

SUMMARY REPORT

019 SDB Restructure: One-Year Follow-Up

Nov 12, 2025

Introduction

The Oregon Health Authority's [Health Care Market Oversight](#) (HCMO) program reviews proposed health care business deals, like mergers and acquisitions, to ensure they support statewide goals related to health care costs, health equity, access to care, and care quality. After completing a review, OHA issues a decision about whether a business deal, or transaction, involving a health care company should proceed as planned. For all approved transactions, OHA is required by law to assess any changes in Oregon one, two, and five years after the transaction closed and to publish its findings.

OHA's follow-up reviews aim to review the activities and changes that have occurred since the transaction or last review, and in year five, to assess impacts of the transaction on health care for people in Oregon.

This report summarizes analyses and findings from OHA's one-year follow-up review of the Specialty Dental Brands (SDB) ownership and debt restructure. OHA will continue to monitor for transaction-related activities and changes and potential impacts on affordable, equitable and accessible high-quality care in the two- and five-year follow-up reviews.

You can get this document in other languages, large print, braille or a format you prefer free of charge. Contact us by email at hcmo.info@oha.oregon.gov or by phone at 503-945-6161. We accept all relay calls. You can also contact hcmo.info@oha.oregon.gov with any questions about this report.

Background

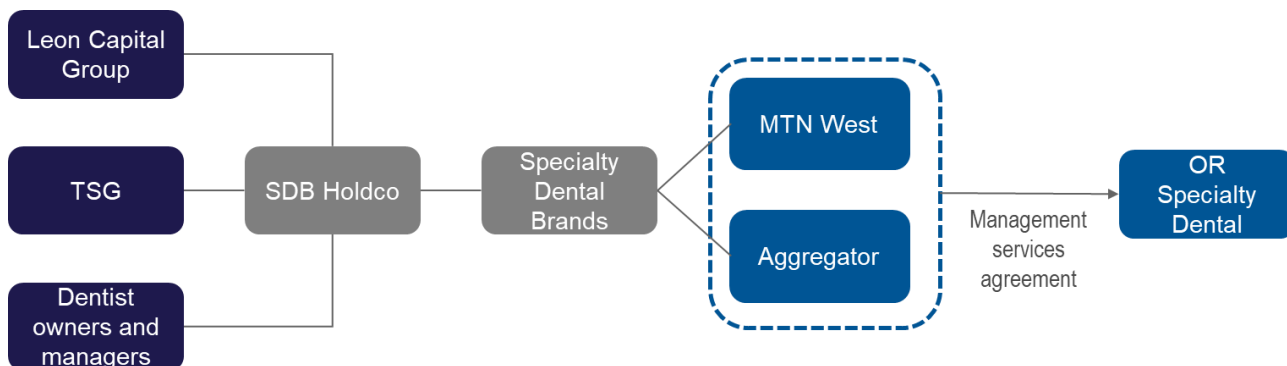
About the Transaction

On February 1, 2024, OHA confirmed receipt of a [Notice of Material Change Transaction](#) ("notice") from SDB MTN West Partners, LLC ("MTN West") and SDB Partner Aggregator, LLC ("Aggregator," and together with MTN West, "Entity"). MTN West and Aggregator are subsidiaries of Vardiman Black Holdings, LLC, doing business as Specialty Dental Brands ("SDB"), which operates dental support organizations, operational in many states including Oregon. The notice described plans to restructure the ownership and debt of SDB. (For reference purposes, OHA assigned this transaction the ID and alias "019 SDB Restructure".)

Prior, Related Transaction

On August 9, 2022, OHA confirmed receipt of a complete [Notice of Material Change Transaction](#) ("2022 SDB Transaction") regarding a partial SDB ownership change with TSG Consumer Partners ("TSG") acquiring an ownership stake. OHA approved this transaction on September 9, 2022, and it closed on September 16, 2022 (the "[Order](#)"). In September 2023, OHA began its one-year follow-up review of the transaction. During that review, SDB filed the notice associated with 019 SDB Restructure, notifying OHA of a proposed restructure of debt obligations and a partial change in

ownership of SDB Holdco, LLC (“SDB Holdco”), following its’ default on payments due under a loan agreement.



