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17 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
18 **COUNTY OF LOS ANGELES**

19 DANIEL MEIR KLEIN DDS APC, GARRETT
20 RUSSIKOFF, D.M.D., Inc., TODD A. LOFTIN
21 DDS DENTAL CORPORATION, and TOM
22 MASSARAT DDS, DENTAL CORPORATION,
23 individually and on behalf of themselves and all
24 others similarly situated,

25 Plaintiffs,

26 vs.

27 DELTA DENTAL OF CALIFORNIA, a
28 California corporation,

Defendant.

Case No. **26STCV13923**

CLASS ACTION

**COMPLAINT FOR DAMAGES AND
INJUNCTIVE RELIEF BASED ON
VIOLATIONS OF THE CARTWRIGHT
ACT (Bus. & Prof. Code §§ 16700 –
16770) AND THE UNFAIR
COMPETITION LAW (Bus. & Prof.
Code §§ 17200 – 17210)**

JURY TRIAL DEMANDED

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1 Plaintiffs Daniel Meir Klein DDS APC, Todd A. Loftin DDS Dental Corporation, Garrett
2 Russikoff, D.M.D., Inc., and Tom Massarat DDS, Dental Corporation (collectively, “Plaintiffs”),
3 individually and on behalf of themselves and all others similarly situated, bring this class action
4 based upon personal knowledge of their own acts and upon information and belief as to all other
5 matters alleged, including the investigation of Plaintiffs’ counsel, against Defendant Delta Dental
6 of California (“DDCA” or “Defendant”).

7 **NATURE OF THE ACTION**

8 1. This case involves DDCA’s unlawful, anticompetitive, and unfair misuse of
9 monopsony power in the California market for dental goods and services, as defined herein. DDCA
10 obtained and maintains this market power as a result of its coordinated unlawful conspiratorial
11 agreement with other companies that comprise the “Delta Dental” system not to compete among the
12 various separate Delta Dental entities throughout the United States. DDCA holds well in excess of
13 50% of the market for dental goods and services in the State of California. DDCA secured this
14 power in California by agreeing to the artificial territorial division of the United States among
15 DDCA and the other Delta Dental licensees that have been assigned exclusive geographic territories
16 throughout the U.S. (collectively, the “Delta Dental State Insurers”). DDCA is abusing its market
17 dominance to: (1) restrict competition with the other Delta Dental State Insurers when operating
18 under the “Delta Dental” brand (the “**Market Allocation Mechanism**”); (2) reduce the amount of
19 reimbursement paid by DDCA to dentists and dental practices in California who are reimbursed by
20 Delta Dental insurance (the “**Price Fixing Mechanism**”); and (3) restrict competition among DDCA
21 and the other Delta Dental State Insurers when operating under *non*-“Delta Dental” brands (the
22 “**Output Restrictions**”).

23 2. DDCA has secured majority market share, as measured by non-party Milliman and
24 by the National Association of Dental Plans (“NADP”), and it wields monopsony power in the
25 market for dental goods and services, enabling it to produce anticompetitive effects, in the State of
26 California.

27 3. The unlawful trust among DDCA and the other Delta Dental entities has harmed *both*
28 dentists and dental practices—like the named Plaintiffs here—that accept Delta Dental insurance

1 (collectively, the “Dental Providers”) *and* consumers. DDCA has artificially suppressed its
2 reimbursements to Dental Providers in California, but rather than pass those savings along to
3 consumers, DDCA has continued to raise consumer premiums. This pernicious scheme causes
4 dentists and dental practices to receive less while consumers pay more. The difference is billions
5 of dollars in “operating gain”—the euphemism for profits used by DDCA, which operates as a non-
6 profit to avoid paying federal income taxes. DDCA uses those profits to pay its executives
7 compensation and perquisites of tens of millions of dollars per year and to pocket billions more in
8 capital reserves, which it uses (among other things) to fund for-profit businesses unrelated to the
9 business of dental insurance. DDCA’s billions of dollars in supracompetitive profits are evidence
10 of both DDCA’s exercise of monopsony power in California and Plaintiffs’ damages.

11 4. Defendant DDCA reimburses dentists and dental practices in California
12 (collectively, the “California Dental Providers”) that accept Delta Dental insurance for dental goods
13 and services provided to Delta Dental insureds under Delta Dental insurance contracts. DDCA and
14 the other Delta Dental State Insurers are supported in turn by the Delta Dental Plans Association
15 (“DDPA”) and DeltaUSA, nationwide entities that act as administrators and watchdogs for the Delta
16 Dental insurance plans. DDPA and DeltaUSA are funded and controlled by DDCA and the other
17 Delta Dental State Insurers, and act as vehicles for their concerted activity, including via multiple
18 contracts entered into by each Delta Dental State Insurer with DDPA and DeltaUSA.

