

**UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS**

IN RE AMERICAN DENTAL PARTNERS, INC. SECURITIES LITIGATION	No. 08-cv-10119-RGS (Consolidated Action)
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**NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED  
SETTLEMENT, MOTION FOR ATTORNEYS' FEES AND  
EXPENSES, AND HEARING ON PROPOSED SETTLEMENT**

**If you purchased common stock of American Dental Partners, Inc. (“ADPI” or the  
“Company”) between and including February 25, 2004 and December 13, 2007,  
you might be a member of the Class in this Action entitling you  
to relief in connection with the Settlement of the Action.**

*A federal court authorized this Notice. This is not a solicitation from a lawyer.*

- The Court has preliminarily approved the settlement of a securities class action brought by investors who claim that the price of ADPI’s common stock was artificially inflated as a result of false statements, nondisclosures, and fraudulent conduct in violation of the federal securities laws (the “Settlement”).
- The Settlement is between Operating Engineers Construction Industry and Miscellaneous Pension Fund (“Lead Plaintiff”), on behalf of itself and the Class (defined below) it represents, and Defendants ADPI, Gregory A. Serrao (“Serrao”) (Chairman, President, and Chief Executive Officer of ADPI), Breht T. Feigh (“Feigh”) (Executive Vice President and Chief Financial Officer of ADPI) and Mark W. Vargo (“Vargo”) (Vice President and Chief Accounting Officer of ADPI) (collectively, the “Defendants”).
- The Settlement provides for \$6,000,000.00 to be paid to the Class. After payment of fees and expenses, the Settlement proceeds will be distributed to members of the Class who submit acceptable Proofs of Claim.
- The two sides disagree on Defendants’ liability and the amount of money, if any, that could have been recovered if Lead Plaintiff won at trial.
- If the Settlement is approved, Lead Plaintiff’s counsel will move the Court for an award of attorneys’ fees totaling 22.5% of the Settlement Amount, together with up to \$200,000.00 in reimbursement of expenses incurred in the prosecution of this Action.
- The Settlement was reached because it provides significant benefits to investors and avoids the costs and risks of continuing the lawsuit against Defendants.
- If you are a member of the Class and the Settlement is approved, your legal rights will be affected whether you act or not. Read this Notice carefully to see what your options are in connection with the Settlement.

## YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT

<b>Submit a Claim Form postmarked by April 17, 2010</b>	This is the only way to get a Settlement payment. If you wish to participate in the Settlement, you must complete and timely submit the Proof of Claim form provided with this Notice.
<b>Exclude Yourself (by February 25, 2010)</b>	If you exclude yourself, you will no longer be a member of the Class and will not be eligible to participate in the Settlement. This is the only option that allows you to ever be part of any other lawsuit against the Released Parties regarding the Released Claims.
<b>Object (by February 25, 2010)</b>	If you do not exclude yourself, but you wish to object to any part of the Settlement, you may write to the Court about your objections.
<b>Attend the Fairness Hearing (on March 18, 2010)</b>	You may (but do not have to) attend the hearing about the Settlement and, if you have submitted a written objection to the Settlement to the Court, speak to the Court about your objections.
<b>Do Nothing</b>	You will get no payment and you will give up your rights.

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement and that approval is upheld in any appeals. Please be patient.

### **SUMMARY NOTICE**

#### Statement of Lead Plaintiff's Recovery

Pursuant to the Settlement described herein, a Settlement Fund consisting of \$6.0 million in cash, plus interest, has been established. Lead Plaintiff estimates that there were approximately 10,587,117 shares of ADPI common stock traded during the Class Period which may have been damaged. Lead Plaintiff estimates that the average recovery per damaged share<sup>1</sup> of ADPI common stock under the Settlement is \$0.57 before deduction of Court-awarded attorneys' fees and expenses. A Class member's actual recovery will be a proportion of the Net Settlement Amount determined by that claimant's Recognized Claim as compared to the total Recognized Claims of all Class members who submit acceptable Proofs of Claim. Depending on the number of claims submitted, when a Class member purchased or otherwise acquired shares of ADPI common stock during the Class Period, the purchase price paid, and whether those shares were held at the end of the Class Period or sold during the Class Period, and, if sold, when they were sold and the amount received, an individual Class member may receive more or less than this average amount. See the Plan of Allocation beginning on page 11 for more information about your Recognized Claim.

<sup>1</sup> An allegedly damaged share might have been traded more than once during the Class Period, and the indicated average recovery would be the total for all purchasers of that share.