*Involved Entities and their general organization prior to 019 SDB Restructure

Involved Entities

Specialty Dental Brands (SDB) dba Vardiman Black Holdings, LLC, is a privately held, for profit dental support organization (DSO), founded in 2017 with funding from Leon Capital Group, an investment firm. DSOs provide administrative, business, and marketing services to dental practices.¹ SDB is a subsidiary of SDB Holdco, and partners with more than 250 dental practices in 25 states, including Oregon.²

MTN West and Aggregator are two private, for-profit limited liability companies, formed in Texas, that operate as DSOs. MTN West and Aggregator are both subsidiaries of SDB and registered to do business in Oregon. Both DSOs have business services agreements with OR Specialty Dental Services, LLC (“OR Specialty Dental”), an Oregon limited liability company, that is a dentist-owned dental practice providing orthodontic and oral and maxillofacial surgery services in Oregon. As of the date of OHA’s Order, two dental providers, with a total of five locations, participated in OR Specialty Dental:

| Name | Specialty | Locations (pre-019 restructure) |
|---|--|-----------------------------------|
| Willamette Valley Oral & Maxillofacial Surgery Inc. | Oral and maxillofacial surgery | Salem |
| Yenne & Schofield PC | Orthodontics for children, adolescents, and adults | Dallas, Keizer, Salem, West Salem |

Following the 2022 SDB Transaction, and prior to the 019 SDB restructure, SDB Holdco’s ownership comprised of:

- **Leon Capital Group**, a private investment firm founded in 2009 and based in Texas. Leon Capital Group founded SDB in 2017 and held 28.4% interest in SDB as of February 2024.
- **TSG**, a private equity firm based in California that focuses on consumer brands and retail sectors. TSG held 29.1% interest in SDB.
- **Dentist owners and managers**, who held approximately 42.5% interest in SDB Holdco.

Transactions Terms

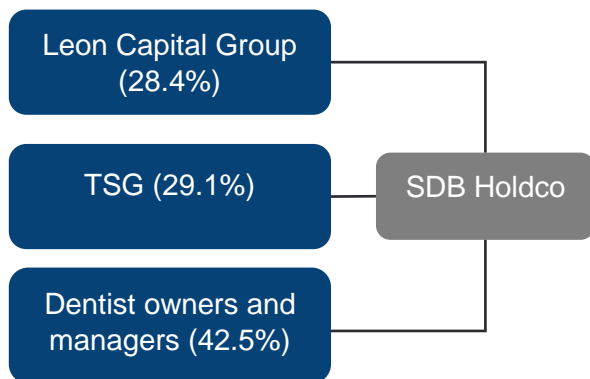
SDB Holdco entered into a Restructuring Support Agreement on December 20, 2023, for the purpose of restructuring its debt obligations and equity ownership due to SDB Holdco's default on payments due under a loan agreement with certain lenders. These lenders included a consortium of banks, financial institutions, and other entities (the "Lenders"). In the notice, the SDB stated that rising interest rates were a key driver of its inability to meet its loan payments.³

Transaction terms for the 019 SDB Restructure were as follows:

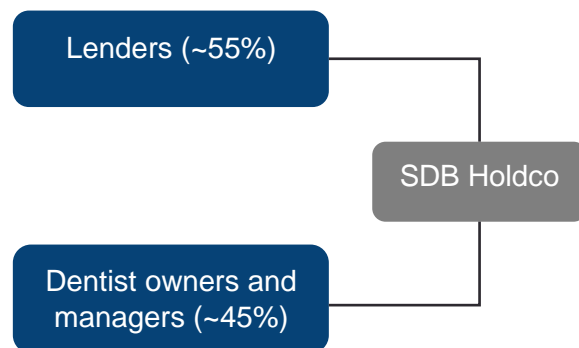
- As a result of SDB Holdco defaulting on its loans, the Lender's foreclosed on its existing loan to SDB Holdco and Lenders exchanged SDB Holdco's outstanding debt for equity in SDB Holdco. Ownership transferred from Leon Capitol Group and TSG to the Lenders, resulting in Lenders now holding a ~55% majority ownership stake in SDB.
- Management and dentist owners added ~2% to their existing ownership 42.5% share, resulting in an approximate 45% ownership share.
- The ~55% ownership share now held by Lenders represents a majority interest resulting in control of the respective boards for SDB Holdco and SDB.
- The balance of existing loans converted to a term loan with a defined end date and terms. SDB Holdco paid the Lenders a portion of the remaining loan interest in cash, with the remaining interest paid in kind with agreed-upon non-cash goods, services, or other financial instruments.

