

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle): Palou Periodontal, Inc.
Name of Joint Debtor (Spouse) (Last, First, Middle):

All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): dba Smile Solutions of Garland
All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):

Last four digits of Soc. Sec./Complete EIN or other Tax I.D. No. (if more than one, state all): 75-2531987
Last four digits of Soc. Sec./Complete EIN or other Tax I.D. No. (if more than one, state all):

Street Address of Debtor (No. & Street, City, and State): 2023 Huntcliffe Ct. Allen, TX
Street Address of Joint Debtor (No. & Street, City, and State):
ZIPCODE 75013 ZIPCODE

County of Residence or of the Principal Place of Business: Collin
County of Residence or of the Principal Place of Business:

Mailing Address of Debtor (if different from street address):
Mailing Address of Joint Debtor (if different from street address):
ZIPCODE ZIPCODE

Location of Principal Assets of Business Debtor (if different from street address above): 1513 Forest Lane Suite E Garland, TX
ZIPCODE 75042

Type of Debtor (Form of Organization) (Check one box.)
Nature of Business (Check all applicable boxes.)
Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box)
Nature of Debts (Check one box)
Chapter 11 Debtors
Check one box:
Check if:

Statistical/Administrative Information
THIS SPACE IS FOR COURT USE ONLY
Estimated Number of Creditors
Estimated Assets
Estimated Debts

|  |               |   |  |
|--|---------------|---|--|
| <b>Voluntary Petition</b><br><i>(This page must be completed and filed in every case)</i>  |               | Name of Debtor(s): <b>Palou Periodontal, Inc.</b>   |  |
| <b>Prior Bankruptcy Case Filed Within Last 8 Years</b> (If more than two, attach additional sheet)   |               |   |  |
| Location Where Filed:  | Case Number:  | Date Filed:   |  |
| Location Where Filed:  | Case Number:  | Date Filed:   |  |
| <b>Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor</b> (If more than one, attach additional sheet)  |               |   |  |
| Name of Debtor:  | Case Number:  | Date Filed:   |  |
| District:  | Relationship: | Judge:  |  |
| <p style="text-align:center;"><b>Exhibit A</b></p> <p>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)</p> <p><input checked="" type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>  |               | <p style="text-align:center;"><b>Exhibit B</b></p> <p>(To be completed if debtor is an individual whose debts are primarily consumer debts.)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter.</p> <p>I further certify that I delivered to the debtor the notice required by § 342(b) of the Bankruptcy Code.</p> <p><b>X</b> _____</p> <p style="text-align:right;">Date</p> |  |
| <p style="text-align:center;"><b>Exhibit C</b></p> <p>Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?</p> <p><input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition.</p> <p><input checked="" type="checkbox"/> No</p>  |               | <p style="text-align:center;"><b>Certification Concerning Debt Counseling by Individual/Joint Debtor(s)</b></p> <p><input type="checkbox"/> I/we have received approved budget and credit counseling during the 180-day period preceding the filing of this petition.</p> <p><input type="checkbox"/> I/we request a waiver of the requirement to obtain budget and credit counseling prior to filing based on exigent circumstances. (Must attach certification describing.)</p>   |  |
| <b>Information Regarding the Debtor (Check the Applicable Boxes)</b>   |               |   |  |
| <b>Venue</b> (Check any applicable box)  |               |   |  |
| <p><input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.</p> <p><input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.</p> <p><input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding (in a federal or state court) in this District, or the interests of the parties will be served in regard to the relief sought in this District.</p> |               |   |  |
| <b>Statement by a Debtor Who Resides as a Tenant of Residential Property</b>   |               |   |  |
| <i>Check all applicable boxes.</i>   |               |   |  |
| <p><input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)</p> <p style="margin-left: 40px;">Name of landlord that obtained judgment:<br/>Address of landlord:</p> <p><input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and</p> <p><input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.</p>   |               |   |  |

|   |   |
|---|---|
| <b>Voluntary Petition</b><br><i>(This page must be completed and filed in every case)</i> | Name of Debtor(s): <b>Palou Periodontal, Inc.</b> |
|---|---|

**Signatures**

**Signature(s) of Debtor(s) (Individual/Joint)**

I declare under penalty of perjury that the information provided in this petition is true and correct.  
 [If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.  
 [If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by § 342(b) of the Bankruptcy Code.

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

**X** \_\_\_\_\_

**X** \_\_\_\_\_

\_\_\_\_\_  
Telephone Number (If not represented by an attorney)

\_\_\_\_\_  
Date

**Signature of a Foreign Representative**

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by § 1515 of title 11 are attached.

Pursuant to § 1511 of title 11, United States Code, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

**X** \_\_\_\_\_  
(Signature of Foreign Representative)

\_\_\_\_\_  
(Printed Name of Foreign Representative)

\_\_\_\_\_  
(Date)

**Signature of Attorney**

**X** /s/ William L. Manchee  
**William L. Manchee** Bar No. **12891200**

**Manchee & Manchee, L.L.P.**  
**12221 Merit Drive**  
**Suite 950**  
**Dallas, Texas 75251**

Phone No. **(972) 960-2240** Fax No. **(972) 233-0713**

04/14/2006  
Date

**Signature of Non-Attorney Petition Preparer**

I declare under penalty of perjury that: 1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; 2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, 3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110 setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19B is attached.

\_\_\_\_\_  
Printed Name and title, if any, of Bankruptcy Petition Preparer

\_\_\_\_\_  
Social Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

**Signature of Debtor (Corporation/Partnership)**

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

**Palou Periodontal, Inc.**

**X** /s/ Miguel Palou  
**Miguel Palou**  
 Printed Name of Authorized Individual  
**President**  
 Title of Authorized Individual

04/14/2006  
Date

\_\_\_\_\_  
Address

**X** \_\_\_\_\_  
Date

Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose social security number is provided above.

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both (11 U.S.C. § 110; 18 U.S.C. § 156).

