and failed to provide or complete adequate dental care and treatments.

161. Salisbury agreed to resolve the Commonwealth's Complaint by a Final Judgment by Consent. Under the Final Judgment, Salisbury agreed to cooperate with the Commonwealth and to help contain the problem of abandoned patient records at Sierra Dental and agreed to a permanent injunction barring him from ever engaging in any business related to the practice of dentistry in Massachusetts. Under the Final Judgment, Salisbury was also required to pay \$20,000 to the Commonwealth. (*Commonwealth v. Salisbury, et al.*, Civ. Action No. 08-1453-B (Suffolk)).



iii. The Corporate Entities

162. The Defendants formed and/or participated in the formation of numerous corporate fronts, such as Electron Marketing, JX Marketing, LHT Systems, RP Systems, William E. Salisbury, Inc., Dr. Wood, Inc., Vytautas, Inc., Arvydas, Inc., and others.

163. On or about September 25, 2002, the Defendants formed Electron Marketing, Inc., a Delaware corporation that, among other things, did business as Coast Dental and Spectrum Dental, two of the Massachusetts Operations. Anusavice was the president, treasurer and director of the corporation. The only other officer and director of Electron Marketing was Rinaldi.

164. On or about March 17, 2004, the Defendants formed Vytautas, Inc., a Delaware corporation that was used to advance and conceal the Defendants' unlawful operations.

165. On or about May 21, 2004, the Defendants formed R.P. Systems, Inc., a corporation that, among other things, did business as Sierra Dental, one of the Massachusetts Operations.

166. On or about August 3, 2004, the Defendants formed LHT Systems Inc., a Delaware corporation that, among other things, did business as Sierra Dental, one of the Massachusetts Operations.

167. On or about October 27, 2005 the Defendants formed Arvydas Inc., a Delaware corporation that was used to advance and conceal the Defendants' unlawful operations.

168. On or about December 18, 2005, the Defendants formed William E. Salisbury, Inc., a corporation that, among other things, did business as Sierra Dental, one of the Massachusetts Operations.

169. On or about March 28, 2006, the Defendants formed JX Marketing, Inc., a corporation that, among other things, did business as Sierra Dental, one of the Massachusetts Operations.

170. On or about June 25, 2006, the Defendants formed Dr. Wood, Inc., a corporation that, among other things, did business as Sierra Dental.

171. The Defendants abused the corporate form of these and other corporate entities, used the corporate form for fraudulent purposes, commingled personal funds and funds of the corporations, exercised dominant, pervasive and personal control of the corporations for fraudulent purposes and intermingled these corporations with the other individual and corporate Defendants as part of a common scheme.

172. These fronts were used to control operations, conceal the roles of the individual Defendants and the movement of funds and credit relationships, facilitate the rapid closure of operations without accountability when complaints mounted, and facilitate additional "Provider Agreements" with finance companies.

173. The Defendants routinely commingled the funds of various corporate entities and dental operations.

174. The bank accounts maintained by the corporate entity Defendants contain monies derived from the Defendants' illegal scheme.

## **V. CAUSE OF ACTION**

### **COUNT I**

#### **Unfair and Deceptive Acts or Practices in Violation of M.G.L. c. 93A, §2**

175. The allegations in paragraphs 1 through 174 of this Complaint are re-alleged and incorporated herein by reference.

176. By carrying out the scheme describe above, all of the defendants, individually and acting in concert, have engaged in unfair and deceptive acts or practices, in violation of G.L. c. 93A, § 2(a), and regulations promulgated thereunder, including, without limitation:

- a. Fraudulently inducing consumers to sign treatment agreements and/or credit applications by making statements that were false or misleading concerning treatment and billing;
- b. Failing to provide or complete dental care and treatments in accordance with treatment plans or professional standards;
- c. Engaging in bait and switch sales tactics;
- d. Obtaining consumer signatures on forms under coercive conditions, including, without limitation, while patients were already in dental chair receiving treatment;
- e. Having patients to sign blank documents;
- f. Charging for work not performed in accordance with treatment plans or professional standards;
- g. Proposing and/or performing unnecessary dental work;
- h. Overcharging and/or double-billing;
- i. Failing to provide people with any of the credit disclosures required by G.L. c. 140D § 1, *et seq.* and 209 CMR 32.00, *et seq.*;
- j. Failing to respond to and/or issue refunds for complaints about substandard, unnecessary or incomplete work;

- k. Failing to obtain informed consent for procedures performed;
- l. Submitting loan applications to lenders without the applicants' knowledge and/or consent;
- m. Using a web of fraudulent corporate names and other misrepresentations;
- n. Failing to maintain the privacy and security of patient records and/or destroying patient records in violation of G.L. c. 112 § 12CC; 234 CMR 2.04(17)(b); and
- o. Failing to provide patients with copies of their records upon request in violation of G.L. c. 112 § 12CC; 234 CMR 2.04(17)(b).

## COUNT II

### Civil Conspiracy

177. The allegations in paragraphs 1 through 176 of this Complaint are re-alleged and incorporated herein by reference.

178. Each Defendant knowingly and substantially participated or assisted others in the implementation of the scheme described herein.

179. The Defendants' knew that their substantial participation or assistance in the scheme would damage scores of Massachusetts consumers, which it did. As such, each of the Defendants engaged in a civil conspiracy to commit an unlawful purpose, namely, to advance the scheme.

180. Although each Defendant may have had a separate and distinct role, their knowing and substantial participation in the unfair and deceptive acts and practices described above comprised and perpetuated the tortuous, unfair and deceptive credit billing scheme described herein.

181. The Defendants knew or should have known that their conduct was unfair and deceptive in violation of G.L. c. 93A.

### **COUNT III**

#### **Fraud**

182. The allegations in paragraphs 1 through 181 of this Complaint are re-alleged and incorporated herein by reference.

183. The Defendant induced people to undergo dental treatment and to sign treatment agreements and/or credit applications by making statements that were false or misleading concerning treatment and billing;

- a. Offering significant discounts to start work immediately;
- b. Failing to disclose that the "payment plan" was a loan from a third party lender;
- c. Pressuring patients who did not qualify for credit to find a co-signer and failing to disclose that those co-signers were actually the principal borrowers;
- d. **Misrepresenting the loan terms, including, without limitation, the amount financed, the interest rate and the duration of the loan;**
- e. Assuring patients that they would not bill for work until it had been completed despite the fact that they typically billed for the entire procedure on the first day of treatment;
- f. Claiming that the proposed treatment was urgently necessary when they knew or should have known that it was not;
- g. Obtaining patients' signatures on blank forms;
- h. Obtaining signatures from patients already in the dentist's chair receiving painkilling drugs and treatment;
- i. Creating a coercive atmosphere by threatening not to treat patients who presented with dental issues like abscesses unless they agreed to finance an extensive treatment plan;

- j. Over-billing and/or double-billing for dental work;
- k. Assuring patients that they would received insurance reimbursements for proposed treatment when they knew or should have known that they would not;
- l. Failing to disclose that the prostheses were of inferior quality;
- m. Failing to disclose that the work would never be completed in accordance with the treatment plan and/or the standard of care;
- n. Failing to disclose that they would not maintain the security or privacy of the patient's personal medical information or provide that information to patients upon request; and
- o. Failing to disclose that closure of the practice was imminent, if applicable, and, therefore, that continuity of care would be impossible.

184. The Defendants knew or should have known that their statements to patients were false and misleading.

185. Patients entered into treatment plans and/or financing agreements in reliance on the Defendants' false and misleading statements.