### Statement of Potential Outcome of the Case

Lead Plaintiff and Defendants do not agree on the average amount of damages per share that would have been recoverable from Defendants if Lead Plaintiff were to have prevailed on each claim asserted. The issues on which the parties disagree include: (1) whether Defendants engaged in conduct that would give rise to liability under the federal securities laws; (2) whether Defendants acted with scienter with respect to the conduct alleged to constitute a violation of Section 10(b) of the Exchange Act; (3) whether Defendants have valid defenses to any of the claims against them; (4) the amount, if any, by which the prices of ADPI's securities were artificially inflated as a result of Defendants' alleged violations of the federal securities laws; and (5) whether the Action could be maintained as a class action under Federal Rules of Civil Procedure 23(a) and (b)(3) and other applicable law.

### Statement of Attorneys' Fees and Costs Sought

Lead Plaintiff's counsel is moving the Court for an award of attorneys' fees of 22.5% of the Settlement Amount, plus interest, and for reimbursement of expenses incurred in connection with the prosecution of this Action in the approximate amount of \$200,000. The requested fees and expenses would amount to an average of approximately \$0.15 per damaged share in total for fees and expenses. Lead Plaintiff's counsel has expended considerable time and effort in the prosecution of this litigation on a contingent fee basis, and has advanced the expenses of the litigation, in the expectation that if it were successful in obtaining a recovery for the Class, it would be paid from such recovery. In this type of litigation it is customary for counsel to be awarded a percentage of the common fund recovery as its attorneys' fee.

### Further Information

Further information regarding the Action and this Notice may be obtained by contacting Lead Plaintiff's counsel and Lead Counsel for the Class: Hung G. Ta, Esq., Grant & Eisenhofer P.A., 485 Lexington Avenue, 29<sup>th</sup> Floor, New York, NY 10017; (646) 722-8500.

### Reasons for the Settlement

Lead Plaintiff agreed to the Settlement because of the monetary benefit it will provide to the Class, compared to the risk that recovery might not be achieved after a contested period of litigation, which could extend years into the future. As with any litigated case, Lead Plaintiff would face an uncertain outcome if the case went to trial. Even if Lead Plaintiff was successful at trial, Defendants might be bankrupt or otherwise unable to pay any judgment at that time or the insurance proceeds available to Defendants may be dissipated. Alternatively, Defendants might well appeal any verdict adverse to them, resulting in further uncertainty and delay.

Defendants agreed to the Settlement to settle and terminate all existing or potential claims against them, to eliminate the risk of substantial judgments against them, and to avoid the burden and expense of further litigation, without acknowledging any fault or liability.

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## **BASIC INFORMATION**

### **1. Why did I get this Notice?**

You or someone in your family may have purchased or acquired ADPI securities between and including February 25, 2004 and December 13, 2007 (the “Class Period”). The Court caused this Notice of Pendency of Class Action, Proposed Settlement, Motion for Attorneys’ Fees and Expenses, and Hearing on Proposed Settlement (the “Notice”) to be sent to you because, if you purchased or acquired those securities during that period, you have a right to know about the proposed Settlement of the class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement.

This Notice describes the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of this case is the United States District Court for the District of Massachusetts. The case is known as *In re American Dental Partners, Inc. Securities Litigation*, Civil Action 08-cv-10119-RGS.

### **2. What is a class action?**

In a class action, one or more people called plaintiffs (in this case, Operating Engineers Construction Industry and Miscellaneous Pension Fund) sue on behalf of people who have similar claims. The Court may appoint one or more of them to act as a class representative to represent all of the people who have similar claims. In this case, the Court appointed Operating Engineers Construction Industry and Miscellaneous Pension Fund to represent the Class for purposes of this Settlement. All of the individuals and entities on whose behalf the class representative is suing are known as class members. One court resolves the issues in the case for all class members, except for those who choose to exclude themselves from the class if exclusion is permitted by applicable rules of procedure.

### **3. What is this lawsuit about?**

This lawsuit (the “Action”) is a class action alleging violations of the federal securities laws by Defendants. The Court has appointed Operating Engineers Construction Industry and Miscellaneous Pension Fund to serve as Lead Plaintiff in the Action and has appointed the law firm of Grant & Eisenhofer P.A. to serve as Lead Counsel on behalf of the Class (“Lead Counsel”). The Action was brought against ADPI, Serrao, Feigh, and Vargo (collectively, the “Defendants”).

