Orthodontists file lawsuits against Gaspar Lazzara and OEC

by John Hoffman, Dental Tribune America

Lawsuits are raging back and forth between several orthodontists and current and former orthodontic students and Dr. Gaspar Lazzara and his companies Imagine Orthodontics, a nationwide chain of orthodontic practices, and its affiliate Orthodontics Education Company (OEC). The lawsuits center around the failure of Lazzara and his companies to honor contracts agreeing to pay the students' tuitions and provide jobs to the orthodontists.

OEC agreed to pay the tuition, fees and living expenses of several orthodontics postgraduate students at Jacksonville University, the University of Colorado at Denver, and the University of Nevada, Las Vegas (UNLV). In return, the students agreed that after completing their orthodontics residency, they would work for seven years in an orthodontics practice owned by Imagine. The orthodontists were to receive a yearly salary of at least $150,000.

Several of the lawsuits have drawn the attention of the American Dental Association and are discussed on the ADA News Web site. Dr. Michael Sawaf is suing Lazzara and his companies for breach of contract. Sawaf completed his residency at Jacksonville last July and moved with his family to Brentwood, Tenn., to work against Nashville, to work in a new practice owned by Imagine Orthodontics. Sawaf used a letter of employment from the company to take out a $500,000 mortgage on a home.

Sawaf charges that the practice never opened, stranding him without a job. He was also asked to sign a note to pay $200,000 to reimburse the educational and living expenses. He refused to sign it.

On Sept. 1, 2006, Ronnie J. Bitman, an attorney with Powell & Pearson in Winter Park, Fla., sent a letter to OEC/Imagine charging the company with violating its agreements with Sawaf, thereby absolving him of having to reimburse OEC. The following month, Scott D. Richburg, an attorney with Foley & Lardner, Jacksonville, Fla., filed lawsuits against Sawaf and four other orthodontists, charging them with violating their educational contracts with OEC/Imagine. The company is reportedly seeking more than $700,000 from each of the dentists. Sawaf and another orthodontist then filed countersuits against OEC/Imagine and Lazzara.

Ten students in the orthodontic residency program at the University of Colorado at Denver filed a similar lawsuit against OEC/Imagine in Denver County District Court on Oct. 11. ADA News, on its Web site, says the allegations in their suit are similar to the ones brought by Sawaf.

In discussing the case with Dental Tribune, Ronnie Bitman declines to speculate on when the lawsuits may be resolved. He says his clients want to resolve the lawsuits as soon as possible. “My clients want to be made whole,” the lawyer says. “They want the terms of their contracts fulfilled. They’re in a very difficult situation. Many are stranded in cities where they have no friends, relatives or contacts. Many are without a paycheck and unable to feed their families or pay their mortgages or rents. Right now, they’re just defending themselves, but two have already countersued for damages.”

As reported in Dental Tribune, the University of Colorado, Jacksonville University, and Seton Hall University cancelled their tuition and student aid agreements with OEC after the company suffered financial reversals and was unable to make promised payments.

The University of Colorado and OEC agreed to a deal in November 2003 under which Lazzara gave $5 million to the university and promised to pay $1.25 million a year to Colorado’s school of dentistry for 50 years. Before the agreement was terminated on Oct. 17, 2006, Lazzara fulfilled his $5 million gift to the university, and OEC paid more than $5.8 million to Colorado’s dental school.

Colorado’s orthodontics program enrolls 16 students a year, and Lazzara was to pay the tuition and fees for 12 of those students. Because of the withdrawal of Lazzara’s financial support, tuition for Colorado’s 27-month postdoctoral program in orthodontics will rise from $10,685 per year to $40,000 per year for new students.

Lazzara had similar agreements with Jacksonville University and UNLV. At all three schools, students who accepted full ride scholarships to study orthodontics agreed to work for Lazzara’s orthodonture clinics for seven years after graduation. University sources say Lazzara and OEC had a contract with Lazzara after he failed to make a payment in September. Lazzara promised to donate $5.5 million for a building at UNLV, but contributed just $1.75 million. UNLV vice president Gerry Bonotti says the school will fund the rest of the building’s costs from other donations.

St. Joseph’s residency offers general and OMS training

The department of dentistry and oral and maxillofacial surgery at St. Joseph’s Regional Medical Center in Paterson, N.J., in affiliation with Seton Hall University’s school of graduate medical education, is offering both a general practice residency and an oral and maxillofacial surgery residency.

The faculty, under the direction of Dr. Daniel Rosenshein, is composed of three general dentists, an orthodontist, an endodontist, a maxillofacial prosthodontist, a periodontist, a pediatric dentist and a specialist on TMJ and facial pain.

One of only two oral and maxillofacial surgery (OMS) residencies in New Jersey, the St. Joseph’s/SETON Hall program is a four-year, ADA-accredited OMS certificate program with an MD option at the end through St. George’s School of Medicine. The sponsoring institution, Seton Hall University, is a children’s hospital, level II trauma facilities and a regional clinic palate/craniofacial center.

The University of North Carolina at Chapel Hill (UNC) reports that its researchers have found that commonly occurring variations of a gene can trigger a domino effect in chronic pain disorders.

In a report first published in the Dec. 22 issue of Science, UNC researchers note that catechol-O-methyltransferase (COMT), an enzyme that metabolizes neurotransmitter messenger RNA, altering the amount of messenger RNA, or mRNA. The differences lead to dramatic alterations in protein expression, which affects pain sensitivity in humans.

“TMJD is a complex pain condition that is frequently associated with other pain conditions such as fibromyalgia syndrome, chronic headaches and irritable bowel syndrome,” notes Dr. William Maxiner, a co-author of the study and director of the Center for Neuropsychosocial Disorders at UNC’s School of Dentistry. “This study has identified a new genetic mechanism that influences an individual’s susceptibility to develop chronic pain conditions such as TMJD.”

“Elucidating the genetic mechanisms that mediate pain perception will provide new insights into how chronic pain develops and will ultimately contribute to the identification of unique markers for diagnosing clinical pain conditions, as well as provide novel targets for the development of effective individualized therapeutic strategies for TMJD and related conditions,” adds Dr. Andrew Shackley Neely, a research assistant professor at the Center for Neuropsychosocial Disorders and the study’s lead author.

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