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER **11**

**EXHIBIT "A" TO VOLUNTARY PETITION**

|  |                     |                                      |
|--|---------------------|--------------------------------------|
| 1. Debtor's employer identification number is <u>75-2531987</u> .  |                     |                                      |
| 2. If any of debtor's securities are registered under section 12 of the Securities and Exchange Act of 1934, the SEC file number is _____. |                     |                                      |
| 3. The following financial data is the latest available information and refers to the debtor's condition on <u>4/14/2006</u> .             |                     |                                      |
| a. Total Assets  | <b>\$144,670.21</b> |                                      |
| b. Total Liabilities   | <b>\$367,372.23</b> |                                      |
| <b>Secured debt</b>  | <b>Amounts</b>      | <b>Approximate number of holders</b> |
| Fixed, liquidated secured debt   | <b>\$212,402.43</b> | <b>2</b>                             |
| Contingent secured debt  | <b>\$0.00</b>       | <b>0</b>                             |
| Disputed secured debt  | <b>\$0.00</b>       | <b>0</b>                             |
| Unliquidated secured debt  | <b>\$0.00</b>       | <b>0</b>                             |
| <b>Unsecured debt</b>  | <b>Amounts</b>      | <b>Approximate number of holders</b> |
| Fixed, liquidated unsecured debt   | <b>\$154,969.80</b> | <b>18</b>                            |
| Contingent unsecured debt  | <b>\$0.00</b>       | <b>0</b>                             |
| Disputed unsecured debt  | <b>\$0.00</b>       | <b>0</b>                             |
| Unliquidated unsecured debt  | <b>\$0.00</b>       | <b>0</b>                             |
| <b>Stock</b>   | <b>Amounts</b>      | <b>Approximate number of holders</b> |
| Number of shares of preferred stock  | <b>1000</b>         | <b>1</b>                             |
| Number of shares of common stock   |                     |                                      |
| <b>Comments, if any</b>  |                     |                                      |
| 4. Brief description of debtor's business:<br><i>General Dentistry Practice</i>  |                     |                                      |

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER **11**

**EXHIBIT "A" TO VOLUNTARY PETITION**

*Continuation Sheet No. 1*

5. List the name of any person who directly or indirectly owns, controls, or holds, with power to vote, 20% or more of the voting securities of the debtor:

*Dr. Miguel Palou*

6. List the name of all corporations 20% or more of the outstanding voting securities of which are directly or indirectly owned, controlled, or held, with power to vote, by debtor:

I, **Miguel Palou**, the **President** of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing Exhibit "A" to Voluntary Petition, and that it is true and correct to the best of my information and belief.

Date: **04/14/2006**

Signature: */s/ Miguel Palou*  
**Miguel Palou**  
**President**

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER **11**

**SCHEDULE A - REAL PROPERTY**

| Description and Location of Property | Nature of Debtor's Interest in Property |  | Current Value of Debtor's Interest in Property, Without Deducting Any Secured Claim or Exemption | Amount Of Secured Claim |
|--------------------------------------|---|--|--|-------------------------|
| None                                 |   |  |  |                         |

**Total: \$0.00**

(Report also on Summary of Schedules)

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER **11**

**SCHEDULE B - PERSONAL PROPERTY**

| Type of Property  | None | Description and Location of Property   | Current Value of Debtor's Interest in Property, Without Deducting any Secured Claim or Exemption |
|---|------|--|--|
| 1. Cash on hand.  |      | petty cash   | \$100.00   |
| 2. Checking, savings or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and home-stead associations, or credit unions, brokerage houses, or cooperatives. |      | Chase Bank 2449 8300 2865<br>Hibernia Bank - not used<br>Bank of America - not used<br>Chase Bank 244981322865 | \$1,915.43<br>\$1.00<br>\$1.00<br>\$7.14   |
| 3. Security deposits with public utilities, telephone companies, landlords, and others.   | X    |  |  |
| 4. Household goods and furnishings, including audio, video and computer equipment.  | X    |  |  |
| 5. Books; pictures and other art objects; antiques; stamp, coin, record, tape, compact disc, and other collections or collectibles.   | X    |  |  |
| 6. Wearing apparel.   | X    |  |  |
| 7. Furs and jewelry.  | X    |  |  |
| 8. Firearms and sports, photographic, and other hobby equipment.  | X    |  |  |
| 9. Interests in insurance policies. Name insurance company of each policy and itemize surrender or refund value of each.  | X    |  |  |
| <b>Total &gt;</b>   |      |  | <b>\$2,024.57</b>  |

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER **11**

**SCHEDULE B - PERSONAL PROPERTY**

*Continuation Sheet No. 1*

| Type of Property  | None     | Description and Location of Property | Current Value of Debtor's Interest in Property, Without Deducting any Secured Claim or Exemption |
|---|----------|--------------------------------------|--|
| 10. Annuities. Itemize and name each issuer.  | <b>X</b> |                                      |  |
| 11. Interests in an education IRA as defined in 26 U.S.C. § 530(b)(1) or under a qualified State tuition plan as defined in 26 U.S.C. § 529(b)(1). Give particulars. (File separately the record(s) of any such interest(s). 11 U.S.C. § 521(c); Rule 1007(b)). | <b>X</b> |                                      |  |
| 12. Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Give particulars.   | <b>X</b> |                                      |  |
| 13. Stock and interests in incorporated and unincorporated businesses. Itemize.   | <b>X</b> |                                      |  |
| 14. Interests in partnerships or joint ventures. Itemize.   | <b>X</b> |                                      |  |
| 15. Government and corporate bonds and other negotiable and non-negotiable instruments.   | <b>X</b> |                                      |  |
| 16. Accounts receivable.  |          | insurance receivables                | \$100.00   |
|   |          | Accounts due from insurance claims   | \$72,545.64  |
| 17. Alimony, maintenance, support, and property settlements to which the debtor is or may be entitled. Give particulars.  | <b>X</b> |                                      |  |
| <b>Total &gt;</b>   |          |                                      | <b>\$74,670.21</b>   |



