STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION

BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of the Proposed Reorganization) Of the holdings of Catalyst Institute, Inc.,) Including Advantage Dental Plan, Inc.)	Order of Exemption Case No. INS 17-12-004

INTRODUCTION

By letter dated August 9, 2017, DentaQuest Group, Inc. ("DentaQuest") filed a request for exemption from the provisions of Oregon Revised Statutes ("ORS") 732.523 pursuant to ORS 732.521(2) with regard to a proposed corporate reorganization ("proposed transaction") that will change the ultimate controlling person of Advantage Dental Plan, Inc. ("Advantage"), to a newly organized company, the Catalyst Institute, Inc., a Massachusetts non-profit corporation ("Catalyst").

Advantage is a Oregon domiciled health care service contractor, restricted to dental service only, authorized under ORS chapter 750 to transact dental services in Oregon since 1995.

FACTS PROVIDED

On August 1, 2016, Oregon Insurance Commissioner Cali approved the acquisition of control of Advantage by Dental Service of Massachusetts, Inc., a Massachusetts non-profit corporation ("DSM"), and several of its direct and indirect subsidiaries. The proposed transaction is a holding company structure reorganization that will change the ultimate controlling person of the holding company system from DSM to the newly organized company, Catalyst.

Advantage is currently a direct subsidiary of Advantage Community Holding Company, which is an 80% owned subsidiary of DentaQuest Care Group Management, LLC., whose sole member is DentaQuest, LLC, whose sole member is DQ Massachusetts Business Trust, which is

directly and wholly controlled by DentaQuest Management, Inc., whose sole shareholder is DentaQuest, whose sole shareholder is DSM. DSM is a non-profit corporation and does not have any owners. The members of DSM are the members of its Board of Directors. The directors of Advantage are members of DentaQuest, LLC's senior management team.

DSM proposes to reorganize its holding company structure, as a result of which the ultimate controlling person of Advantage will be a newly organized company, Catalyst.

Catalyst is a Massachusetts domiciled not-for-profit corporation. The restructuring involves Catalyst becoming the sole member of DSM. DSM will contribute its shares of DentaQuest Group, Inc. ("DentaQuest") to Catalyst. Following these steps, Catalyst will become the ultimate controlling person of Advantage and DSM will no longer be the controlling person of Advantage. The restructuring will have no impact on Advantage or the individuals who currently control Advantage, directly or indirectly, for the following reasons:

- The Board of Directors and executive officers of Catalyst will be the same as the current Board of Directors and executive officers of DSM.
- Catalyst and DSM are both Massachusetts non-profit corporations that are exempt from federal taxation under §501(c)(4), so they operate under some of the same regulatory constraints.
- There will be no change to the directors or officers of Advantage or any of its current intermediate controllers, subject to ordinary course board departures and additions.
- There will also be no change to the current business plan of Advantage.

The transfer by DSM of DentaQuest shares to Catalyst will not have the purpose or effect of changing or influencing the management or policies of Advantage, because each of the individuals who will govern, manage, or operate Catalyst already governs, manages, or operates DSM. The purpose of the transaction is to move control of Dentaquest and its subsidiaries from a company that is regulated under insurance laws, DSM, to one that is not, Catalyst, except insofar as holding company laws apply.

CONCLUSION OF LAW

The proposed restructuring will not have the effect of changing or influencing the control or ownership of a domestic insurer. The proposed merger thereby meets the requirements for exemption from the provisions of ORS 732.523 pursuant to ORS 732.521(2).

ORDER

Based on the foregoing facts provided and conclusion of law, it is hereby ordered that the proposal to reorganize Catalyst is exempt from the provisions of ORS 732.523.

Issued this 11 day of December 2017.

JEAN STRAIGHT, Interim Director
Department of Consumer and Business Services