19 5. As a result of the anticompetitive agreements and practices set out in this Complaint,
20 Defendant DDCA has grown to become both the largest purchaser of dental goods and services and
21 the largest provider of insurance for dental goods and services in the State of California—just as,
22 collectively, the Delta Dental State Insurers are both the largest purchasers of dental goods and
23 services and the largest providers of insurance for dental services in the U.S. The Delta Dental
24 system is larger than the next three dental insurance carriers combined. DDCA’s networks are
25 comprised of approximately 30,000 California Dental Providers and, collectively, the networks of
26 all the Delta Dental State Insurers encompass nearly a quarter-million dental practices across the
27 U.S. Delta Dental State Insurers provide dental insurance to more than 80 million people in the
28 United States. By carving the United States into exclusive territories in which each of the Delta

1 Dental State Insurers is guaranteed to be free from competition from other Delta Dental State
2 Insurers, DDCA and the other Delta Dental State Insurers have secured monopsony power over the
3 market for dental goods and services within their assigned territories. Absent the monopsony power
4 and territorial protections secured to DDCA in California as a result of the Market Allocation
5 Mechanism, dental plan sponsors and members would have greater choice as to the dental insurance
6 they choose to purchase in California, and California Dental Providers would have greater choice in
7 the dental insurance they choose to accept from their patients.

8 6. DDCA and its co-conspirators have built upon the monopsony control achieved
9 through the Market Allocation Mechanism to further unlawfully restrict competition in the markets
10 for dental goods and services through the Price Fixing Mechanism and the Output Restrictions.

11 7. DDCA and its co-conspirators' price fixing takes the form of: (i) sharing confidential
12 price information and strategies to reduce reimbursement rates among the Delta Dental State
13 Insurers; (ii) protocols barring all Delta Dental State Insurers from reimbursing at all for certain
14 procedure codes (*i.e.*, fixing the price for these procedure codes at \$0), mandating that certain
15 procedure codes be priced the same as a benchmark procedure code, and "recommending" prices
16 for other procedure codes; (iii) sharing reimbursement rate information for all procedure codes
17 through the National Provider File ("NPF") and the National Data Platform ("NDP"); and (iv)
18 adopting an effective discount standard that essentially requires DDCA and every other Delta Dental
19 State Insurer to have the lowest or among the lowest reimbursement rates of all competitor insurance
20 companies. By conspiratorial agreement, DDCA sets its reimbursements at below-market rates,
21 then abuses its monopsony control to force these rates onto the California Dental Providers. The
22 California Dental Providers, faced with a large number of patients who have purchased Delta Dental
23 insurance (and who naturally wish to be treated by a provider that accepts it), have little or no choice
24 but to acquiesce to DDCA's artificially low reimbursement rates. The California Dental Providers
25 have few or no alternative insurance plans with meaningful patient participation to accept. Absent
26 the Price Fixing and Market Allocation Mechanisms, the California Dental Providers would have
27 greater choice in the dental insurance they choose to accept, and thus greater choice in the
28 reimbursement rates received for their services. As a result of that same conspiratorial agreement

1 to which DDCA is a party, dental providers throughout the rest of the U.S. are likewise effectively
2 compelled to accept Delta Dental insurance and its artificially low reimbursement rates.

3 8. These two mechanisms are buttressed by a third: Delta Dental’s Output Restrictions,
4 which take the form of DDCA and other Delta Dental State Insurers agreeing to restrict the business
5 of their “second brands” to avoid direct competition against Delta Dental State Insurers, particularly
6 in the critical market segment for large employer commercial business that accounts for the
7 overwhelming majority of the Delta Dental State Insurers’ revenues and profits. DDCA has formed
8 a second, non-“Delta Dental” brand, Dentegra, and other Delta Dental State Insurers have formed
9 their own second brands, including Renaissance, Surency, and TruAssure. In a competitive market,
10 other Delta Dental State Insurers’ second brands would compete with DDCA in California, raising
11 reimbursement to California Dental Providers, and Dentegra would compete with Delta Dental State
12 Insurers in their home states. Instead, DDCA and the other Delta Dental State Insurers have agreed
13 not to allow their second brands to compete against Delta Dental State Insurers. As a result,
14 DDCA—like the other Delta Dental State Insurers with second brands—has overwhelmingly
15 limited Dentegra to market segments in which the Delta Dental brand does not compete (*e.g.*,
16 individual and small group policies); and the Delta Dental system primarily uses second brands like
17 DDCA’s Dentegra to underwrite Delta Dental-branded businesses for nationwide “groups of
18 individuals” such as retirees (including those in California). As a result of the Output Restrictions,
19 DDCA and the other Delta Dental State Insurers—who, per the Market Allocation Mechanism, have
20 already agreed not to compete with other Delta Dental State Insurers *under the Delta Dental*
21 *brand*—have also limited their competition with each other *under non-Delta Dental brands*. Absent
22 the Output Restrictions, the groups who purchase dental plans for their members (and, by extension,
23 those members) would have greater choice in the dental insurance they could choose to purchase,
24 and the Dental Providers would have greater choice in the dental insurance they choose to accept
25 from patients.

26 9. All three mechanisms have reduced competition in the market for dental goods and
27 services in California, just as the co-conspirators’ implementation of these mechanisms has reduced
28 competition throughout the remainder of the United States. This decreased competition has harmed

1 California Dental Providers (in the form of lower reimbursement rates paid to them by DDCA and
2 reduced choice in the dental insurance plans that should be available to them), and has also harmed
3 California dental plan sponsors and members (in the form of higher premiums paid to DDCA, and
4 through lower quality services offered to patients). DDCA has reaped the benefits of its
5 anticompetitive conspiracy, as reflected in billions of dollars used to fund lavish executive
6 compensation well beyond that of peer companies and disproportionately large capital reserves or
7 surpluses that far exceed any regulatory requirement, legitimate insurance purpose, or other genuine
8 business need. The billions of dollars in supracompetitive profits amassed by DDCA and the rest
9 of Delta Dental are direct evidence of DDCA's exercise of monopsony power in California and,
10 together with the other Delta Dental State Insurers, monopsony power throughout the United States.