The Consolidated Class Action Complaint (the “Complaint”), which was filed in the Action on September 29, 2008, alleges that Defendants violated the federal securities laws by causing ADPI’s financial statements to overstate ADPI’s profitability. Specifically, Lead Plaintiff alleges that Defendants improperly accrued and booked as revenues funds relating to a service agreement ADPI’s subsidiary had entered into with its customer PDG, P.A. Lead Plaintiff also alleges that when PDG, P.A. commenced a lawsuit against the subsidiary (the “PDG Lawsuit”), which lawsuit was subsequently expanded to include ADPI itself, Defendants misled stockholders of ADPI by stating that the claims included in the PDG Lawsuit were baseless and without merit. The Complaint alleges that when PDG eventually sought to terminate its relationship with ADPI, Defendants also misled stockholders of ADPI by failing to inform them that ADPI did not have a feasible plan to address the business disruption that loss of the PDG relationship might cause.

The Complaint alleges that the Defendants knew at all material times that the public documents and statements issued or disseminated by Defendants during the Class Period were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents in violation of the federal securities laws. The Complaint alleges that

Defendants' false and misleading statements caused the price of ADPI common stock to be artificially inflated, causing investors who purchased such securities during the Class Period to suffer damages.

The Complaint asserts a claim under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") against all Defendants and a claim under Section 20(a) against Defendants Serrao, Feigh and Vargo.

While the Court has ruled that Lead Plaintiff's claims should not be dismissed at this stage of the litigation, the Court has made no substantive determinations on the merits of the claims against any of the Defendants or on whether the action may be maintained as a class action against the Defendants. In agreeing to the Settlement, the Defendants continue to deny any wrongdoing.

#### 4. What should I do if my address changes or if this Notice was sent to the wrong address?

If this Notice was sent to you at the wrong address or if your address changes in the future, please send prompt written notification of your correct address to the Claims Administrator at the following address:

American Dental Partners, Inc. Securities Litigation  
Claims Administrator  
Administar Services Group LLC.  
P.O. Box 56380  
Jacksonville, FL 32241-6380

### WHO IS IN THE CLASS

#### 5. How do I know whether I am part of the Settlement?

The Court has decided, for purposes of the Settlement, that everyone who fits this description may be a Class member:

**All persons and entities who purchased or otherwise acquired publicly traded common stock of ADPI between and including February 25, 2004 and December 13, 2007.**

Investors are Class members and part of the Settlement if none of the exceptions identified below applies.

#### 6. Are there exceptions to being included?

Even if you purchased or otherwise acquired ADPI common stock during the Class Period, you are excluded from and are not a member of the Class if you are a Defendant in the Action; if you were an officer, director, subsidiary, or affiliate of ADPI between and including February 25, 2004 and December 13, 2007; if you are an immediate family member of any Defendant; if you are an entity in which ADPI or any Defendant has a controlling interest; if you are a directors and officers liability insurance carrier (and any affiliates or subsidiaries thereof) of Defendants, or if you are a legal representative, heir, predecessor, successor, or assign of any of these excluded persons or entities. You will not be a member of the Class if you file a request for exclusion in accordance with the requirements set forth in this Notice.

#### 7. I am still not sure whether I am included.

If you are still not sure whether you are included, you can ask for help, which will be provided to you at no cost. You can call the Claims Administrator toll free at 1-866-880-8634 or write to the Claims Administrator at the address stated in the answer to Question # 4 above.

## **SUMMARY OF THE SETTLEMENT**

### **8. How and when was the Settlement reached?**

Lead Plaintiff reached an agreement-in-principle with Defendants regarding the Settlement in October 2009. On December 15, 2009, Lead Plaintiff and the Defendants finalized a Class Action Settlement Agreement (the “Settlement Agreement”) to formalize their agreement.

The Settlement was reached after arm’s length negotiation between Lead Counsel and counsel for the Defendants and only after Lead Counsel had (i) obtained access to, and reviewed, certain documents pertinent to the Class’s claims and Defendants’ defenses to those claims; (ii) investigated and analyzed all available evidence; and (iii) researched the applicable law with respect to the Class’s claims against the Defendants and the potential defenses thereto.

### **9. What does the Settlement provide?**

In the Settlement, Defendants agree to cause \$6,000,000 to be paid out of insurance proceeds that are available to them as “Insured Persons” under a Directors, Officers and Corporate Liability Insurance Policy ( the “Settlement Amount”).

The Settlement shall become effective when and if each of the following conditions is met: (a) the Court has entered a final judgment approving the Settlement; (b) any appeals from that judgment have been finally resolved, or the time has expired in which to file such appeals; and (c) the Settlement Amount pertaining to the Settlement has been paid in full.

