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AG Announces JP Morgan Chase and Capital One Have Agreed to Implement Enhanced Dispute Resolution Process for Victims of Spectrum Dental, Coast Dental and Sierra Dental

BOSTON – Attorney General Martha Coakley announced today that JP Morgan Chase & Co., as successor in interest to Unicorn Financial Services, and Capital One, N.A. have agreed to implement an enhanced dispute resolution process for victims of the unfair and deceptive sales practices and credit-billing scheme that are the subject of a pending enforcement action brought by Attorney General Martha Coakley’s Office. Last year the Attorney General’s Office filed a lawsuit against 15 individuals and corporations who were involved in the management and operation of several high-volume dental clinics: Fall River-based Coast Dental and Spectrum Dental and Weymouth-based Sierra Dental.

JP Morgan Chase & Co., which acquired Unicorn Financial Services in March 2008 after the clinics at issue had been abandoned, and Capital One, N.A. are not parties to the Commonwealth’s enforcement action. Unicorn Financial Services and Capital One, N.A. provided patient financing for patients at Coast Dental, Spectrum Dental and Sierra Dental. Following discussions with the Attorney General’s Office, JP Morgan Chase & Co., and Capital One, N.A. voluntarily agreed to implement enhanced dispute resolution processes for consumers that the Commonwealth has identified as victims of the dental practices at issue. In particular, upon receiving valid disputes from those consumers, both companies have agreed to refund disputed amounts paid by consumers plus fees and charges that accrued on those amounts that consumers paid, waive disputed account balances and update or delete the disputed information from consumers’ credit reports.

The related enforcement action involves a lawsuit the Attorney General’s Office filed in September 2008, in which the Commonwealth alleges that Gary Anusavice, a dentist whose license to practice was revoked by the Massachusetts Board of Registration in Dentistry in 2005, and 14 other individuals and entities violated the Massachusetts Consumer Protection Act in connection with their operation of Coast Dental, Spectrum Dental and Sierra Dental. The complaint alleges that the defendants lured patients in with deceptive marketing, defrauded them by providing shoddy or incomplete treatment, signed them up for financing to pay for that treatment, the terms of which were not properly disclosed, if at all, and then, once patient complaints escalated, abandoned the practices only to start the scheme anew elsewhere or under a different practice name. Anusavice and the co-defendants left hundreds of patients with substantial debt to finance companies and with costly and complex dental procedures unfinished or mismanaged. On October 7, 2008, the Commonwealth obtained a preliminary injunction against the defendants, which, among other things, enjoins them from maintaining, operating, or having an ownership interest in any dental clinic, dental practice or other entity organized to provide or manage dental services in the Commonwealth.

Consumers seeking additional information about these enhanced dispute resolution processes or consumers with complaints related to Coast Dental, Spectrum Dental and Sierra Dental should contact the Attorney General’s Health Care Hotline at 888-830-6277.

This matter was handled by Assistant Attorney General Gillian Feiner of Attorney General Coakley’s Consumer Protection Division, with assistance from Special Assistant Attorney General Jeffrey D. Clements of Clements Law Office, LLC and Mediator Beckie Peyton of Attorney General Coakley’s Health Care Division.

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