11 10. On November 26, 2019, a group of plaintiffs filed a consolidated class action
12 complaint in the United States District Court for the Northern District of Illinois alleging violations
13 of the Sherman Act arising from Delta Dental's conduct nationwide and seeking to certify a
14 nationwide class. On September 4, 2020, the federal district court denied Delta Dental's motion to
15 dismiss, finding that the allegations asserted by those plaintiffs—which are similar to the factual
16 allegations at issue here—stated a claim for violation of the federal antitrust laws under both a *per*
17 *se* standard and the rule of reason. *In re Delta Dental Antitrust Litig.*, 484 F. Supp. 3d 627 (N.D.
18 Ill. 2020). On September 22, 2025, the federal district court denied certification of a nationwide
19 class, finding, among other things, that differences in the Delta Dental State Insurers' market shares
20 in different states and differences in the reimbursement rates paid by Delta Dental State Insurers in
21 different states precluded certification of a single nationwide class. *In re Delta Dental Antitrust*
22 *Litig.*, 800 F. Supp. 3d 898 (N.D. Ill. 2025). On January 23, 2026, the federal district court denied
23 the federal plaintiffs' motion to amend their complaint to allege state classes in their existing
24 Sherman Act case. *In re Delta Dental Antitrust Litig.*, No. 19 CV 6734 (N.D. Ill. Jan. 23, 2026),
25 ECF 960. The federal court did **not** address the merits of state classes in any respect but, instead,
26 *inter alia*, declined to undertake the burden of addressing state-based classes in favor of proceeding
27 to summary judgment on the individual claims of the 10 named plaintiffs in the federal action. *Id.*
28 at 2, 4.

1 14. Plaintiff Todd A. Loftin DDS Dental Corporation d/b/a Loftin Dental (“Loftin
2 Dental,” or “Plaintiff”) is a dental services provider and a citizen of the state of California. During
3 the relevant time period, Loftin Dental provided and continues to provide dental goods and services
4 to DDCA pursuant to its in-network contract with DDCA. As a result of the anticompetitive and
5 unfair conduct of DDCA alleged herein, Loftin Dental was deprived and continues to be deprived
6 of the choice of accepting dental patients under a greater number of insurance plans, which it would
7 have in a competitive market, and was reimbursed and continues to be reimbursed less for providing
8 dental goods and services than it would have been but for DDCA’s anticompetitive and unfair
9 conduct. Loftin Dental has been injured and continues to be injured in its business or property as a
10 result of DDCA’s violations of the Cartwright Act and the Unfair Competition Law.

11 15. Plaintiff Tom Massarat DDS, Dental Corporation (“Dr. Massarat,” or “Plaintiff”) is
12 a dental services provider and a citizen of the state of California. During the relevant time period,
13 Dr. Massarat provided and continues to provide dental goods and services to DDCA pursuant to his
14 in-network contract with DDCA. As a result of the anticompetitive and unfair conduct of DDCA
15 alleged herein, Dr. Massarat was deprived and continues to be deprived of the choice of accepting
16 dental patients under a greater number of insurance plans, which he would have in a competitive
17 market, and was reimbursed and continues to be reimbursed less for providing dental goods and
18 services than he would have been but for DDCA’s anticompetitive and unfair conduct. Dr. Massarat
19 has been injured and continues to be injured in his business or property as a result of DDCA’s
20 violations of the Cartwright Act and the Unfair Competition Law.

21 **Defendant**

22 16. Defendant DDCA is a California corporation located at P.O. Box 997330,
23 Sacramento, CA 95899-7330, with its principal place of business in San Francisco, California, and
24 it has Payer #77777. DDCA is the Delta Dental licensee for the State of California. Throughout
25 the class period, DDCA had market power with respect to the market for dental goods and services
26 in the State of California, as defined herein.

27 17. Through the Market Allocation Mechanism, DDCA and the other Delta Dental
28 entities have agreed to carve up the United States into exclusive territories, each of which has been

1 assigned to an individual Delta Dental State Insurer. As part of this agreement, the State of
2 California has been assigned solely to DDCA. DDCA has conspired and continues to conspire with
3 the other Delta Dental State Insurers as described herein.

4 **SUBJECT MATTER JURISDICTION, VENUE, AND PERSONAL JURISDICTION**

5 18. This Court has subject matter jurisdiction over the causes of action alleged in this
6 Complaint pursuant to the California Constitution, Article VI, § 10, and is a Court of competent
7 jurisdiction to grant the relief requested. Plaintiffs' claims for violation of Business & Professions
8 Code §§ 16700 – 16770 and 17200 – 17210 arise under the laws of the State of California, are not
9 preempted by federal law, do not challenge conduct within any federal agency's exclusive domain,
10 and are not statutorily assigned to any other trial court.

11 19. Plaintiffs and all of the members of the Classes, as defined herein, are citizens of the
12 State of California.

13 20. DDCA, the sole Defendant in this action, is a citizen of the State of California, is
14 incorporated in the State of California, and has its principal place of business in the State of
15 California.

16 21. Defendant has entered into contracts in California with Dental Providers who are
17 citizens of California. Defendant has significant business in and contacts with California, by way
18 of its provision of dental goods, services, and facilities to California consumers insured by DDCA.
19 The unlawful conduct pursuant to or in furtherance of the combination or conspiracy occurred in
20 substantial part within the State of California and was intended to and did substantially affect
21 business and commerce within this State.