If the Settlement is approved by the Court, all members of the Class will be deemed to have released and will be permanently barred from asserting any of the Released Claims (as defined below) against the “Released Parties” (as defined below).

“Released Claims” shall mean any and all claims, rights, demands, suits, matters, issues, actions or causes of action, liabilities, damages, losses, obligations and judgments of any kind or nature whatsoever, whether contingent or absolute, disclosed or undisclosed, suspected or unsuspected, matured or unmatured, that have been, could have been, or in the future might be asserted in this Action or in any court, tribunal or proceeding by Lead Plaintiff or any other member of the Class, whether in an individual, class, direct, derivative, representative, legal, equitable, or any other type of capacity, against any of the Released Parties (defined herein), whether under state or federal law, including but not limited to the federal securities or antitrust laws (except for the rights conferred by this Settlement), in connection with the purchase, sale or acquisition of ADPI common stock during the Class Period, and that arise out of, or that relate in any way to the acts, facts, or events alleged in the Action or any claim that was or could have been brought in the Action. The Released Claims shall include Unknown Claims, which mean any and all Released Claims which Lead Plaintiff or other Class members does not know or suspect to exist in his, her or its favor at the time the releases called for in this agreement are granted, which if known by him, her or it might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Released Claims, Lead Plaintiff and the Defendants stipulate and agree that upon entry of the Final Order, Lead Plaintiff and Defendants shall expressly, and each Class member shall be deemed to have, and by operation of the Final Order shall have, expressly waived any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Lead Plaintiff and Defendants in the Action, and other Class members by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released

Claims was separately bargained for and was a key element of the Settlement. “Released Parties” shall mean Lead Plaintiff, the Defendants, the insurance company that issued ADPI a Directors, Officers and Corporate Liability Insurance Policy for the policy period April 13, 2007 to April 13, 2008 (“Defendants’ Insurer”), and their respective affiliates, agents, employees, attorneys, representatives, advisors, heirs, executors, estates, administrators, successors-in-interest, assigns, insurers, accountants, or investment advisors.

In addition, if the Settlement is approved by the Court, the Released Parties will be deemed to have released and will be permanently barred from asserting any of the “Released Defendants’ Claims” (as defined below).

“Released Defendants’ Claims” means any and all claims (including all actions, allegations, demands, rights, liabilities, and causes of action of every nature and description whatsoever, whether contingent or non-contingent, and whether at law or equity) of any nature whatsoever under federal or state law, that have been or could have been asserted in the Action or any forum by the Defendants or any of them or the successors and assigns of any of them against Lead Plaintiff, other Class members, or their attorneys, which arise out of the institution, prosecution, or settlement of the Action (except for claims to enforce the terms and conditions of the Settlement Agreement).

## **THE SETTLEMENT BENEFITS—WHAT YOU GET**

### **10. How much will be distributed to investors?**

The Settlement will create a cash settlement fund in the initial principal amount of \$6,000,000. After deduction of the costs of notice and administration, certain taxes and tax-related expenses, and any attorneys’ fees and costs that are approved by the Court, the balance of the settlement fund, plus accrued interest (the “Net Settlement Amount”), will be available for distribution to members of the Class. Lead Counsel will request attorneys’ fees of 22.5% of the Settlement Amount and the reimbursement of out-of-pocket costs in the amount of approximately \$200,000.

### **11. How much will my payment be?**

The \$6,000,000 settlement amount, less all taxes, approved costs, fees and expenses (the “Distribution Amount”) shall be distributed to Class members who submit acceptable Proofs of Claim (“Authorized Claimants”).

The amount to be distributed to you, if you submit an acceptable Proof of Claim, will depend on a variety of factors, including the number of other Class members who submit valid Claim Forms, the number of shares of ADPI common stock you purchased, the prices and dates of those purchases, and the prices and dates of any sales of your ADPI common stock. Depending upon the timing of your transactions, you may be entitled to recover for all, none, or only some of the claims asserted in the Complaint. The amount to be distributed to Class members on a per-share basis will depend on future events and it is therefore not possible to estimate the amount of any such distribution at the present time.

The proposed Plan of Allocation reflects Lead Plaintiff’s allegations that the price of ADPI’s common stock decreased upon the revelations of Defendants’ alleged misrepresentations and omissions on February 6, 2006, December 12 and December 13, 2007, and that these price decreases reflected the elimination of the artificial inflation that the Defendants’ alleged misrepresentations and omissions may have caused.