The organizational diagrams below summarize ownership changes as a result of the transaction:

Pre-closing ownership



Post-closing ownership



OHA's Preliminary Review

OHA completed a [preliminary review](#) of the transaction on March 11, 2024. The transaction was approved, per ORS 415.501(6)(b), because OHA determined the transaction is unlikely to substantially alter the delivery of health care in Oregon as its sole purpose was to restructure ownership and debt and did not involve changes to services, to populations served or to existing management services agreements.

OHA issued a [Final Order](#) on March 15, 2024 approving the transaction. Entities closed the transaction and notified OHA of the closing on March 29, 2024.

One-Year Follow-Up Review

On March 31, 2025, OHA notified SDB that it was commencing a one-year follow-up review of the transaction. OHA requested narrative information, documentation, and data related to financials, governance, policies, staffing, patients, and services rendered through a request for information (RFI – see Appendix A & B for details).

SDB submitted responses to OHA's RFI on May 12, 2025. OHA reviewed this submission and issued a second RFI, on June 11, 2025. SDB submitted responses to the second RFI on July 8, 2025. OHA reviewed and analyzed all SDB's submissions to determine whether they remained in alignment with all commitments made in the Notice and subsequent filings with OHA.

In addition to the RFI responses, OHA reviewed publicly available sources and media coverage relating to SDB and SDB's Oregon locations. This information is summarized below.

In its RFI responses to OHA, SDB asserted that much of the information provided in its submissions to OHA is confidential and unconditionally exempt from release to the public pursuant to ORS 415.501(13)(c) and ORS 192.345(2). This report only includes information that has not been determined to be confidential and exempt from release under Oregon law.

Relevant Corporate Activities, Events or Changes at SDB

This section summarizes entity reported data not deemed confidential and relevant significant events seen in media reports or other publicly available sources, about SDB or its owners or funders at the corporate level, since the transaction.

SDB appointed new managers to the Board of Managers but reports no other changes

Since the 019 SDB Restructure closed, new managers have been appointed to SDB's Board of Managers. SDB reports that, aside from new Board members, there have been no material changes to its operations, structure, policies, business, officers, employees or other areas of corporate activities impacting Oregon, since March 29, 2024.

SDB hires new CEO in September 2025

Since responses to OHA's request for information were submitted by SDB to OHA, on July 8, 2025, a new CEO, Sam Westover was hired.⁴ Mr. Westover's LinkedIn account states that he started as CEO at SDB, in September 2025.

Former SDB owner and funder TSG, files lawsuit against Leon Capital Group

On November 26, 2024, TSG filed a lawsuit in Tennessee against Leon Capital Group (LCG) and several SDB executives for alleged fraudulent misrepresentation and against Deloitte & Touche, LLP and LBMC, PC, for alleged negligent misrepresentation.⁵ All defendants filed a motion to dismiss the lawsuit. On May 12, 2025, the Tennessee court dismissed LCG and the SDB executives as parties to the lawsuit due to lack of jurisdiction. SDB's auditors, Deloitte & Touche and LBMC, remain parties in the action.⁶

On May 23, 2025, investment firm TSG SBD Group Holdings, filed a lawsuit in Delaware against Leon Capital Group and several executives from SDB claiming that LCG and the SDB executives used fake financial information and graphics to dupe TSG into a \$349M investment.⁷ TSG is reportedly seeking to recover the investments it made plus damages and attorney fees.⁸ On July

18, 2025, Leon Capital Group filed a Motion to Dismiss, which is still pending consideration by the Delaware court as of the date of this report.

SDB new practices and acquisitions since preliminary review of 019 – SDB Restructure

In the [Preliminary review](#) of the transaction, SDB was reported as partnering with than 250 dental practices in 25 states, including Oregon.⁹ The numbers on the SDB website have not changed since the transaction, in March 2024.¹⁰ And, no new acquisitions of dental practices by SDB were publicly located, for 2024 or 2025.

SDB's lack of growth contrasts with some other dental support organizations, with the total DSO merger and acquisition (M&A) activity at around 150 transactions for 2024.¹¹ However, SDB's lack of M&A activity is more aligned with DSO activity for 2025 in general. Although exact numbers for 2025 won't be tallied until early 2026, to date, there have been at least half the number of transactions in 2025 as there were in 2024.¹²

Activities, Events or Changes at OR Specialty Dental Services

This section summarizes reported data for the SDB-affiliated Oregon locations not deemed confidential and relevant significant events seen in media reports or other publicly available sources, about the SDB-affiliated Oregon locations, since the transaction.