22 22. The injuries to Plaintiff and the Classes resulting from Defendant's conduct as
23 alleged herein were incurred and continue to be incurred in the State of California.

24 23. Venue is proper in this Court pursuant to California Code of Civil Procedure sections
25 395 and 395.5, and California Business & Professions Code section 16750. Plaintiffs Dr. Klein's
26 and Dr. Russikoff's Provider Participation Agreements with DDCA were entered into and
27 performed in the City and County of Los Angeles. Defendant conducts substantial business in and
28

1 provides services in the City and County of Los Angeles. The injuries that have been sustained as
2 a result of Defendant's illegal conduct occurred in part in the City and County of Los Angeles.

3 **FACTUAL BACKGROUND**

4 **A. The Delta Dental State Insurers**

5 24. DDCA is a not-for-profit 501(c)(4) corporation that provides insurance plans for
6 dental goods and services in California. Through the insurance plans it offers and administers,
7 DDCA reimburses California Dental Providers—the dentists and dental practices who accept
8 patients with Delta Dental insurance—for the cost of dental goods and services provided to DDCA's
9 subscribers in California.

10 25. The other Delta Dental State Insurers with which DDCA has conspired are
11 predominately not-for-profit entities that provide insurance plans for dental goods and services in
12 their respective states or multi-state territories. Through the insurance plans they offer and
13 administer, the other Delta Dental State Insurers reimburse Dental Providers—the dentists and
14 dental practices in their states who accept patients with Delta Dental insurance—for the cost of
15 dental goods and services provided to Delta Dental patients in state markets across the United States.

16 *History of DDCA and the other Delta Dental State Insurers*

17 26. The earliest prepaid dental plans were created beginning in 1954-1955 when dental
18 service corporations, including the predecessor entity to DDCA, were formed in California as well
19 as in other states such as Washington and Oregon. A dental service corporation is a legally
20 constituted not-for-profit organization, incorporated on a state-by-state basis, that negotiates and
21 administers contracts for dental care. The dental service plans offered by the dental service
22 corporations were intended to provide full payment to dental service providers, with no additional
23 payment required from a patient for their treatment beyond an agreed copayment or deductible.

24 27. The dental service corporations that became DDCA and other Delta Dental State
25 Insurers were initially formed by dentists. Over time, however, dentists have largely been removed
26 or sidelined from the leadership of DDCA and other Delta Dental State Insurers and have been
27 replaced by executives motivated by the prospect of obtaining multi-million-dollar annual
28 compensation rather than by the goal of increasing public access to quality health care.

1 28. Notwithstanding the early alignment between DDCA’s predecessor and California
2 dentists, in more recent times, that relationship has deteriorated badly as a result of DDCA’s
3 anticompetitive conduct and greed. In fact, the California Dental Association, which represents
4 over 27,000 dentists in California—making it the largest constituent of the American Dental
5 Association (“ADA”)—has filed its own representative lawsuits against DDCA in 2014 and 2022
6 relating to misconduct other than that alleged in this Complaint.

7 29. The ADA’s relationship to DDCA and the other Delta Dental State Insurers has
8 followed a similar negative trajectory. Although the ADA initially supported the development of
9 those entities’ pre-paid dental plans, the ADA learned over time that DDCA and the other Delta
10 Dental State Insurers have unlawfully reduced reimbursement rates paid to dentists and degraded
11 the quality of dental services provided to patients. Ultimately, like the California Dental
12 Association, the American Dental Association ended up suing Delta Dental.

13 30. Initially, the dental service corporations that became DDCA and the other Delta
14 Dental State Insurers operated independently of one another. However, in the 1960s, the number of
15 state dental association-sponsored service corporations increased, as did the size of the groups and
16 entities that sought dental care plans from the corporations. In response, in 1966, the National
17 Association of Dental Service Plans (later renamed as the “Delta Dental Plans Association”) was
18 created to bring together and coordinate the Delta Dental State Insurers.

19 31. In 1967, the predecessor to the Delta Dental State Insurer for Washington began
20 providing dental insurance programs to labor unions and sold the first multi-state dental insurance
21 program to the International Association of Machinists. Importantly, the Delta Dental State Insurers
22 were able to and did coordinate benefits for multi-state accounts with thousands of enrollees *without*
23 the use of a “National Provider File,” a “National Data Platform,” or other price-fixing tools. Rather,
24 as early as the 1960s, and continuing for at least two decades, the Delta Dental State Insurers were
25 able to and did coordinate benefits for multi-state accounts with thousands of enrollees simply by
26 ceding administration for enrollees in other states to other Delta Dental State Insurers.

27 32. When they began, the Delta Dental State Insurers’ predecessors were independent
28 entities, each posing a threat of potential entry into the territories of the other Delta Dental State

1 Insurers. At that point, each entity could have competed with any or all of the others. Subsequently,
2 seizing the opportunity to hoard billions of dollars in supracompetitive profits and pay themselves
3 lavish salaries and perquisites, executives at DDCA and the other Delta Dental State Insurers joined
4 together under the Delta Dental brand, and conspired to free each of them—and the entire Delta
5 Dental system—of the threat of competition from other Delta Dental State Insurers.

