



Health Care Market Oversight (HCMO) Program Notice of Material Change Transaction

The applicant must complete and submit this notice of proposed material change transaction to hcmo.info@dhsosha.state.or.us.

One important role of the Health Care Market Oversight Program is to notify the community and people living in Oregon when entities propose a material change transaction. This document will be published and serve as the public notice. Contact program staff with any questions or to request technical assistance at hcmo.info@dhsosha.state.or.us.

Note: if any entity involved in the proposed transaction has associated National Provider Identifiers (NPIs), complete and submit the NPI form.

I. General Information about the Transaction and Entities

- Name, title, organization, and email address of the individual completing this form on behalf of the applicant.

Name	Michael Schwartz
Title	Chief Executive Officer
Organization	SDB MTN West Partners, LLC and SDB Partner Aggregator, LLC
Email Address	michael.schwartz@sdbmail.com with a copy of all correspondence to be sent to bhowell@sidley.com

- What type of material change transaction is the applicant proposing¹?

Merger
 Contract
 Other (specify) _____
 Acquisition
 Affiliation

- What is the proposed effective date of the material change transaction?

September 6, 2022

¹ Please see OAR 409-070-0010 for definitions of transactions subject to review.

4. Briefly describe the applicant completing this notice.

Provide a brief description of the notifying organization's ownership, governance, and operational structure. If the applicant is a provider, identify provider type (e.g., hospital, physician group, etc.), number of licensed beds, ownership type (e.g., corporation, partnership, limited liability corporation, etc.), service lines and service area(s). If the applicant is not a provider, describe the applicant's business. Include the mailing address, website(s), and Federal Tax ID(s) of the applicant.

SDB MTN West Partners, LLC ("MTN West") and SDB Partner Aggregator, LLC ("Aggregator and together with MTN West, the "Applicant") are dental support organizations ("DSO") that provide a full suite of back office dental support services to dental practices, including one dental practice in Oregon, OR Specialty Dental Services, LLC ("Practice"), comprised of one oral and maxillofacial surgery provider and one Oregon orthodontic services provider group. All non-clinical services provided by the Applicant to the Practice are at the direction of the Practice, which remains responsible for all clinical operations of its dental practice. MTN West is a manager-managed limited liability company with SDB MTN Acq Holdco, LLC ("MTN West Manager") acting as the manager. MTN West Manager is a manager-managed LLC and is wholly-owned and managed by Vardiman Black Holdings, LLC d/b/a Specialty Dental Brands ("Specialty Dental"). Aggregator is a manager-managed limited liability company with SDB NE Acq Holdco, LLC ("Aggregator Manager") acting as the manager. Aggregator Manager is a manager-managed LLC and is wholly-owned and managed by Specialty Dental. Specialty Dental is a member-managed LLC that is wholly-owned by SDB Holdco, LLC ("Seller"). See Attachment A for a description of upstream ownership and list of tax IDs, addresses, and websites for each entities. +

5. Briefly describe all other entities involved in the proposed transaction.

Provide a brief description of the other organization's or organizations' ownership, governance, and operational structure, including but not limited to provider type (hospital, physician group, etc.), number of licensed beds, ownership type (corporation, partnership, limited liability corporation, etc.), service lines and service area(s). Include the mailing address, website(s), and Federal Tax ID(s) of entities involved in the proposed transaction.

None of the other entities involved in the proposed transaction are health care providers or health care entities, as defined under Oregon law (other than pursuant to subsection (g) of such definition)), other than Applicant. The other entities involved in the transaction are TSG8 SDB Group Holdings L.P. (EIN: 88-3048408; Address: 4 Orinda Way, Suite 150-B, Orinda, CA 94563; website: <https://www.tsgconsumer.com/>) ("TSG Holdings"). TSG Holdings is owned by a mix of individuals and SDB Splitter L.P. SDB Splitter, L.P. is owned by TSG8 L.P. and SDB Blocker L.P., which is wholly-owned by TSG8 Parallel L.P. TSG Holdings and each of the foregoing entities are investment companies and subsidiaries of TSG Consumer Partners, LP ("TSG"), a private investment firm with over 70 portfolio companies. As a result of the proposed transaction, Seller will also be owned in part by Provider HoldCo, LLC, an investment vehicle for providers throughout the United States supported by Specialty Dental. A list of tax IDs, addresses, and websites for each of the foregoing entities is set forth on Attachment A.