No material changes reported, but new clinical and non-clinical staff hired

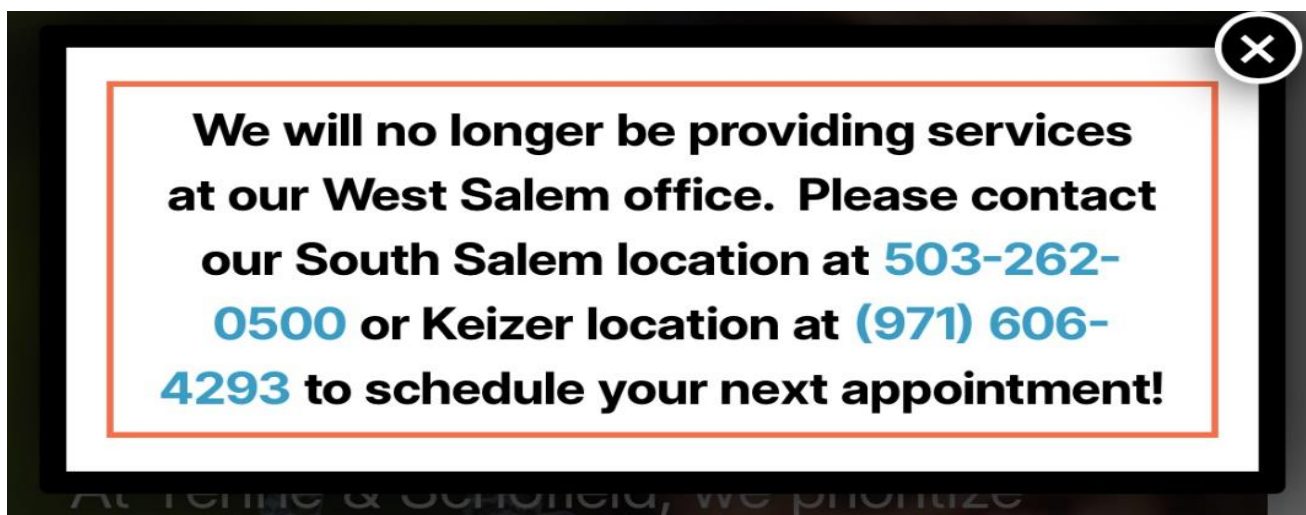
The entities reported no material changes to the Oregon facilities' assets or liabilities, the services they provide, existing locations and operating hours, billing and payment practices, charitable and community-based giving programs, types of insurance accepted, the availability of translation and interpretation services, or the dental support service agreements with SDB.

The entities did report that the total number of clinical staff for SDB-affiliated clinics in Oregon has increased by three, and an additional administrative position has also been added.

Four of five Oregon locations remain open

Since the transaction, four of the five Oregon locations remain open. The West Salem location of Yenne & Schofield PC closed in September 2025, after the entities submitted responses to their one-year request for information (see Appendix A & B).¹³ The closed location was identified after the Entity-reported one-year data was submitted and will need to be included in the March 2026, two-year data submission.

| Name | Specialty | Pre-transaction Locations | Current Locations |
|---|--|-----------------------------------|--------------------------|
| Willamette Valley Oral & Maxillofacial Surgery Inc. | Oral and maxillofacial surgery | Salem | Salem |
| Yenne & Schofield PC | Orthodontics for children, adolescents, and adults | Dallas, Keizer, Salem, West Salem | Dallas, Keizer, Salem |



Copied from Yenne & Schofield website, October 27, 2025.¹⁴

In Summary

Since the 019 SDB Restructure closed, SDB has added new managers to its managing board and hired a new Chief Executive Officer.¹⁵ SDB faced legal challenges in two different states; while the Tennessee lawsuit was dismissed, the Delaware lawsuit is still ongoing.^{16,17}

Further, since closing, SDB reports there were no material changes to their operations, structure, policies, or other areas of corporate activities. No public records of additional merger or acquisition activity were located.

For the Oregon dental offices, no material changes were reported to any of their business practices, services delivered or DSO contracts. Three additional clinical staff and one additional non-clinical staff position was added, and one location in West Salem was closed

Two-year and Five-Year Follow-Up Review

OHA's two-year follow-up review, beginning March 2026, will look continue to follow the activities, events and changes seen in SDB and its Oregon locations. The five-year follow-up review will look more broadly at the impact of the transaction on cost of care, access to care, quality of care and health equity in Oregon. OHA will also assess how the statements and commitments made by the Entities in their notice filing compare to actual events and changes since the acquisition and at trends in data in the five-year RFI responses.