6 33. Until the late 1980s, insurance coverage for multi-state accounts was successfully
7 provided through ceded administration. In 1987, DDCA won the bid to administer dental benefits
8 for the Office of the Civilian Health and Medical Program of the Uniformed Services. DDCA and
9 the other Delta Dental State Insurers used this very large account as an excuse to begin unlawfully
10 sharing their provider data through DDPA. This led to the creation of the National Provider File, or
11 NPF, which DDPA made available to each of the Delta Dental State Insurers for commercial
12 accounts in 1990, divulging pricing and reimbursement rate information for all dental goods and
13 services nationwide. The NPF gave DDCA access to the prices charged by Dental Providers across
14 the country and facilitated the Delta Dental State Insurers' implementation of the Price Fixing
15 Mechanism.

16 *The Delta Dental State Insurers' Present Operations*

17 34. DDCA and the other Delta Dental State Insurers have coordinated their conduct in
18 accordance with a series of governing agreements. These agreements include the Service Mark
19 License Agreement, the Delta Dental Plans Association Membership Standards and Guidelines, the
20 DeltaUSA Membership Agreement, the DeltaUSA Policies Manual (formerly known as the
21 DeltaUSA Policy and Procedures Manual), and the DeltaUSA Processing Policy Manual (formerly
22 known as the DeltaUSA Processing Policies Manual).

23 35. These agreements memorialize many, but not all, aspects of the monopsonistic
24 conspiracy of DDCA, the other Delta Dental State Insurers, DDPA, and DeltaUSA. By way of
25 example only, the Service Mark License Agreement assigns to DDCA and each of the other Delta
26 Dental State Insurers their respective territories. The Delta Dental Plans Association Membership
27 Standards and Guidelines set forth mandatory rules applicable to DDCA's operations, including,
28 *inter alia*, requiring it to maintain certain levels of market penetration and to satisfy effective

1 discount requirements that have the purpose and effect of lowering provider reimbursement rates in
2 California. The DeltaUSA Membership Agreement requires DDCA to agree to comply with the
3 Delta Dental Plans Association Membership Standards and Guidelines. The DeltaUSA Policies
4 Manual contains rules governing resolution of territorial disputes between DDCA and other Delta
5 Dental State Insurers. The DeltaUSA Processing Policy Manual bars DDCA and all the other Delta
6 Dental State Insurers from reimbursing providers for certain procedure codes (*i.e.*, fixing the price
7 for these procedure codes at \$0) and mandates that certain procedure codes be priced the same as a
8 benchmark procedure code.

9 36. DDCA and every other Delta Dental State Insurer must enter into the Service Mark
10 License Agreement, follow the Delta Dental Plans Association Membership Standards and
11 Guidelines, abide by the DeltaUSA Policies Manual, and comply with the DeltaUSA Processing
12 Policy Manual.

13 37. DDCA offers two primary types of dental plans that, with minor variations, are also
14 offered by the other Delta Dental State Insurers: (1) Delta Dental Premier; and (2) Delta Dental
15 PPO:

16 a. Delta Dental Premier is a traditional fee-for-service plan that allows patients to visit
17 any licensed dentist. Delta Dental Premier dentists are required to accept discounted
18 reimbursement rates to participate in the Premier network. Delta Dental Premier is
19 Delta Dental's largest dentist network.

20 b. Delta Dental PPO is Delta Dental's preferred provider organization plan. Under
21 Delta Dental PPO, patients also are allowed to visit any licensed dentist. PPO
22 dentists are required to accept reduced fees for covered procedures when treating
23 PPO patients, and PPO reimbursement rates are typically lower than Premier
24 reimbursement rates.

25 **B. The Dental Providers**

26 38. The California Dental Providers are dentists and dental practices—including the
27 named Plaintiffs in this proceeding—who are effectively forced to accept patients insured by Delta
28 Dental of California, and lower-than-market reimbursement for dental goods and services provided

1 to those patients, because of DDCA’s market dominance and anticompetitive and unfair practices
2 as described herein.

3 39. Dental Providers receive reduced reimbursement for dental goods and services
4 provided to patients with Delta Dental insurance pursuant to contracts they enter into with the Delta
5 Dental State Insurers in their respective states (the “Delta Dental Provider Agreements”). Each
6 Delta Dental State Insurer is limited to entering into Delta Dental Provider Agreements with dentists
7 in its allocated territory. Thus, in California, Delta Dental of California can only enter into Delta
8 Dental Provider Agreements with California dentists, and no other Delta Dental State Insurer can
9 do so. These Provider Agreements stipulate the terms, conditions, and rates under which California
10 Dental Providers can seek reimbursement from Delta Dental for services a dental patient elects to
11 receive when visiting a California Dental Provider pursuant to a Delta Dental plan.

12 40. DDCA actively solicits dentists and dental practices in California to participate in
13 the Delta Dental plans. The terms and conditions imposed by the Delta Dental Provider Agreements
14 require that California Dental Providers will:

- 15 a. Charge Delta Dental insured patients the amounts established by DDCA, such that
16 the Dental Provider can neither increase nor decrease its fees for Delta Dental-
17 insured patients;
- 18 b. Accept an agreed-upon schedule of rates (and, where applicable, copayments) for
19 dental goods and services as payment in full for any goods and services provided to
20 Delta Dental insureds, and not charge the insured any further amounts other than
21 copayments or deductibles as specified under the Delta Dental Provider Agreement;
- 22 c. Submit to audits by auditors from DDCA, who ensure that the Dental Providers are
23 charging patients the amounts set out in the Delta Dental Provider Agreement (and
24 ancillary manual, which is an extension of the Delta Dental Provider Agreement),
25 and otherwise adhere to any and all conditions in the agreement (and manual);
- 26 d. Conform their operations to a manual enforced by DDCA; and
- 27 e. Accept and treat patients who are insured by a different Delta Dental State Insurer,
28 without an assignment of benefits from the patient’s Delta Dental State Insurer.