**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER **11**

**SCHEDULE B - PERSONAL PROPERTY**

*Continuation Sheet No. 2*

| Type of Property  | None     | Description and Location of Property | Current Value of Debtor's Interest in Property, Without Deducting any Secured Claim or Exemption |
|---|----------|--------------------------------------|--|
| 18. Other liquidated debts owed to debtor including tax refunds. Give particulars.  | <b>X</b> |                                      |  |
| 19. Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule A - Real Property.  | <b>X</b> |                                      |  |
| 20. Contingent and noncontingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust.  | <b>X</b> |                                      |  |
| 21. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.  | <b>X</b> |                                      |  |
| 22. Patents, copyrights, and other intellectual property. Give particulars.   | <b>X</b> |                                      |  |
| 23. Licenses, franchises, and other general intangibles. Give particulars.  | <b>X</b> |                                      |  |
| 24. Customer lists or other compilations containing personally identifiable information (as defined in 11 U.S.C. 101(41A)) provided to the debtor by individuals in connection with obtaining a product or service from the debtor primarily for personal, family, or household purposes. | <b>X</b> |                                      |  |
| <b>Total &gt;</b>   |          |                                      | <b>\$74,670.21</b>   |

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER **11**

**SCHEDULE B - PERSONAL PROPERTY**

*Continuation Sheet No. 3*

| Type of Property   | None     | Description and Location of Property  | Current Value of Debtor's Interest in Property, Without Deducting any Secured Claim or Exemption |
|--|----------|---|--|
| 25. Automobiles, trucks, trailers, and other vehicles and accessories. | <b>X</b> |   |  |
| 26. Boats, motors, and accessories.                                    | <b>X</b> |   |  |
| 27. Aircraft and accessories.  | <b>X</b> |   |  |
| 28. Office equipment, furnishings, and supplies.                       |          | desks, chairs, TVs, round table, file cabinets, fax-copier, 4 computers, 2 printers, software, paper, envelopes, misc office supplies | \$5,000.00   |
| 29. Machinery, fixtures, equipment, and supplies used in business.     |          | 3 dental chairs with misc accessories, 3 x rays, panoramic x-ray  | \$27,000.00  |
|  |          | dental instruments  | \$10,000.00  |
|  |          | dental supplies   | \$8,000.00   |
| 30. Inventory.   | <b>X</b> |   |  |
| 31. Animals.   | <b>X</b> |   |  |
| 32. Crops - growing or harvested. Give particulars.                    | <b>X</b> |   |  |
| 33. Farming equipment and implements.                                  | <b>X</b> |   |  |
| 34. Farm supplies, chemicals, and feed.                                | <b>X</b> |   |  |
| 35. Other personal property of any kind not already listed. Itemize.   |          | Computer Equipment and software   | \$20,000.00  |
| <b>Total &gt;</b>  |          |   | <b>\$144,670.21</b>  |

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER **11**

**SCHEDULE C - PROPERTY CLAIMED AS EXEMPT**

Debtor claims the exemptions to which debtor is entitled under:  
(Check one box)

- 11 U.S.C. § 522(b)(2)
- 11 U.S.C. § 522(b)(3)

Check if debtor claims a homestead exemption that exceeds \$125,000.

| Description of Property | Specify Law Providing Each Exemption | Value of Claimed Exemption | Current Value of Property Without Deducting Exemption |
|-------------------------|--------------------------------------|----------------------------|---|
| Not Applicable          |                                      |                            |   |
|                         |                                      | <b>\$0.00</b>              | <b>\$0.00</b>   |

**SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS**

Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

| CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE AND ACCOUNT NUMBER   | CODEBTOR | DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN   | CONTINGENT | UNLIQUIDATED | DISPUTED | AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL | UNSECURED PORTION, IF ANY |
|---|----------|--|------------|--------------|----------|---|---------------------------|
| ACCT #: <b>xxxx-xxxx-xxxx-0819</b><br><b>MBNA</b><br><b>PO Box 15342</b><br><b>Wilmington, DE 19850-5026</b>                    |          | DATE INCURRED:<br>NATURE OF LIEN:<br><b>Security agreement</b><br>COLLATERAL:<br><b>general assets</b><br>REMARKS:<br><br>VALUE: <b>\$0.00</b>                   |            |              |          | <b>\$172,082.43</b>                                   | <b>\$172,082.43</b>       |
| ACCT #: <b>xxxxx0005</b><br><b>National City Healthcare Finance</b><br><b>PO Box 691355</b><br><b>Cincinnati, OH 45269-1355</b> |          | DATE INCURRED:<br>NATURE OF LIEN:<br><b>Computer Lease</b><br>COLLATERAL:<br><b>Computer Equipment and software</b><br>REMARKS:<br><br>VALUE: <b>\$20,000.00</b> |            |              |          | <b>\$40,320.00</b>                                    | <b>\$20,320.00</b>        |
|   |          |  |            |              |          |   |                           |
|   |          |  |            |              |          |   |                           |
|   |          |  |            |              |          |   |                           |

    No     continuation sheets attached

Subtotal (Total of this Page) > **\$212,402.43**  
Total (Use only on last page) > **\$212,402.43**

(Report total also on Summary of Schedules)

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER **11**

**SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS**

Check this box if debtor has no creditors holding unsecured priority claims to report on this Schedule E.

**TYPES OF PRIORITY CLAIMS** (Check the appropriate box(es) below if claims in that category are listed on the attached sheets)

**Domestic Support Obligations**

Claims for domestic support that are owed to or recoverable by a spouse, former spouse, or child of the debtor, or the parent, legal guardian, or responsible relative of such a child, or a governmental unit to whom such a domestic support claim has been assigned to the extent provided in 11 U.S.C. § 507(a)(1).

**Extensions of credit in an involuntary case**

Claims arising in the ordinary course of the debtor's business or financial affairs after the commencement of the case but before the earlier of the appointment of a trustee or the order for relief. 11 U.S.C. § 507(a)(3).

**Wages, salaries, and commissions**

Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to \$10,000\* per person earned within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(4).

**Contributions to employee benefit plans**

Money owed to employee benefit plans for services rendered within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(5).

**Certain farmers and fishermen**

Claims of certain farmers and fishermen, up to \$4,925\* per farmer or fisherman, against the debtor, as provided in 11 U.S.C. § 507(a)(6).