OHA accepts comments at any time for all follow-up reviews. Public comments can be submitted via email to hcmo.info@oha.oregon.gov, filling out the [public comment form](#), or by calling 503-945-6161 to leave a voicemail.

Appendix A: OHA's Request for Information – One-Year Follow Up

1. Please provide a detailed description of (including the rationale for) all changes in SDB Holdco, LLC's ("SDB") operations, structure, policies, business, board members, officers, employees, or any other area of corporate activity impacting Oregon since March 29, 2024.
2. Please provide a detailed description of (including the rationale for) all changes in SDB MTN West Partners, LLC's ("SDB MTN West") operations, structure, policies, business, board members, officers, employees, or any other area of corporate activity impacting Oregon since March 29, 2024.
3. Please provide a detailed description of (including the rationale for) all changes in SDB Partner Aggregator, LLC's ("Aggregator") operations, structure, policies, business, board members, officers, employees, or any other area of corporate activity impacting Oregon since March 29, 2024.
4. Provide one copy of each organizational chart in effect since March 29, 2024, for SDB Holdco, LLC as a whole and for each of its subsidiaries, including SDB MTN West and Aggregator.
5. Provide the name and address for all practices and locations in Oregon that are or were affiliated with SDB at any time after March 29, 2024.
6. Describe whether any practices or locations in the response to #5 are currently no longer affiliated with SDB, closed or otherwise no longer providing services, were expanded, converted, or modified.
7. Describe all plans of SDB MTN West and Aggregator for the construction or opening of new facilities, the closing of any existing facilities, or the expansion, conversion, or modification of existing facilities in Oregon since March 29, 2024.
8. Provide descriptions relating to SDB's plans of, interest in, or efforts undertaken to bring about any acquisition, divestiture, joint venture, alliance, or merger of any kind in Oregon since March 29, 2024.
9. Please provide a copy of the financial statements, budget, profit and loss statement, cost center report, profitability report, and any other financial report regularly prepared by or for SDB on any periodic basis since March 29, 2024, inclusive of SDB as a whole and each of its subsidiaries including SDB MTN West and Aggregator.
 - a. Please describe any changes to the assets or liabilities of SDB since March 29, 2024.
10. Please provide a copy of the financial statements, budget, profit and loss statement, cost center report, profitability report, and other financial report regularly prepared by or for OR Specialty Dental Services, LLC ("Specialty Dental") on any periodic basis since March 29, 2024.
 - a. Please describe any changes to the assets or liabilities of Specialty Dental since March 29, 2024.
11. Please describe any changes to dental services provided by SDB-affiliated providers in Oregon since March 29, 2024.

12. Describe any changes to the operations, structure, policies, business, or employees of SDB-affiliated dental practice locations in Oregon since March 29, 2024. This includes changes to:

- a. Locations
- b. Hours of operations
- c. Billing and payment practices
- d. Types of insurance accepted
- e. Availability of translation and interpretation services
- f. Number and composition of clinical staff
- g. Number and composition of administrative staff

13. Please describe any changes to management services agreements (MSA) between SDB, Specialty Dental, and any other SDB-affiliated locations in Oregon since March 29, 2024.

- a. Provide copies of the current management services agreement between:
 - i. Specialty Dental and MTN West; and
 - ii. Specialty Dental and Aggregator.

14. Please explain whether employees are subject to any restrictions on future employment opportunities, such as non-compete or other contractual agreements, as a condition of their employment with SDB, Specialty Dental, or SDB-affiliated practices.

- a. If so, please describe the nature of such restrictions and which employees are subject to such restrictions.

15. Describe any changes to standard staff compensation or employment terms in SDB-affiliated practices in Oregon since March 29, 2024, including benefits, incentives, bonuses, or any other type of compensation.

- a. Please provide a copy of current staff compensation policies.

16. Please explain in detail whether SDB-affiliated practices in Oregon are subject to revenue, volume, or other performance targets. In the explanation, include any financial component to the targets.

17. Please explain in detail whether SDB-affiliated practices in Oregon are subject to any quality or patient experience metrics. In the explanation, include any financial component to the metrics.