1 41. As outlined in more detail below, when they request reimbursement for the goods
2 and services they provide to Delta Dental insureds, California Dental Providers—including the
3 named Plaintiffs in this proceeding—are routinely required to accept a discount imposed by DDCA
4 of as much as 35 percent, or more, off market rates.

5 42. Indeed, DDCA boasts of Delta Dental achieving the industry’s best effective
6 discount. In practice, the effective discount standard agreed upon by the conspiracy requires every
7 Delta Dental State Insurer, including DDCA, to have the lowest (or among the lowest)
8 reimbursement rates of all competitor insurance companies, and has the purpose and effect of
9 broadly leading to lower-than-market reimbursements. After the effective discount standard was
10 implemented, DDCA and other Delta Dental State Insurers agreed to keep reimbursement rates
11 constant or to lower them. The higher the effective discount, the lower the reimbursement rate paid
12 to dentists. As measured by third-party Milliman, Delta Dental has the highest effective discount
13 in the country. However, despite keeping provider reimbursement rates uniformly low (or even
14 lowering them) for a decade or more, DDCA and other Delta Dental State Insurers have
15 contemporaneously raised premiums to consumers—belying any claim that the effective discount
16 standard is required to keep premiums low.

17 43. Moreover, the “effective discount” is not the only metric showing that Delta Dental
18 provides the lowest provider reimbursement. Both DDCA itself and Milliman—an insurance
19 consultant that collects and reports information about the dental insurance industry, and on whose
20 reports Delta Dental routinely relies—acknowledge that Delta Dental has both the highest net
21 effective discount *and* the highest net *contracted* discount. Net contracted discount does not take
22 into account utilization; it measures only the magnitude of discounts imposed upon dentists in their
23 contracts with insurance companies. Quite simply, highest net contracted discount means lowest
24 reimbursements.

25 44. DDCA imposes these “take it or leave it” reimbursement rate discounts upon
26 California Dental Providers by way of the Delta Dental Provider Agreements, making such severe
27 discounts an unavoidable cost of doing business with DDCA. Given DDCA’s monopsony control
28 of the California market for dental goods and services, where DDCA holds a clear majority share of

1 the market, California Dental Providers are effectively forced to accept the artificially low
2 reimbursement rates under the Delta Dental plans. The alternative would be refusing to accept Delta
3 Dental insurance at all, and thereby losing the business of the very large number of in-network Delta
4 Dental insureds.

5 45. To put it plainly, Dental Providers in California are faced with the Hobson's choice
6 of either (1) accepting Delta Dental patients at unreasonably discounted reimbursement rates
7 pursuant to a Delta Dental Provider Agreement, or (2) losing access to the majority of the market,
8 which is comprised of in-network Delta Dental patients.

9 **C. The Relevant Goods, Services, and Geographic Markets**

10 46. DDCA and its co-conspirators have abused their market power to artificially restrain
11 competition in the market for dental goods and services. The relevant product market is the
12 commercial market for dental goods and services including, but not limited to, diagnostic routine
13 periodic examinations, bitewings, X-rays, cleanings, fluoride treatments, sealants, space
14 maintainers, minor emergency procedures, fillings, tooth extractions, biopsy of oral tissue,
15 frenectomy, non-surgical periodontics, endodontics, crowns, and dentures.

16 47. For the claims in this lawsuit, which are asserted solely against DDCA, Plaintiffs
17 plead that the relevant geographic market is the State of California.

18 **D. DDCA's Market Dominance**

19 48. DDCA wields market power in the commercial market for dental goods and services
20 in California, enabling it to produce anticompetitive effects throughout the State of California. In
21 its exclusive territory, DDCA's commercial market share equals or exceeds 50% both statewide and
22 in the overwhelming majority of regions and three-digit zip codes in California, as measured by
23 Milliman and NADP, and has done so consistently across the entire class period.

24 49. DDCA's market power makes Delta Dental insurance a "must-have" for the
25 overwhelming majority of California Dental Providers. The Delta Dental buyers' cartel holds
26 monopsony power that makes it difficult for alternative buyers to compete, thereby depressing the
27 market price for the sale of dental goods and services. That market power means that even when
28 DDCA has reduced reimbursement rates, it is not economically feasible for any significant number

1 or percentage of California Dental Providers to terminate their participating provider agreements
2 with DDCA. As alleged herein, DDCA and other Delta Dental State Insurers have taken advantage
3 of their market power by sharing, among themselves and across the entire Delta Dental system,
4 sensitive information unknown to their competitors about their respective reductions in provider
5 reimbursement and the negligible resultant loss of providers from the Delta Dental networks.
6 DDCA and the other Delta Dental State Insurers have taken one another's sensitive price
7 information and related attrition experience into account in deciding how much lower to drive their
8 own provider reimbursements, secure in the knowledge that they could pay dentists less and less
9 while still keeping those dentists in their provider networks.