On February 6, 2006, after the announcement of the filing of the PDG Lawsuit, ADPI’s common stock dropped by \$2.75 per share, from \$16.41 on February 3, 2006 to \$13.66. On December 12, 2007, after the announcement of the first of the jury’s verdicts in the trial of the PDG Lawsuit, ADPI’s stock price dropped by \$5.36 per share, from \$19.70 on December 11, 2007 to \$14.34. On December 13, 2007, after the announcement of the second of the jury’s verdicts in the trial of the PDG Lawsuit, ADPI’s stock price declined by a further \$9.72 per share, to close at \$4.62.

The total of these drops, \$17.82 per share, is the maximum loss that will be recognized for purposes of the Settlement.

Defendants have denied that they made any material misrepresentations or omitted to disclose any material information and further contend that even if liability were shown, the Class members suffered no compensable damages because the price declines cited could not be attributed to the claims Lead Plaintiff asserted. Defendants assert that the price of ADPI common stock was not inflated artificially during the Class Period and further contend that the decrease in the price of ADPI common stock was explained and caused by other, non-actionable factors and causes outside of their control and not by any alleged fraud. For purposes of the proposed Plan of Allocation, Lead Plaintiff's contention of the estimated inflation per share of ADPI common stock (the "Estimated Inflation") is as follows:

### Plaintiffs' Contention of Inflation Per Share

Time Period	Total Inflation Amount Per Share
February 25, 2004 – February 5, 2006	\$17.82
February 6, 2006 – December 11, 2007	\$15.08
December 12, 2007	\$9.72
December 13, 2007	\$0.00

The Court has not made any substantive determination that the Action may be maintained as a class action against the Defendant, nor has the Court made any findings that Defendants are liable to the Class, that the Class has suffered any compensable damages, or that Lead Plaintiff's contention of the Estimated Inflation is an accurate measure of damages. If the Settlement is not approved, Lead Plaintiff is not bound by the Estimated Inflation amounts utilized in connection with this Plan of Allocation.

The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Distribution Amount based upon each Authorized Claimant's "Recognized Claim" from transactions in ADPI common stock during the entire Class Period. The Recognized Claim formulas set forth below are not intended to be an estimate of the amount that a Class member might have been able to recover after a trial; nor is the Recognized Claim an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Claim formulas are the basis upon which the Distribution Amount will be proportionately allocated to the Authorized Claimants.

An Authorized Claimant's Recognized Claim shall be the amount calculated as shown below:

1. For each share of ADPI common stock purchased or acquired between February 25, 2004 and December 13, 2007, inclusive, which the Authorized Claimant sold or otherwise disposed of at a loss on or before December 13, 2007, the Recognized Claim shall be equal to the lesser of (a) the Estimated Inflation Amount Per Share on the date of purchase minus the Estimated Inflation Amount Per Share on the date of sale, both as set forth in the above chart, and (b) the purchase price paid for the share (excluding commissions and fees) minus the proceeds received upon its sale or disposition (net of commissions and fees).

2. For each share of ADPI common stock purchased or acquired between February 25, 2004 and December 13, 2007, inclusive, which the Authorized Claimant continued to hold as of the close of trading on December 13, 2007, the Recognized Claim shall be equal to the lesser of (a) the Estimated Inflation Amount Per Share on the date of purchase or acquisition, as set forth in the above chart, (b) if sold or disposed of after the close of trading on December 13, 2007, the purchase price paid for the share (excluding commissions and fees) minus the proceeds received upon its sale or disposition (net of commissions and fees), (c) if sold after the close of trading on December 13, 2007 but before the close of trading on March 11, 2008, the

purchase price paid for the share (excluding commissions and fees) minus the mean closing price of ADPI common stock during the period from December 13, 2007 through the date of sale, and (d) if sold after the close of trading on March 11, 2008, the purchase price paid for the share (excluding commissions and fees) minus \$8.80 [mean closing price of ADPI common stock during the 90-day period beginning on December 13, 2007].<sup>2</sup>

No Recognized Claim shall be allowed for any shares of ADPI common stock sold for a gain. In processing claims, the first in, first out (FIFO) method will be used. This means that sales of ADPI common stock will first be matched with any pre-Class Period holdings and then with purchases during the Class Period in chronological order.

Any person or entity who sold ADPI common stock “short” shall have no Recognized Claim with respect to any purchase during the Class Period to cover such short sale.