**Deposits by individuals**

Claims of individuals up to \$2,225\* for deposits for the purchase, lease or rental of property or services for personal, family, or household use, that were not delivered or provided. 11 U.S.C. § 507(a)(7).

**Taxes and Certain Other Debts Owed to Governmental Units**

Taxes, customs duties, and penalties owing to federal, state, and local governmental units as set forth in 11 U.S.C. § 507(a)(8).

**Commitments to Maintain the Capital of an Insured Depository Institution**

Claims based on commitments to the FDIC, RTC, Director of the Office of Thrift Supervision, Comptroller of the Currency, or Board of Governors of the Federal Reserve System, or their predecessors or successors, to maintain the capital of an insured depository institution. 11 U.S.C. § 507(a)(9).

**Claims for Death or Personal Injury While Debtor Was Intoxicated**

Claims for death or personal injury resulting from the operation of a motor vehicle or vessel while the debtor was intoxicated from using alcohol, a drug, or another substance. 11 U.S.C. § 507(a)(10).

**Administrative allowances under 11 U.S.C. Sec. 330**

Claims based on services rendered by the trustee, examiner, professional person, or attorney and by any paraprofessional person employed by such person as approved by the court and/or in accordance with 11 U.S.C. Secs. 326, 328, 329 and 330.

\* Amounts are subject to adjustment on April 1, 2007, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

IN RE: **Palou Periodontal, Inc.**

CASE NO \_\_\_\_\_  
(If Known)

CHAPTER **11**

**SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS**

*Continuation Sheet No. 1*

|                  |  |
|------------------|--|
| TYPE OF PRIORITY | Taxes and Certain Other Debts Owed to Governmental Units |
|------------------|--|

| CREDITOR'S NAME,<br>MAILING ADDRESS<br>INCLUDING ZIP CODE,<br>AND ACCOUNT NUMBER | CODEBTOR | DATE CLAIM WAS INCURRED<br>AND CONSIDERATION FOR<br>CLAIM   | CONTINGENT | UNLIQUIDATED | DISPUTED | AMOUNT<br>OF<br>CLAIM | AMOUNT<br>ENTITLED TO<br>PRIORITY |
|--|----------|---|------------|--------------|----------|-----------------------|-----------------------------------|
| ACCT #:<br><b>Internal Revenue Service<br/>Austin, TX 73301</b>                  |          | DATE INCURRED: <b>12/31/05</b><br>CONSIDERATION:<br><b>Employment taxes</b><br>REMARKS:   |            |              |          | <b>\$12,778.65</b>    | <b>\$12,778.65</b>                |
| <b>Representing:<br/>Internal Revenue Service</b>                                |          | <b>Internal Revenue Service<br/>PO Box 21126<br/>Philadelphia, PA 19114</b>   |            |              |          | <b>Notice Only</b>    | <b>Notice Only</b>                |
| <b>Representing:<br/>Internal Revenue Service</b>                                |          | <b>Internal Revenue Service<br/>Special Procedures<br/>1100 Commerce St. Rm 9A-20<br/>Mail Code 5029 DAL<br/>Dallas, TX 75242</b> |            |              |          | <b>Notice Only</b>    | <b>Notice Only</b>                |
| <b>Representing:<br/>Internal Revenue Service</b>                                |          | <b>United States Attorney<br/>110 N. College Avenue Suite 700<br/>Tyler, TX 75702-0204</b>  |            |              |          | <b>Notice Only</b>    | <b>Notice Only</b>                |
|  |          |   |            |              |          |                       |                                   |
|  |          |   |            |              |          |                       |                                   |
|  |          |   |            |              |          |                       |                                   |
| <b>Total for this Page (Subtotal) &gt;</b>                                       |          |   |            |              |          | <b>\$12,778.65</b>    | <b>\$12,778.65</b>                |
| <b>Running Total &gt;</b>  |          |   |            |              |          | <b>\$12,778.65</b>    | <b>\$12,778.65</b>                |

IN RE: **Palou Periodontal, Inc.**

CASE NO \_\_\_\_\_  
(If Known)

CHAPTER **11**

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**

Check this box if debtor has no creditors holding unsecured claims to report on this Schedule F.

| CREDITOR'S NAME,<br>MAILING ADDRESS<br>INCLUDING ZIP CODE,<br>AND ACCOUNT NUMBER   | CODEBTOR | DATE CLAIM WAS<br>INCURRED AND<br>CONSIDERATION FOR<br>CLAIM.<br>IF CLAIM IS SUBJECT TO<br>SETOFF, SO STATE. | CONTINGENT | UNLIQUIDATED | DISPUTED | AMOUNT OF<br>CLAIM |
|--|----------|--|------------|--------------|----------|--------------------|
| ACCT #: <b>xx-xx9520</b><br><b>Bank of America</b><br><b>PO Box 660576</b><br><b>Dallas, TX 75266-0576</b>                                     |          | DATE INCURRED:<br>CONSIDERATION:<br><b>Non-Purchase Money</b><br>REMARKS:                                    |            |              |          | <b>\$478.91</b>    |
| ACCT #:<br><b>Capital One Small Business</b><br><b>PO Box 30285</b><br><b>Salt Lake City, UT 84130</b>   |          | DATE INCURRED:<br>CONSIDERATION:<br><b>Credit Card</b><br>REMARKS:   |            |              |          | <b>\$1,466.59</b>  |
| ACCT #: <b>xxxx xxxx xxxx 2854</b><br><b>Chase</b><br><b>PO Box 15298</b><br><b>Wilmington, DE 19850-5298</b>                                  |          | DATE INCURRED:<br>CONSIDERATION:<br><b>Credit Card</b><br>REMARKS:   |            |              |          | <b>\$6,530.39</b>  |
| ACCT #: <b>xxxxxx9055</b><br><b>City of Garland, Texas</b><br><b>Carol Clark, RTA</b><br><b>PO Box 462010</b><br><b>Garland, TX 75046-2010</b> |          | DATE INCURRED:<br>CONSIDERATION:<br><b>Taxes</b><br>REMARKS:   |            |              |          | <b>\$826.50</b>    |
| ACCT #: <b>xx-xxxxxxxxxxx2650</b><br><b>David Child Tax Assessor</b><br><b>PO Box 139066</b><br><b>Dallas, TX 75313</b>                        |          | DATE INCURRED:<br>CONSIDERATION:<br><b>Taxes</b><br>REMARKS:   |            |              |          | <b>\$688.40</b>    |
| ACCT #:<br><b>Dental Plus Lab</b><br><b>709 West Rusk St.</b><br><b>Rockwall, TX 75087</b>   |          | DATE INCURRED:<br>CONSIDERATION:<br><b>Services performed</b><br>REMARKS:                                    |            |              |          | <b>\$352.05</b>    |
| ACCT #: <b>xxx-xxxxxx7-001</b><br><b>Financial Pacific Fund III</b><br><b>3455 S 344th Way #300</b><br><b>Federal Way, WA 98001</b>            |          | DATE INCURRED:<br>CONSIDERATION:<br><b>Non-Purchase Money</b><br>REMARKS:                                    |            |              |          | <b>\$747.52</b>    |
| <b>Subtotal &gt;</b>   |          |  |            |              |          | <b>\$11,090.36</b> |
| <b>Total (Use only on last page of the completed Schedule F) &gt;</b>  |          |  |            |              |          |                    |