10 **FACTUAL ALLEGATIONS**

11 **I. DDCA AND ITS CO-CONSPIRATORS ENGAGE IN AN UNLAWFUL MARKET ALLOCATION MECHANISM**

12 50. The Market Allocation Mechanism is an agreement among DDCA and the other
13 Delta Dental entities to limit the competition for dental goods and services in the territories where
14 the Delta Dental State Insurers are located. That agreement is part of an unlawful horizontal
15 conspiracy to allocate the market for dental goods and services within each of those territories,
16 including in California, and across the United States.

17 51. In furtherance of their agreement not to compete, DDCA and the other Delta Dental
18 entities have agreed that (1) the market for dental goods and services will be divided into 39
19 territories, each allocated to the exclusive control of a particular Delta Dental State Insurer, and (2)
20 the Delta Dental State Insurers will not attempt to purchase dental goods and services, or to sell
21 dental insurance to dental plan sponsors or members, outside of each Delta Dental State Insurer's
22 allocated territory.

23 52. To be allowed to sell Delta Dental-branded insurance, DDCA and every other Delta
24 Dental State Insurer have agreed to sign the Service Mark License Agreement, whereby each Delta
25 Dental State Insurer has the exclusive right to use Delta Dental trademarks in its assigned territory,
26 and have signed the DeltaUSA Membership Agreement, in which they have agreed to comply with
27 the Delta Dental Plans Association Membership Standards and Guidelines. This means, among
28

1 other things, that DDCA and every other Delta Dental State Insurer have agreed not to recruit Dental
2 Providers outside their assigned territories and have agreed not to solicit business from employer
3 groups outside their assigned territories. DDCA and the other Delta Dental State Insurers have
4 further agreed that once an employer's headquarters is determined, only one Delta Dental State
5 Insurer, deemed the "Control Plan," may bid on the business; and they have agreed to be audited for
6 compliance with the exclusive territorial restrictions, which ensures that all the co-conspirators
7 adhere to their collusive scheme.

8 53. These territorial restrictions prohibit DDCA and the other Delta Dental State Insurers
9 from contracting with any out-of-state dentist.

10 54. Delta Dental State Insurers, including DDCA, routinely discuss territorial disputes
11 to determine which of them should be the Control Plan, with the purpose of appointing a single
12 Delta Dental State Insurer to bid. In some circumstances, one Delta Dental State Insurer will
13 affirmatively cede a business opportunity to another. In doing so, Delta Dental State Insurers follow
14 the territorial restrictions despite the fact that doing so is contrary to their own self-interest. In
15 certain instances, DDCA has ceded business opportunities to other Delta Dental State Insurers; in
16 other instances, other Delta Dental State Insurers have ceded business opportunities to DDCA.

17 55. If DDCA and another Delta Dental State Insurer cannot agree on which one will bid
18 on a particular opportunity, disputes are submitted to DeltaUSA for binding adjudication.

19 56. To dissuade defection from their collusive agreement, if DDCA or another Delta
20 Dental State Insurer is found to have issued a proposal without proper authority, it is submitted to
21 DDPA for a determination of what sanctions to impose.

22 57. Substantial monetary fines have been imposed for Delta Dental State Insurers'
23 violations of territorial restraints.

24 58. The mandated territories, sometimes also referred to as "exclusive service areas" or
25 "ESAs," do not provide pro-competitive benefits that outweigh the harms caused by Delta Dental's
26 territorial allocation.

27 59. This deliberate allocation of the territories in which each Delta Dental State Insurer
28 can conduct its business, and the corresponding agreement that the Delta Dental State Insurers will

1 not compete with each other for Dental Providers and dental goods and services business outside
2 their respective allocated areas, has no legitimate insurance-based need. It does not serve to transfer
3 or spread the risk of patients insured by Delta Dental. Nor is it a necessary component of the
4 relationship between Delta Dental and patients with Delta Dental insurance. Instead, it serves only
5 Delta Dental, by reducing competition in the market for dental goods and services in all of the
6 territories in which the Delta Dental State Insurers are based—thus reducing competition in
7 California, in every other state market, and across the United States as a whole.

8 60. In the absence of the Market Allocation Mechanism, the Delta Dental State Insurers
9 would compete to purchase dental goods and services outside of and between the territories they
10 presently have allocated exclusively among themselves. Dentists, dental plan sponsors, and
11 members in San Diego, for example, would not be restricted to accepting the terms and conditions
12 of the plans offered by DDCA (which makes all provider reimbursement decisions from its
13 headquarters in San Francisco). Instead, they could also consider the terms and conditions of plans
14 offered, by way of example only, by the Delta Dental State Insurer for Arizona. DDCA and that
15 entity would then compete for these dentists and dental insurance customers. This is only one
16 example. The Market Allocation Mechanism is inherently anticompetitive, economically artificial,
17 and provides no policy or risk allocation benefit to patients.

18 61. Competition between DDCA and other Delta Dental State Insurers would benefit
19 dental plan sponsors and members by driving down the premium prices that members are required
20 to pay for such insurance, or by increasing the scope of the coverage offered under an insurance
21 policy for the same premium price. Such competition would also give California Dental Providers
22 greater choice in respect of the dental insurance plans they could accept. This choice would free the
23 providers from the dominant control and below-market reimbursement rates imposed upon them by
24 DDCA.

25 62. Due to DDCA's implementation and maintenance of the Market Allocation
26 Mechanism, Plaintiffs and other California dentists have received less reimbursement for the goods
27 and services they provided to DDCA, and have been injured in their property and business as a
28 result.

