STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of the Acquisition of Membership Units) Of Advantage Community Holding Company, LLC) By DentaQuest Care Group Management, LLC)	Order of Exemption Case No. INS 19-6-005

INTRODUCTION

By letter dated June 12, 2019, Advantage Dental Plan, Inc. ("Advantage") 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 transaction ("proposed transaction") that will change the ownership of Advantage Community Holding Company, LLC ("ACHC"), which is the immediate controlling person of Advantage, from being 80% owned by DentaQuest Care Group Management, LLC ("DQCGM") and 20% owned by Advantage Consolidated, LLC ("Consolidated"), to being 100% owned by DQCGM.

Advantage is an 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

Advantage is currently a direct subsidiary of ACHC, which is an 80% owned subsidiary of DQCGM, whose sole member is DentaQuest, LLC, whose sole member is DentaQuest Management, Inc., whose sole shareholder is Catalyst Institute, Inc. ("Catalyst"). Catalyst is a Massachusetts domiciled not-for-profit corporation, and the ultimate controlling party for Advantage.

Consolidated, an Oregon Limited Liability Company, owns the remaining 20% of ACHC, and is deemed to be a controlling party of Advantage.

In the proposed transaction, DQCGM will acquire all of Consolidated's outstanding shares of ACHC, through a Unit Purchase agreement that will be executed at the time of acquisition.

DQCGM will become the sole owner of 100% of the outstanding membership units of ACHC.

DQCGM will still remain a controlling upstream parent of Advantage. The acquisition by DQCGM of ACHC membership units will not have the purpose or effect of changing or influencing the management or policies of Advantage, because DQCGM already governs, manages or operates ACHC and Advantage.

Catalyst will still remain as the ultimate controlling party of Advantage.

There will be no proposed change to the current business plan of Advantage.

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 transaction 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 proposed transaction, under which DQCGM will acquire the outstanding membership units of ACHC held by Consolidated is exempt from the provisions of ORS 732.523.

Issued this 17 day of June, 2019.

Andrew Stolfi
Administrator, Division of Financial Regulation
Department of Consumer and Business Services