IN RE: **Palou Periodontal, Inc.**

CASE NO \_\_\_\_\_  
(If Known)

CHAPTER **11**

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**

Continuation Sheet No. 1

| CREDITOR'S NAME,<br>MAILING ADDRESS<br>INCLUDING ZIP CODE,<br>AND ACCOUNT NUMBER                     | CODEBTOR | DATE CLAIM WAS<br>INCURRED AND<br>CONSIDERATION FOR<br>CLAIM.<br>IF CLAIM IS SUBJECT TO<br>SETOFF, SO STATE. | CONTINGENT | UNLIQUIDATED | DISPUTED | AMOUNT OF<br>CLAIM  |
|--|----------|--|------------|--------------|----------|---------------------|
| ACCT #: xxxxxx7607<br>Garland ISD<br>901 W State St.<br>PO Box 461407                                |          | DATE INCURRED:<br>CONSIDERATION:<br><b>Taxes</b><br>REMARKS:   |            |              |          | \$2,072.26          |
| ACCT #: xxxxxxxxxx2098<br>Hibernia Loan Services<br>PO Box 4539<br>Houston, TX 77210-4539            |          | DATE INCURRED:<br>CONSIDERATION:<br><b>Non-Purchase Money</b><br>REMARKS:                                    |            |              |          | \$29,263.00         |
| ACCT #: xxxxxxxx4010<br>JP Morgan Chase Bank, NA<br>811 Rusk St. 18th Fl<br>Houston, TX 77002-7208   |          | DATE INCURRED:<br>CONSIDERATION:<br><b>Non-Purchase Money</b><br>REMARKS:                                    |            |              |          | \$95,000.00         |
| ACCT #: x-xxxxxxx-9001<br>MBNA<br>PO Box 809251<br>Chicago, IL 60680-9251                            |          | DATE INCURRED:<br>CONSIDERATION:<br><b>Credit Card</b><br>REMARKS:   |            |              |          | \$3,271.00          |
| ACCT #:<br>Mediad Software<br>c/o Group Financial Services<br>PO Box 41601<br>Philadelphia, PA 19101 |          | DATE INCURRED:<br>CONSIDERATION:<br><b>goods purchased</b><br>REMARKS:                                       |            |              |          | \$294.53            |
| ACCT #:<br>Securites & Exchange Commission<br>801 Cherry St. Suite 19<br>Ft. Worth, TX 76102         |          | DATE INCURRED:<br>CONSIDERATION:<br><b>Notice Only</b><br>REMARKS:   |            |              |          | \$0.00              |
| ACCT #: 2143<br>Telefutura<br>2323 Bryan St Ste 1900<br>Dallas, TX 75201                             |          | DATE INCURRED:<br>CONSIDERATION:<br><b>Non-Purchase Money</b><br>REMARKS:                                    |            |              |          | \$1,200.00          |
| <b>Subtotal &gt;</b>   |          |  |            |              |          | <b>\$131,100.79</b> |
| <b>Total (Use only on last page of the completed Schedule F) &gt;</b>                                |          |  |            |              |          | <b>\$142,191.15</b> |



**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER **11**

**SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Check this box if debtor has no executory contracts or unexpired leases.

| NAME AND MAILING ADDRESS, INCLUDING ZIP CODE, OF OTHER PARTIES TO LEASE OR CONTRACT.  | DESCRIPTION OF CONTRACT OR LEASE AND NATURE OF DEBTOR'S INTEREST. STATE WHETHER LEASE IS FOR NONRESIDENTIAL REAL PROPERTY. STATE CONTRACT NUMBER OF ANY GOVERNMENT CONTRACT. |
|---|--|
| <b>Financial Pacific Fund III</b><br>3455 S 344th Way #300<br>Federal Way, WA 98001   | computer<br>Contract to be ASSUMED   |
| <b>Group Financial Services</b><br>PO Box 41601<br>Philadelphia, PA 19101-1601        | Computer software<br>Contract to be ASSUMED  |
| <b>National City Healthcare Finance</b><br>PO Box 691355<br>Cincinnati, OH 45269-1355 | computers<br>Contract to be ASSUMED  |

**UNITED STATES BANKRUPTCY COURT  
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IN RE: **Palou Periodontal, Inc.**

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CHAPTER **11**

**SCHEDULE H - CODEBTORS**

Check this box if debtor has no codebtors.

| NAME AND ADDRESS OF CODEBTOR | NAME AND ADDRESS OF CREDITOR |
|------------------------------|------------------------------|
|                              |                              |

**UNITED STATES BANKRUPTCY COURT  
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IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER **11**

**SUMMARY OF SCHEDULES**

Indicate as to each schedule whether that schedule is attached and state the number of pages in each. Report the totals from Schedules A, B, D, E, F, I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amounts of all claims from Schedules D, E, and F to determine the total amount of the debtor's liabilities. Individual debtors must also complete the "Statistical Summary of Certain Liabilities."