186. Patients suffered damages as a result of their reliance on the Defendants' false and misleading statements.

#### **PRAYER FOR RELIEF**

WHEREFORE, the Commonwealth requests the following relief:

1. Issue an *ex parte* Temporary Restraining Order enjoining all Defendants, and their officers, agents, servants, employees, attorneys, successors and assigns, and all other persons and entities, whether acting individually or in active participation or concert with them, directly or indirectly, other through any corporation, trust or other device, who received actual notice of the order from:

- a. Destroying, concealing, altering, defacing or transferring any records, documents or other information in any way relating to their business

operations, the above-described scheme, or to the provision and/or financing of dental care;

- b. Applying for or renewing any dental registration or license issued by the Massachusetts Board of Registration of Dentistry;
- c. Engaging in any business involving the provision of dental or medical services or the financing of such dental or medical services, including, without limitation, pursuant to a management, consulting or marketing agreement, in the Commonwealth of Massachusetts;
- d. Transferring, pledging, selling, mortgaging, encumbering, or in any way disposing of any ownership interest or custody of any real or personal assets the defendants own or control, individually or collectively, directly or indirectly, or may own or control while this restraining order remains in effect, including, without limitation: all real property, wherever located; all bank accounts and all funds contained therein, wherever located; all securities; all household and office furnishings; and all lump-sums of money, of any amount, the defendants have or may received while this restraining order remains in effect, from any source; except such real or personal assets as may be used in the ordinary course of business or for necessary and usual living expenses as defined by the Internal Revenue Service.

2. Issue *ex parte* Writs of Attachment against all Defendants in the amount of \$2,000,000.

3. Issue *ex parte* Summons for Trustee Process to each of the Trustee Defendants, to ensure that any money or other assets of any of the Defendants held by Trustee Defendants be attached and secured up to the amount of \$2,000,000 and requiring the Trustee Defendants to restrict any expenditure from the defendants accounts consistent with the summons;

4. After hearing, issue an Order and preliminary injunction, extending and incorporating the terms in the temporary restraining order and the writs of attachment and trustee process and, further, enjoining the Defendants from:

- a. Maintaining, operating, or having an ownership interest in any dental clinic, dental practice or other entity organized to provide or manage

dental service in the Commonwealth;

- b. failing to disclose and produce in writing, within five (5) days of this order, to Jeffrey Clements, Chief, Public Protection & Advocacy Bureau, Office of the Attorney General, One Ashburton Place, Boston 02108, the following:
  - i. The existence of any account or place of any nature, wherever located and whenever acquired, owned in whole or in part by any defendant, in which money, valuables, or assets of any kind are deposited, including, but not limited to, checking accounts, savings accounts, IRAs, and accounts with any kind of broker, along with the address of the establishment where the account is located and the number;
  - ii. The existence of any other real or personal assets owned in whole or in part by any defendant, including, but not limited to, real estate, houses, motor vehicles, boats, plans and equipment; and
  - iii. All insurance policies that may provide insurance coverage for the unfair or deceptive conduct alleged in this Complaint.
  - iv. All dental or other practices, corporations, partnerships, or other business activity of whatever nature doing business in any manner in which the Defendants or any one of them have any ownership or financial interest.

5. After a trial on the merits:

- a. Enter judgment in favor of the Commonwealth including permanent injunctive relief, restitution to consumers injured by the defendants' unfair and deceptive acts or practices, civil penalties of \$5,000 for each violation of chapter 93A, attorney's fees, costs and other remedial relief under chapter 93A and other applicable statutes; and
- b. Issue an appropriate permanent injunction to enjoin defendants from maintaining, operating, or having an ownership interest in any dental clinic, dental practice or other entity organized to provide or manage dental service in the Commonwealth; applying for, maintaining, or renewing any dental registration or license issued by the Board of Registration of Dentistry; and engaging in any business involving the provision of dental or medical services or the financing of such dental or medical services, including, without limitation, pursuant to a management, consulting, marketing or other agreement or device.



6. Enter such other relief as the Court deems just and reasonable.

Respectfully Submitted,

COMMONWEALTH OF MASSACHUSETTS

MARTHA COAKLEY  
ATTORNEY GENERAL

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Dated: September 24, 2008