

EXHIBIT “G”

December 22, 2009

PERSONAL AND CONFIDENTIAL

Linda Zoeller
Small Smiles Holding Company
618 Church Street #520
Nashville, TN, 37219

Re: **Policyholder:** Small Smiles Holding Company/Susmitha Aluru
 Patient: Vaughan Wingo
 Our Claim No.: 2009106785

Dear Ms. Zoeller,

It was a pleasure speaking with you recently. Please let this confirm recent conversations and serve to formally acknowledge receipt of the lawsuit entitled Vaughan Wingo Plaintiff vs. Small Smiles et al. Your professional liability policy in place through the Dentist's Advantage Program is issued by National Union Fire Insurance Company of Pittsburgh, PA. Intercare Insurance Services, Inc. is the authorized claims administrator. I am the claims specialist who will be investigating this matter.

As we also discussed, please send me a complete copy of your chart for Vaughan Wingo including chart notes, billing records, x-rays and any correspondence you may have.

Your defense of this matter has been assigned to June Baker Laird of the firm of McElroy, Deutsch, Mulvaney & Carpenter, LLP. You can reach June Baker Laird at McElroy, Deutsch, Mulvaney & Carpenter, LLP. You should expect to meet with June Baker Laird in the near future to review the litigation process and to have a detailed discussion of your care of Vaughan Wingo.

Your defense is being provided subject to all of the terms, provisions and conditions of your policy of insurance with National Union Fire Insurance Company of Pittsburgh, PA with coverage dates of 12/01/2008 to 12/01/2009. This is a claims made policy with a retroactive date of 02/01/2000 for the corporation and 9/27/04 for Dr. Susmitha.

We recognize that the allegations set forth in the complaint are without substantiation at this time. Nothing contained in this letter is intended to suggest that they have any factual or legal merit. However, we must advise you that the Complaint filed in this matter on behalf of Vaughan Wingo does not state a specific prayer for damages. Given this, there is a possibility that a jury could award

damages in excess of your policy limits. Please see your Dental Liability Policy, Form 98948 (4/08) that states:

I. COVERAGE AGREEMENTS

- A. We will pay on behalf of the insured those sums that the insured becomes legally obligated to pay as "damages" because of a "dental incident", provided that:
1. The "dental incident" occurs on or after the Retroactive Date shown in the Declarations and prior to the end of the "policy period" ; and
 2. The "claim" for "damages" is first made against any insured, in writing, during the "policy period" or any Extended Reporting Period we provide under Section VIII. Extended Reporting Period.
- B. We have the right and duty to defend the insured against any "claim" to which this insurance applies, even if the allegations in such "claim" are groundless, false, or fraudulent. However, we have no duty to defend the insured against any "claim" to which this insurance does not apply.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Section V. **SUPPLEMENTARY PAYMENTS.**

- C. We have the right to investigate, defend, and appoint an attorney to defend any "suit" as we deem expedient. However, we will not settle any "claim" or "suit" without the consent of the designated representative of the first Named Insured. Such consent may not be unreasonably withheld.
- D. The amount we will pay for "damages" is limited as described in Section IV. **LIMITS OF INSURANCE.** We will not be obligated to defend any "claim" after the Limits of Insurance have been exhausted by the payment of judgments or settlements

IV. LIMITS OF INSURANCE

- A. Subject to B. below, and regardless of the number of "claims" made or "suits" brought, the most we will pay for "damages" arising out of any one "dental incident" is the Limit of Insurance stated in the Declarations. This limit shall apply separately:
1. To each individual dentist shown as a Named Insured in the Declarations as stated in Subparagraph A.1. of **Section III., WHO IS AN INSURED** ;and
 2. To all Named Insureds and all additional insureds collectively, other than those subject to paragraph 1., above. This limit applies regardless of the number of insureds under the policy.
- B. The most we will pay for the sum of all "damages" to which this insurance applies is the Limit of Insurance shown in the Declarations as Aggregate.
- C. The Limits of Insurance apply separately to each consecutive annual period and to any remaining period of less than twelve months, starting with the beginning of the "policy period" shown in the Declarations, unless the "policy period" is extended after issuance for

an additional period of less than twelve months. In that case, the additional period will be considered part of the last preceding period for purposes of determining the Limits of Insurance.

Subject to Paragraphs A, B, and C. above, all "claims" arising from one "medical incident" or a series of related "medical incidents" to any one person shall be deemed to have occurred at the time of the first "medical incident" regardless of the number of claimants, or the number of insureds against whom such claims are made

Please refer to pages 6 to 8 under **VI. DEFINITIONS** for definitions of the italicized terms above:

B. "Claim" means a "suit" or demand made by or for the injured person for "damages" to which this insurance applies.

M. "Suit" means a civil proceeding in which "damages" to which this insurance applies are alleged. "Suit" includes:

1. An arbitration proceeding in which such "damages" are claimed and to which the insured must submit or does submit with our consent; or
2. Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the insured submits with our consent

D. "Damages" means all the sums that the insured becomes legally obligated to pay. Damages do not include

1. Administrative, civil or criminal penalties, fines or sanctions;
2. Payment for "professional services", including the waiver, return, withdrawal or reduction of fees paid to the insured or payment by the insured of fees for "professional services" provided by others; or
3. Punitive or exemplary damages.

G. "Dental incident" means any act, error or omission in the rendering of or failure to render "professional services" by:

1. An insured; or
2. Any person for whose acts, errors or omissions you are held legally liable.

If a settlement is entered into or if a jury was to render a verdict in excess of 1,000,000.00 in compensatory damages and costs, National Union Fire Insurance Company would be responsible only for the amount up to the policy limits of 1,000,000.00. At present, we do not know the potential value of this case. In the event that the potential of an excess award is determined to exist, you may wish to consult with alternative counsel, at your own expense, to address any uninsured interests. We will provide a defense to you for this lawsuit with the express understanding that any settlement or award in excess of your policy limits granted against you by a judge or jury will not be covered.

Please refrain from discussing the background of this matter with anyone, other than me or another representative of the claims office, your attorney, or members of the law firm. Your

statements to others may be repeated in litigation and could possibly affect the management of this case.

Please be sure to keep your **original** records in a secure location for future reference. Most importantly, no additions, corrections or deletions should be made to the patient's chart as this would seriously jeopardize your defense. Additionally, please begin to maintain a separate, confidential legal file into which you place this letter and all correspondence between our respective offices and from your defense counsel, as well as all documents pertaining to the legal aspects of this case. None of these documents should be made a part of this patient's chart.

Please be aware that should this matter proceed to trial, your daily presence during the trial's entirety is **mandatory**. This typically requires that you block out in your schedule seven to ten business days from the assigned trial date.

I understand that being faced with a lawsuit can be very unsettling. My goal is to manage your case sensitively and realistically. I will keep you updated on the progress of this case as information of significance develops.

I welcome your call at any time that you have questions or concerns at (424)636-1030. Thank you for your assistance and cooperation. I look forward to working with you.

Sincerely,



Kevin Gasseling
Claims Specialist
Intercare Insurance Services, Inc.
For National Union Fire Insurance Company of Pittsburgh, PA