**AMOUNTS SCHEDULED**

| <b>NAME OF SCHEDULE</b>                            | <b>ATTACHED (YES/NO)</b> | <b>NO. OF SHEETS</b> | <b>ASSETS</b> | <b>LIABILITIES</b> | <b>OTHER</b> |     |
|--|--------------------------|----------------------|---------------|--------------------|--------------|-----|
| A - Real Property                                  | Yes                      | 1                    | \$0.00        |                    |              |     |
| B - Personal Property                              | Yes                      | 4                    | \$144,670.21  |                    |              |     |
| C - Property Claimed as Exempt                     | No                       |                      |               |                    |              |     |
| D - Creditors Holding Secured Claims               | Yes                      | 1                    |               |                    | \$212,402.43 |     |
| E - Creditors Holding Unsecured Priority Claims    | Yes                      | 2                    |               |                    | \$12,778.65  |     |
| F - Creditors Holding Unsecured Nonpriority Claims | Yes                      | 2                    |               |                    | \$142,191.15 |     |
| G - Executory Contracts and Unexpired Leases       | Yes                      | 1                    |               |                    |              |     |
| H - Codebtors                                      | Yes                      | 1                    |               |                    |              |     |
| I - Current Income of Individual Debtor(s)         | No                       |                      |               |                    |              | N/A |
| J - Current Expenditures of Individual Debtor(s)   | No                       |                      |               |                    |              | N/A |
| Total >  |                          |                      | \$144,670.21  | \$367,372.23       |              |     |



**UNITED STATES BANKRUPTCY COURT  
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CASE NO

CHAPTER **11**

**STATEMENT OF FINANCIAL AFFAIRS**

**1. Income from employment or operation of business**

None  State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the two years immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| AMOUNT              | SOURCE                     |
|---------------------|----------------------------|
| <b>\$278,938.00</b> | <b>2005 Gross Receipts</b> |
| <b>\$234,440.01</b> | <b>2004 Gross Receipts</b> |
| <b>\$79,085.47</b>  | <b>2003 Gross receipts</b> |

**2. Income other than from employment or operation of business**

None  State the amount of income received by the debtor other than from employment, trade, profession, or operation of the debtor's business during the two years immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

**3. Payments to creditors**

*Complete a. or b., as appropriate, and c.*

None  a. Individual or joint debtor(s) with primarily consumer debts: List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within 90 days immediately preceding the commencement of this case if the aggregate value of all property that constitutes or is affected by such transfer is not less than \$600. Indicate with an asterisk (\*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

None  b. Debtor whose debts are not primarily consumer debts: List each payment or other transfer to any creditor made within 90 days immediately preceding the commencement of the case if the aggregate value of all property that constitutes or is affected by such transfer is not less than \$5,000. (Married debtors filing under chapter 12 or chapter 13 must include payments and other transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

None  c. All debtors: List all payments made within one year immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF CREDITOR<br>AND RELATIONSHIP TO DEBTOR         | DATE OF<br>PAYMENT | AMOUNT PAID   | AMOUNT STILL OWING |
|--|--------------------|---------------|--------------------|
| <b>Dr. Miguel Palou - sole shareholder/Sub-S Corporation draws</b> | <b>various</b>     | <b>\$1.00</b> |                    |

**4. Suits and administrative proceedings, executions, garnishments and attachments**

None  a. List all suits and administrative proceedings to which the debtor is or was a party within one year immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
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IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER **11**

**STATEMENT OF FINANCIAL AFFAIRS**

*Continuation Sheet No. 1*

- None  b. Describe all property that has been attached, garnished or seized under any legal or equitable process within one year immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

**5. Repossessions, foreclosures and returns**

- None  List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within one year immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

**6. Assignments and receiverships**

- None  a. Describe any assignment of property for the benefit of creditors made within 120 days immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

- None  b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within one year immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

**7. Gifts**

- None  List all gifts or charitable contributions made within one year immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF PERSON OR ORGANIZATION | RELATIONSHIP TO DEBTOR, IF ANY | DATE OF GIFT | DESCRIPTION AND VALUE OF GIFT |
|--|--------------------------------|--------------|-------------------------------|
| Dallas Panthers Baseball Club              | none                           | Jan 2006     | \$200 for uniforms            |

**8. Losses**

- None  List all losses from fire, theft, other casualty or gambling within one year immediately preceding the commencement of this case or since the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

**9. Payments related to debt counseling or bankruptcy**

- None  List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of a petition in bankruptcy within one year immediately preceding the commencement of this case.

| NAME AND ADDRESS OF PAYEE  | DATE OF PAYMENT, NAME OF PAYER IF OTHER THAN DEBTOR | AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY |
|--|---|--|
| Manchee & Manchee, L.L.P.<br>12221 Merit Drive<br>Suite 950<br>Dallas, Texas 75251 | 03/15/2006  | \$5,000.00   |

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
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IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER **11**

**STATEMENT OF FINANCIAL AFFAIRS**

*Continuation Sheet No. 2*

**10. Other transfers**

None  a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within two years immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

None  b. List all property transferred by the debtor within ten years immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

**11. Closed financial accounts**

None  List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within one year immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

**12. Safe deposit boxes**

None  List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within one year immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

**13. Setoffs**

None  List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within 90 days preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

**14. Property held for another person**

None  List all property owned by another person that the debtor holds or controls.

**15. Prior address of debtor**

None  If the debtor has moved within three years immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

**16. Spouses and Former Spouses**

None  If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within eight years immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER **11**

**STATEMENT OF FINANCIAL AFFAIRS**

*Continuation Sheet No. 3*

**17. Environmental Information**

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law.

None  a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

None  b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

None  c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

**18. Nature, location and name of business**

None  a. If the debtor is an individual, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within six years immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within six years immediately preceding the commencement of this case.