6. Briefly describe the nature and objectives of the proposed material change transaction, including any exchange of funds between the parties (such as any arrangement in which one party agrees to furnish the other party with a discount, rebate, or any other type of refund or remuneration in exchange for, or in any way related to, the provision of health care services) and whether any changes in health care services are anticipated in connection with the proposed transaction.

This proposed transaction is an indirect partial change of ownership of the Applicant (which consists of two DSOs) that manage the Practice, consisting of one Oregon oral and maxillofacial surgery provider and one Oregon orthodontic services provider group. There are no anticipated changes in healthcare services nor changes to the management services provided to the Practice. The management services agreements currently in place between the Applicant and the Practice will not change as a result of the proposed transaction. The objectives of the proposed transaction are to restructure the Company's equity ownership resulting in a partial liquidity event for LCG, management and existing dentist minority owners. Before the transaction, LCG and management owned, directly or indirectly, 100% of Seller with individual dentist owners owning equity interests at various regional aggregator subsidiary entities within the organizational structure. After the transaction, approximately 33.3% of the membership interests of Seller will be held by each of TSG Holdings, LCG, and a mix of individual dentists and management, respectively. TSG Holdings will have board representation and approval rights over certain material actions, but the membership interests held by the equityholders, including TSG Holdings, do not otherwise have voting rights.

II. Impact from the Proposed Transaction

7. Explain how the proposed transaction is unlikely to substantially reduce access to affordable health care in Oregon.

The transaction is not expected to have any negative impact on the price of or access to health care services within Oregon, as the transaction involves an indirect investment in a DSO that provides administrative support services to the Practice, which is comprised of one Oregon oral and maxillofacial surgery provider and one Oregon orthodontic services provider group. The Applicant will provide the same administrative support services to Practice following the change.

8. Explain how the proposed transaction will improve health outcomes for residents of this state or will benefit the public good by achieving at least one of the following:
- (i) reducing the growth in patient costs. (If the transaction will not reduce the growth in patient costs, explain why the proposed transaction is in the best interest of the public.)
 - (ii) increasing access to services in medically underserved areas.
 - (iii) rectifying historical and contemporary factors contributing to health inequities or access to services.

Investments in DSOs like the Applicant enable the DSOs to have better access to capital and to provide better back-office support to dental practices. By removing the administrative burden imposed by managing day-to-day non-clinical operations, dentists are free to focus on their patients and improving the quality of care and better outcomes.

9. Will the proposed transaction result in a decrease in competition? If yes, describe any anticompetitive effects that may result from the proposed transaction, and if those effects are outweighed by the benefits of the proposed transaction in increasing or maintaining services to underserved populations.

No, the proposed transaction will not result in a decrease in competition. The transaction does not involve competitors or the consolidation of providers of health care service providers.

10. Indicate the date and nature of any applications, forms, notices, or other materials you have submitted regarding the proposed material change to any other state or federal agency. *Indicate the date and nature of any other applications, forms, notices, or other materials provided to other state or federal agencies relative to the proposed material change, including but not limited to the Oregon Department of Consumer and Business Services, Oregon Public Health Division, Oregon Department of Justice, U.S. Department of Health and Human Services (e.g., Pioneer ACO or Medicare Shared Savings Program application), Federal Trade Commission, and U.S. Department of Justice.*

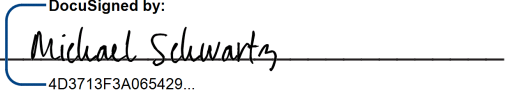
No other notices are required to be provided to any other state or federal agency.

11. Will the proposed material change transaction change control of a public benefit corporation or religious corporation?

No.

III. Signature

Certification and attestation are not required. The electronic signature below should be the name entered in Question #1 and an individual who can sign on behalf of the applicant.

Electronic Signature  _____ Date 8/5/2022 _____
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