A purchase or sale of ADPI common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, devise or operation of law of ADPI common stock during the Class Period shall not be deemed a purchase, acquisition, disposition or sale of ADPI common stock for the calculation of an Authorized Claimant’s Recognized Claim nor shall it be deemed an assignment of any claim relating to the purchase of such securities unless specifically provided in the instrument of gift or assignment.

Each Authorized Claimant shall be paid the percentage that each Authorized Claimant’s Recognized Claim bears to the total Recognized Claims of all Authorized Claimants. However, the minimum distribution amount to an Authorized Claimant with a valid Recognized Claim shall be \$10.00. The Court has reserved jurisdiction to allow, disallow, or adjust the claim of any Class member on equitable grounds. Payment pursuant to the Plan of Allocation is conclusive against all Authorized Claimants.

All Class members whose claims are not approved will be barred from participating in distributions from the Net Settlement Amount, but otherwise shall be bound by all of the terms of the Settlement, including the terms of the final judgment and order of dismissal to be entered in the Action, and will be barred from bringing suit regarding any of the Released Claims against any of the Released Parties.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement fund by reason of un-cashed distributions or otherwise, then, one year after the initial distribution and after the Claims Administrator has made reasonable and diligent efforts to have Class members who are entitled to participate in the distribution of the Net Settlement Amount cash their distributions, any balance remaining from the Net Settlement Amount after the initial distribution of such funds shall be re-distributed to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Amount for such re-distribution. If, six (6) months after such re-distribution, any funds shall remain in the Net Settlement fund, then such balance shall be contributed to a non-sectarian, not-for-profit 501(c)(3) organization(s) designated by Lead Counsel.

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<sup>2</sup> Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, “in any private action arising under this chapter in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” The mean (average) daily closing trading price of ADPI common stock during the 90-day period beginning on December 13, 2007 was \$8.80.

## **HOW TO GET A PAYMENT – SUBMITTING A CLAIM FORM**

### **12. What do I have to do to receive a share of the Settlement?**

If you are a member of the Class, you will have to submit a Proof of Claim and Release form (the “Claim Form”) and supporting documentation in order to establish your entitlement to share in the Settlement. Those who act to exclude themselves from the Class and those who fail to submit timely and valid Claim Forms with adequate supporting documentation will not be entitled to share in the Settlement.

The Claim Form and instructions on how to complete and submit it are enclosed herewith. To obtain additional copies of the Claim Form, you may write to the Claims Administrator at the following address: American Dental Partners, Inc. Securities Litigation, Claims Administrator, c/o Administrator Services Group LLC, P.O. Box 56380, Jacksonville, FL 32241-6380 or call toll free at 1-866-880-8634.

Please submit copies of all records of your ownership of, or transactions in, ADPI’s securities, as they will be needed to document your claim.

### **13. When will I receive my payment?**

Distribution may be delayed in the interest of the Class in order to minimize the number and cost of distributions.

Any Settlement payments are also contingent upon the Court approving the Settlement and on such approval becoming final and no longer subject to any appeals. Even if the Court approves the Settlement, there still might be appeals, which can take more than a year to resolve.

The Net Settlement Amount will be kept in an interest-bearing account until it is ready for distribution, and the accrued interest, net of taxes, will be included in amount that will be distributed to the Class.

### **14. What am I giving up to get a payment or stay in the Class?**

If you remain a member of the Class and do not exclude yourself, you will be bound by all orders, judgments, and releases entered by the Court regarding the Settlement. If the Settlement is approved, you will release all “Released Claims” (as defined above) against the “Released Parties” (as defined above). You will be bound by the releases whether or not you submit a Claim Form and/or receive a payment under the Settlement.

## **EXCLUDING YOURSELF FROM THE SETTLEMENT**

If you do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue the Defendants and the other Released Parties, on your own, regarding the Released Claims, then you must take steps to get out. This is called excluding yourself – or is sometimes referred to as “opting out” of the Class.

### **15. What if I want to be excluded from the Settlement?**

To exclude yourself from the Settlement, you must send a letter by mail to the Claims Administrator saying that you want to be excluded from *In re American Dental Partners, Inc. Securities Litigation*. Be sure to include your name, address, and telephone number, and please list the number of shares of ADPI securities purchased and sold between February 25, 2004 and December 13, 2007, and the dates and prices of each purchase and sale. You must include your signature on the written exclusion request. Mail your exclusion request postmarked no later than February 25, 2010, to:

American Dental Partners, Inc. Securities Litigation  
EXCLUSIONS  
c/o Administar Services Group LLC  
P.O. Box 56380  
Jacksonville, FL 32241-6380

If you request exclusion on behalf of any person or entity other than yourself (such as, for example, a trust, a minor, or a pension fund), you also must state the basis of your legal authority to make a request for exclusion on behalf of that person or entity.