If the debtor is a partnership, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within six years immediately preceding the commencement of this case.

If the debtor is a corporation, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within six years immediately preceding the commencement of this case.

**NAME, ADDRESS, AND LAST FOUR DIGITS OF  
SOC. SEC. NO. / COMPLETE EIN OR OTHER  
TAXPAYER I.D. NO.**

**NATURE OF BUSINESS**

**BEGINNING AND ENDING  
DATES**

**Smile Solutions of Garland  
1530 Forest Lane Suite E  
Garland, TX 75042**

**dental practice**

**May 1 2003**

None  b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.



**UNITED STATES BANKRUPTCY COURT  
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IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER **11**

**STATEMENT OF FINANCIAL AFFAIRS**

*Continuation Sheet No. 4*

The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within six years immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor, or self-employed in a trade, profession, or other activity, either full- or part-time.

(An individual or joint debtor should complete this portion of the statement only if the debtor is or has been in business, as defined above, within six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)

**19. Books, records and financial statements**

- None  a. List all bookkeepers and accountants who within two years immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

**NAME AND ADDRESS**

**Lisa Much CPA  
Dallas, Texas**

**DATES SERVICES RENDERED**

**2003-2006**

- None  b. List all firms or individuals who within two years immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

**NAME AND ADDRESS**

**Texas Workforce Commission**

**DATES SERVICES RENDERED**

**November 2006**

- None  c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

- None  d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued by the debtor within two years immediately preceding the commencement of this case.

**NAME AND ADDRESS**

**Hibernia Bank**

**DATE ISSUED**

**June 2006**

**Bank of America**

**June 2005**

**20. Inventories**

- None  a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

- None  b. List the name and address of the person having possession of the records of each of the inventories reported in a., above.

**21. Current Partners, Officers, Directors and Shareholders**

- None  a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

**UNITED STATES BANKRUPTCY COURT  
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SHERMAN DIVISION**

IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER **11**

**STATEMENT OF FINANCIAL AFFAIRS**

*Continuation Sheet No. 5*

- None  b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

**NAME AND ADDRESS****TITLE****NATURE AND PERCENTAGE  
OF STOCK OWNERSHIP****Dr. Miguel Palou****president/stockholder****common stock 100%****22. Former partners, officers, directors and shareholders**

- None  a. If the debtor is a partnership, list each member who withdrew from the partnership within one year immediately preceding the commencement of this case.

- None  b. If the debtor is a corporation, list all officers, or directors whose relationship with the corporation terminated within one year immediately preceding the commencement of this case.

**23. Withdrawals from a partnership or distributions by a corporation**

- None  If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during one year immediately preceding the commencement of this case.

**NAME AND ADDRESS OF RECIPIENT,  
RELATIONSHIP TO DEBTOR****DATE AND PURPOSE  
OF WITHDRAWAL****AMOUNT OF MONEY OR  
DESCRIPTION AND VALUE  
OF PROPERTY****Dr. Miguel Palou****various throughout year****\$unknown****24. Tax Consolidation Group**

- None  If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within six years immediately preceding the commencement of the case.

**25. Pension Funds**

- None  If the debtor is not an individual, list the name and federal taxpayer identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within six years immediately preceding the commencement of the case.

I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date 04/14/2006
 Signature /s/ Miguel Palou  
**Miguel Palou**  
**President**

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

*Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years or both. 18 U.S.C. Sections 152 and 3571*

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER **11**

**DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR**

1. Pursuant to 11 U.S.C. § 329(a) and Fed. Bankr. P. 2016(b), I certify that I am the attorney for the above-named debtor(s) and that compensation paid to me within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows:

For legal services, I have agreed to accept:

\$0.00

Prior to the filing of this statement I have received:

\$5,000.00

(See Attachment)

Balance Due:

(\$5,000.00)

2. The source of the compensation paid to me was:

 Debtor Other (specify)

3. The source of compensation to be paid to me is:

 Debtor Other (specify)

4.  I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm.

I have agreed to share the above-disclosed compensation with another person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation, is attached.

5. In return for the above-disclosed fee, I have agreed to render legal service for all aspects of the bankruptcy case, including:

- a. Analysis of the debtor's financial situation, and rendering advice to the debtor in determining whether to file a petition in bankruptcy;  
b. Preparation and filing of any petition, schedules, statements of affairs and plan which may be required;  
c. Representation of the debtor at the meeting of creditors and confirmation hearing, and any adjourned hearings thereof;

6. By agreement with the debtor(s), the above-disclosed fee does not include the following services:

**Legal fees are based on an hourly contract at \$250.00 per hour.**

CERTIFICATION

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor(s) in this bankruptcy proceeding.

04/14/2006

Date

/s/ William L. Manchee

*William L. Manchee*  
Manchee & Manchee, L.L.P.  
12221 Merit Drive  
Suite 950  
Dallas, Texas 75251  
Phone: (972) 960-2240 / Fax: (972) 233-0713

Bar No. 12891200

/s/ Miguel Palou

**Miguel Palou**  
**President**

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER 11

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this Chapter 11 [or Chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, indicate that by stating "a minor child" and do not disclose the child's name. See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

| Name of creditor and complete mailing address including zip code               | Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted | Nature of claim (trade debt, bank loan, government contract, etc.) | Indicate if claim is contingent, unliquidated, disputed, or subject to setoff | Amount of claim (if secured, also state value of security) |
|--|---|--|---|--|
| MBNA<br>PO Box 15342<br>Wilmington, DE 19850-5026                              |   | Security agreement   |   | <b>\$172,082.43</b><br><b>Value: \$0.00</b>                |
| JP Morgan Chase Bank, NA<br>811 Rusk St. 18th Fl<br>Houston, TX 77002-7208     |   | Non-Purchase Money   |   | <b>\$95,000.00</b>   |
| Hibernia Loan Services<br>PO Box 4539<br>Houston, TX 77210-4539                |   | Non-Purchase Money   |   | <b>\$29,263.00</b>   |
| National City Healthcare Finance<br>PO Box 691355<br>Cincinnati, OH 45269-1355 |   | Computer Lease   |   | <b>\$40,320.00</b><br><b>Value: \$20,000.00</b>            |
| Internal Revenue Service<br>Austin, TX 73301                                   |   | Employment taxes   |   | <b>\$12,778.65</b>   |
| Chase<br>PO Box 15298<br>Wilmington, DE 19850-5298                             |   | Credit Card  |   | <b>\$6,530.39</b>  |