18. Please describe how the transaction has impacted the price of dental services that for patients and other payers receiving care from SDB-affiliated providers in Oregon since the transaction closed on March 29, 2024.

19. In the notice of material change transaction, SDB stated that the transaction would free dentists to “focus on their patients and improving the quality of care and better outcomes.” Please describe any improvements to quality of care or outcomes since March 29, 2024. Provide relevant data, metrics, assessments, studies and/or analysis to support your explanation.

20. Describe any community benefit, financial assistance, or charity care spending by SDB-affiliated providers in Oregon since March 29, 2024.

- a. Supply copies of any financial assistance or charity care policies.
- b. Provide separate estimates of community benefit spending, financial assistance, and charity care spending.

21. Provide the data requested in the Attachment B: Data Template.

22. Please describe the involvement of MTN West and Aggregator in decisions affecting SDB-affiliated practices and providers in Oregon since March 29, 2024, related to:

- a. Management
- b. Operations
- c. Patient care

Appendix B: OHA's requested data workbook

OHA requested annual data for each Oregon location. Requests included data on patient volume, staffing, patient demographics, payments, and geographic service areas. See the table below for details.

| Topic | Requested data |
|----------------------|---|
| Patient volume | <ul style="list-style-type: none">• Total patient volume• Episode counts by primary payer type. |
| Staffing | <ul style="list-style-type: none">• Number of staff• Number of full-time-equivalent (FTE) employees by position |
| Patient demographics | <ul style="list-style-type: none">• Episode counts by patient sex, age group, race, ethnicity, and language service needs. |
| Payments | <ul style="list-style-type: none">• Total payment amounts received annually by payer.• Amount of financial assistance provided.• Payments received from alternative payment arrangements (not fee-for-service).• Average and median payments |
| Service areas | <ul style="list-style-type: none">• Number of episodes by zip code of patient residence. |

References

- ¹ TSG Consumer Partners Press Release. Specialty Dental Brands, TSG Consumer Partners and Leon Capital Finalize Growth Partnership. Sep 19, 2022. Cited Oct 27, 2025. <https://www.tsgconsumer.com/news/specialty-dental-brands-tsg-consumer-partners-and-leon-capital-finalize-growth-partnership>
- ² SDB website. Cited Oct 27, 2025. <https://specialtydentalbrands.com/>
- ³ HCMO Notice of Material Change Transaction, question 6. https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/SDB_HCMO-Form-Notice-of-Material-Change-Transaction-%281.30.24%29-REDACTED.pdf
- ⁵ TSG8 SDB Group Holdings, L.P., v. Leon Capital Group LLC, et al., No. 24-1425-BC (Tenn. Chan. Davidson, Complaint filed November 26, 2024).
- ⁶ Ibid
- ⁷ Perera, K. Investment Firm says it was duped into \$349M Dental Deal. Law 360. May 29, 2025 (Accessed October 27, 2025). <https://www.law360.com/articles/2346257/investment-firm-says-it-was-duped-into-349m-dental-deal>
- ⁸ Ibid
- ⁹ SDB website. Cited Mar 5, 2024, <https://specialtydentalbrands.com/>
- ¹⁰ SDB website. Cited Oct 28, 2025. <https://specialtydentalbrands.com/>
- ¹¹ Yetter, E. 2025 Dental Transactions Update. Focus Investment Banking. June 30, 2025 (Accessed Oct 27, 2025). <https://focusbankers.com/2025-dental-transactions-update/#:~:text=Once%20DSOs%20are%20created%2C%20they,likely%20increase%20its%20transaction%20value.>
- ¹² <https://www.modernhealthcare.com/providers/mh-2025-healthcare-ma-mid-year-insight/>
- ¹³ Yenne & Schofield, personal communication, October 27, 2025.
- ¹⁴ Yenne & Schofield website. Cited Oct 28, 2025. <https://haveagreatsmile.com/location/salem/>
- ¹⁵ Westover, S.(n.d.) LinkedIn page. LinkedIn. Accessed October 27, 2025. <https://www.linkedin.com/in/sam-westover-4139778>
- ¹⁶ TSG8 SDB Group Holdings, L.P., v. Leon Capital Group LLC, et al., No. 24-1425-BC (Tenn. Chan. Davidson, Complaint filed November 26, 2024).
- ¹⁷ TSG8 SDB Group Holdings L.P. v. Leon Capital Group LLC, et al., No. N25C-05-272 (Delaware, Complaint filed May 28, 2025).