You cannot exclude yourself on the phone or by e-mail. If you do not follow the above procedures—including meeting the postmark deadline—you will not be excluded from the Class and you will be bound by all of the orders and judgments entered by the Court regarding the Settlement. You must exclude yourself even if you already have a pending case against Defendants based on the claims being released.

If you ask to be excluded, you will not get any payment from the Settlement, you cannot object to the Settlement, you will not be legally bound by anything that happens in this Action and you might be able to sue Defendants on your own.

#### **16. If I do not exclude myself can I sue Defendants for the same thing later?**

No. Unless you exclude yourself, you give up any right to sue Defendants and/or the other Released Parties for any and all Released Claims. If you have a pending lawsuit, speak to the lawyer representing you in that case immediately. You must exclude yourself from **this** Class to continue your own lawsuit. Remember, the exclusion deadline is February 25, 2010.

#### **17. If I exclude myself can I get money from the Settlement?**

No. Only Class members who do not exclude themselves will be eligible to recover money in the Settlement.

### **THE LAWYERS REPRESENTING YOU**

#### **18. Do I have a lawyer in this case?**

The Court has appointed the law firm of Grant & Eisenhofer P.A. as Lead Counsel to represent Lead Plaintiff and all other Class members in the Action. If you have any questions about the proposed Settlement, you may contact Lead Counsel as follows: Hung G. Ta, Esq., Grant & Eisenhofer P.A., 485 Lexington Avenue, 29<sup>th</sup> Floor, New York, New York 10017; (646) 722-8527.

If you want to be represented by your own lawyer, you may hire one at your own expense.

#### **19. How will the lawyers be paid?**

You will not be charged directly for the fees or expenses of the Lead Counsel appointed by the Court. Instead, those lawyers may apply to the Court for payment of fees and expenses out of the proceeds of any recoveries achieved in the Action.

When this case began, Lead Plaintiff negotiated a fee agreement with Lead Counsel, which permits Lead Counsel to apply for fees of up to 22.5% of any recovery achieved for the Class plus out-of-pocket expenses. Lead Counsel is applying for a fee award of 22.5% of the Settlement Amount, plus up to \$200,000 for reimbursement of expenses incurred for the prosecution of this action on behalf of the Class and for interest on such amounts at the same net rate as is earned on the Settlement Amount. The fees would pay Lead Counsel for investigating the facts, litigating the case, and negotiating the Settlement.

## **OBJECTING TO THE SETTLEMENT OR THE ATTORNEYS' FEES**

### **20. How do I tell the Court that I do not like the Settlement?**

If you are a Class member and you do not exclude yourself, you can object to the Settlement, including Lead Counsel's application for attorneys' fees, and give reasons why you think the Court should not approve them. To object, you must send a letter or other filing saying that you object to the Settlement and/or the attorneys' fee application in *In re American Dental Partners, Inc. Securities Litigation*, Civil Action 08-cv-10119-RGS. Be sure to include your name, address, telephone number, signature, and the reasons for your objection, as well as a list of your purchases and sales of ADPI common stock made during the Class Period, including the dates, the number of shares purchased or sold, the price(s) paid or received per share for each such purchase or sale, and whether you continue to hold the securities at the time your objection is submitted. Your written objection must be filed with the Court and served on all the following counsel no later than February 25, 2010:

#### **The Court:**

Clerk of the United States District Court for the District of Massachusetts,  
John Joseph Moakley United States Courthouse  
1 Courthouse Way, Suite 2300  
Boston, MA 02210

#### **Lead Counsel for the Class:**

Stuart M. Grant, Esq.  
Megan D. McIntyre, Esq.  
Hung G. Ta, Esq.  
GRANT & EISENHOFER P.A.  
Chase Manhattan Centre  
1201 North Market Street  
Wilmington, DE 19801

#### **For Defendants:**

John D. Donovan, Jr., Esq.  
Lisa M. Ropple, Esq.  
Michelle L. Visser, Esq.  
ROPES & GRAY LLP  
One International Place  
Boston, MA 02110

Once an objection to the proposed Settlement is made, it cannot be withdrawn without the Court's approval. Any member of the Class who does not object in the manner provided above will be deemed to have waived all objections to the Settlement and to Lead Counsel's application for attorneys' fees.

### **21. What is the difference between objecting and requesting exclusion?**

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you are a Class member.

Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object, because the case no longer affects you. If you do not exclude yourself, you will be bound by the Settlement and all orders and judgments entered by the Court regarding the Settlement, regardless of whether the Court accepts or denies any objection you submit.

## **THE COURT'S FAIRNESS HEARING**

The Court will hold a hearing to decide whether to approve the proposed Settlement. You may attend and you may ask to speak, but you do not have to.

### **22. When and where will the Court decide whether to approve the Settlement?**

The Court has scheduled a hearing on the proposed Settlement for March 18, 2010, at 2:00 p.m. before the Honorable Richard G. Stearns in the United States District Court for the District of Massachusetts, John Joseph Moakley United States Courthouse, 1 Courthouse Way, Boston, MA 02210. At this hearing, the Court will consider whether the Settlement and Plan of Allocation are fair, reasonable, and adequate, whether to certify the Class for purposes of the Settlement, whether to dismiss with prejudice the Action against the Defendants, and whether to grant Lead Counsel's application for attorneys' fees. If there are objections, the Court will consider them. At or after the hearing, the Court will decide whether to approve the Settlement.

Please note that the date of the Court hearing is subject to change without further notice. If you plan to attend the hearing, you should check with Lead Counsel to be sure no change to the date and time of the hearing has been made.

### **23. Do I have to come to the hearing?**

No. Lead Counsel will answer any questions the Court might have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to the Court to talk about it. As long as you mail your written objection so as to be received by the deadline, it will be before the Court when the Court considers whether to approve the Settlement. You may also hire your own lawyer to attend the hearing, at your expense, but that is not a requirement.

### **24. May I speak at the hearing?**

If you are a Class member who has not asked to be excluded from the Class, you may ask the Court for permission to speak at the hearing. To do so, you must send a letter or other paper called a "Notice of Intention to Appear at Fairness Hearing in *In Re American Dental Partners, Inc. Securities Litigation*, Civil Action 08-cv-10119-RGS." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be filed with the Clerk of the Court and sent to the counsel listed above in the answer to Question # 20 so it is received by the Court and counsel no later than February 25, 2010. You cannot speak at the hearing if you have asked to be excluded from the Class.

## **IF YOU DO NOTHING**

### **25. What happens if I do nothing at all?**

If you are a Class member and you do nothing in response to this Notice, you will remain a member of the Class and will be bound by the Settlement. You will not be able to start, continue, or be part of any other lawsuit or arbitration against Defendants and/or the Released Parties regarding the Released Claims in the Action. To receive a payment from the Settlement, you will have to submit the enclosed Claim Form and supporting documentation, in accordance with instructions to be provided in the Claim Form.

## **GETTING MORE INFORMATION**

### **26. Are there more details about the Settlement?**

This Notice contains only a summary of the Settlement. The complete Settlement is set out in the Settlement Agreement between Lead Plaintiff and Defendants, dated December 15, 2009. You may download a copy of the Settlement Agreement from [www.ADPISettlement.com](http://www.ADPISettlement.com) or you may request a copy by writing to American Dental Partners, Inc. Securities Litigation, Claims Administrator, c/o Administar Services Group LLC, P.O. Box 56380, Jacksonville, FL 32241-6380. There may be a charge for copying and mailing the Settlement Agreement.

### **27. How do I get more information?**

You can also call the Claims Administrator toll free at 1-866-880-8634 or write to the Claims Administrator at the above address. Anyone interested in more detail regarding the Action is invited to visit the Office of the Clerk of the United States District Court for the District of Massachusetts at the John Joseph Moakley United States Courthouse, 1 Courthouse Way, Suite 2300, Boston, MA 02210, during regular business hours, to inspect the Settlement Agreement, the pleadings, and the other papers maintained there regarding Civil Action 08-cv-10119-RGS.

## **SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES**

If you purchased the securities of American Dental Partners, Inc. during the period from February 25, 2004 and December 13, 2007, inclusive (ADPI common stock traded during this period under NASDAQ ticker symbol: ADPI; CUSIP: 025353103), for the beneficial interest of a person or organization other than yourself, the Court has directed that, **WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF THIS NOTICE**, you either (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased ADPI common stock during such time period or (b) request additional copies of this Notice and the Claim Form, which will be provided to you free of charge, and within seven (7) days mail the Notice and the Claim Form directly to the beneficial owners of the ADPI common stock. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

American Dental Partners, Inc. Securities Litigation  
Claims Administrator  
c/o Administar Services Group LLC  
P.O. Box 56380  
Jacksonville, FL 32241-6380

Dated: January 15, 2010      BY ORDER OF THE COURT