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER **11**

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

*Continuation Sheet No. 1*

| Name of creditor and complete mailing address including zip code                      | Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted | Nature of claim (trade debt, bank loan, government contract, etc.) | Indicate if claim is contingent, unliquidated, disputed, or subject to setoff | Amount of claim (if secured, also state value of security) |
|---|---|--|---|--|
| MBNA<br>PO Box 809251<br>Chicago, IL 60680-9251                                       |   | Credit Card  |   | <b>\$3,271.00</b>  |
| Garland ISD<br>901 W State St.<br>PO Box 461407                                       |   | Taxes  |   | <b>\$2,072.26</b>  |
| Capital One Small Business<br>PO Box 30285<br>Salt Lake City, UT 84130                |   | Credit Card  |   | <b>\$1,466.59</b>  |
| Telefutura<br>2323 Bryan St Ste 1900<br>Dallas, TX 75201                              |   | Non-Purchase Money   |   | <b>\$1,200.00</b>  |
| City of Garland, Texas<br>Carol Clark, RTA<br>PO Box 462010<br>Garland, TX 75046-2010 |   | Taxes  |   | <b>\$826.50</b>  |
| Financial Pacific Fund III<br>3455 S 344th Way #300<br>Federal Way, WA 98001          |   | Non-Purchase Money   |   | <b>\$747.52</b>  |
| David Child Tax Assessor<br>PO Box 139066<br>Dallas, TX 75313                         |   | Taxes  |   | <b>\$688.40</b>  |

**UNITED STATES BANKRUPTCY COURT  
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IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER **11**

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

*Continuation Sheet No. 2*

| Name of creditor and complete mailing address including zip code                          | Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted | Nature of claim (trade debt, bank loan, government contract, etc.) | Indicate if claim is contingent, unliquidated, disputed, or subject to setoff | Amount of claim (if secured, also state value of security) |
|---|---|--|---|--|
| Bank of America<br>PO Box 660576<br>Dallas, TX 75266-0576                                 |   | Non-Purchase Money   |   | <b>\$478.91</b>  |
| Dental Plus Lab<br>709 West Rusk St.<br>Rockwall, TX 75087                                |   | Services performed   |   | <b>\$352.05</b>  |
| Mediad Software<br>c/o Group Financial Services<br>PO Box 41601<br>Philadelphia, PA 19101 |   | goods purchased  |   | <b>\$294.53</b>  |
| Securites & Exchange<br>Commission<br>801 Cherry St. Suite 19<br>Ft. Worth, TX 76102      |   | Notice Only  |   | <b>\$0.00</b>  |

**DECLARATION UNDER PENALTY OF PERJURY  
ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, the                     **President**                     of the                     **Corporation**                      
named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date:   **04/14/2006**  

Signature:   **/s/ Miguel Palou**                      
**Miguel Palou**  
**President**

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

IN RE: **Palou Periodontal, Inc.**

CASE NO

CHAPTER **11**

**VERIFICATION OF CREDITOR MATRIX**

The above named Debtor hereby verifies that the attached list of creditors is true and correct to the best of his/her knowledge.

Date 04/14/2006

Signature */s/ Miguel Palou*  
*Miguel Palou*  
*President*

Date \_\_\_\_\_

Signature \_\_\_\_\_

Bank of America  
PO Box 660576  
Dallas, TX 75266-0576

Capital One Small Business  
PO Box 30285  
Salt Lake City, UT 84130

Chase  
PO Box 15298  
Wilmington, DE 19850-5298

City of Garland, Texas  
Carol Clark, RTA  
PO Box 462010  
Garland, TX 75046-2010

David Child Tax Assessor  
PO Box 139066  
Dallas, TX 75313

Dental Plus Lab  
709 West Rusk St.  
Rockwall, TX 75087

Financial Pacific Fund III  
3455 S 344th Way #300  
Federal Way, WA 98001

Garland ISD  
901 W State St.  
PO Box 461407

Group Financial Services  
PO Box 41601  
Philadelphia, PA 19101-1601



Hibernia Loan Services  
PO Box 4539  
Houston, TX 77210-4539

Internal Revenue Service  
Austin, TX 73301

Internal Revenue Service  
PO Box 21126  
Philadelphia, PA 19114

Internal Revenue Service  
Special Procedures  
1100 Commerce St. Rm 9A-20  
Mail Code 5029 DAL  
Dallas, TX 75242

JP Morgan Chase Bank, NA  
811 Rusk St. 18th Fl  
Houston, TX 77002-7208

MBNA  
PO Box 809251  
Chicago, IL 60680-9251

MBNA  
PO Box 15342  
Wilmington, DE 19850-5026

Mediad Software  
c/o Group Financial Services  
PO Box 41601  
Philadelphia, PA 19101

National City Healthcare Finance  
PO Box 691355  
Cincinnati, OH 45269-1355

Securities & Exchange Commission  
801 Cherry St. Suite 19  
Ft. Worth, TX 76102

Telefutura  
2323 Bryan St Ste 1900  
Dallas, TX 75201

United States Attorney  
110 N. College Avenue Suite 700  
Tyler, TX 75702-0204

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION

IN RE:  
Palou Periodontal, Inc.

CHAPTER 11

DEBTOR(S)

CASE NO

**LIST OF EQUITY SECURITY HOLDERS**

| Registered Name of Holder of Security<br>Last Known Address or Place of Business | Class of Security | Number Registered | Kind of Interest<br>Registered |
|--|-------------------|-------------------|--------------------------------|
| Miguel E. Palou, D.D.M.<br>2023 Huntcliffe Ct.<br>Allen, TX 75013                | common            | 1000              | personal                       |