1 **II. DDCA AND ITS CO-CONSPIRATORS ENGAGE IN UNLAWFUL PRICE FIXING**

2 63. In addition to participating in the Market Allocation Mechanism, DDCA has used its
3 dominant market position to lower the rates at which it reimburses California Dental Providers for
4 goods and services provided to Delta Dental insureds through DDCA's participation in the Price
5 Fixing Mechanism.

6 64. The Price Fixing Mechanism is a collusive agreement reached among, and
7 implemented through the other agreements entered between, DDCA, the other Delta Dental State
8 Insurers, DDPA, and DeltaUSA. DDCA's price fixing takes the form of (i) sharing confidential
9 price information and strategies to reduce reimbursement rates among the Delta Dental State
10 Insurers, including sharing specifics quantifying the amounts by which various Delta Dental State
11 Insurers reduced their provider reimbursements and the resulting retention of dentists in their
12 networks; (ii) DDCA's agreement to abide by policies and protocols requiring the Delta Dental State
13 Insurers to deny or disallow reimbursement for certain procedure codes (*i.e.*, fixing the price for
14 these procedure codes at \$0), mandating that certain procedure codes be priced the same as a
15 benchmark procedure code, and "recommending" prices for other procedure codes; (iii) sharing
16 reimbursement rate information for all procedure codes through the NPF and the NDP; and (iv)
17 adopting an effective discount standard that essentially requires DDCA to have the lowest or among
18 the lowest reimbursement rates of all competitor insurance companies in the State.

19 **A. DDCA and Other Delta Dental State Insurers Routinely Share Strategies for**
20 **Reducing Reimbursement Rates**

21 65. DDCA and the other Delta Dental State Insurers routinely share confidential pricing
22 and dentist retention and attrition information with each other. DDPA serves as the central hub
23 facilitating and coordinating this information sharing.

24 66. DDCA and other Delta Dental State Insurers rely on one another's information to
25 evaluate whether and when to implement reductions in their own reimbursement schedules and to
26 determine the magnitude of the reductions they implement.

27 67. DDCA and the other Delta Dental State Insurers also share reimbursement rate
28 information via direct communications between and among themselves about particular CDT

1 codes.¹ DDCA and other Delta Dental State Insurers even share much broader sets of fee
2 information, including entire fee schedules.

3 68. Although DDCA and other Delta Dental State Insurers claim that possessing one
4 another's pricing information would be of no use to them, that assertion is belied by the fact that
5 they persist in both sharing the information and relying on it when making their own pricing
6 decisions regarding provider reimbursement.

7 69. In addition to sharing information about fee reductions and CDT codes, DDCA and
8 the other Delta Dental State Insurers have shared with one another strategies and practices for
9 moving dentists from the Premier network (with comparatively higher reimbursement amounts) to
10 the lower-paying PPO network to satisfy the effective discount standards they have agreed to meet.

11 70. Information sharing between DDCA and the other Delta Dental State Insurers also
12 occurs at Delta Dental system-wide conferences and over e-mail, where information is shared on
13 the changes in their fee methodologies and how those changes impact dentist attrition in their
14 provider networks.

15 71. DDCA and other Delta Dental State Insurers often convey to one another details of
16 forthcoming fee reductions weeks or even months in advance, for which there is no legitimate
17 business purpose; and the recipients of such information, including DDCA, commonly consider it
18 when formulating their own pricing decisions. There is no justification for DDCA's and other Delta
19 Dental State Insurers' concerted sharing of both historical and planned reimbursement changes and
20 resulting provider attrition. Likewise, there is no justification for their systemic sharing of other
21 confidential pricing information and strategies described in the preceding paragraphs.

22 **B. DDCA Follows Directives Regarding Reimbursement Rates**

23 72. DDCA's Chief Dental Officer, Daniel Croley, is a member of the DDPA Dental
24 Policy Committee. The meetings of the Dental Policy Committee serve as yet another forum where
25 DDCA and other Delta Dental State Insurers share information about fee reductions.

26 _____
27 ¹ The ADA publishes the Code on Dental Procedures and Nomenclature, listing a standardized set
28 of Current Dental Terminology, or CDT, codes to assure consistency in documenting dental
treatment. <https://www.ada.org/publications/cdt>.

1 73. Additionally, the Dental Policy Committee promulgates DeltaUSA’s Processing
2 Policy Manual. DDCA’s unlawful practices follow the Processing Policy Manual’s three pricing
3 requirements, which are enforced through audits and sanctions.

4 74. First, DDCA has agreed to follow the Processing Policy Manual’s requirement that
5 reimbursement for many procedure codes be disallowed or denied. This policy effectively fixes the
6 price for these procedures at \$0.

7 75. Second, DDCA has agreed to follow the Processing Policy Manual’s requirement
8 that reimbursement for certain procedure codes be fixed at the same amount as the reimbursement
9 for a different code.

10 76. Third, each year, new procedure codes are promulgated by the ADA, and DDCA
11 follows Delta Dental’s nationwide “recommendations” of specific prices for reimbursement for
12 those codes.

13 **C. DDCA and the Other Delta Dental State Insurers Share Reimbursement Rate**
14 **Information for All Procedure Codes through the NPF and NDP**

15 77. DDCA and the other Delta Dental State Insurers further facilitate their price fixing
16 by agreeing to share reimbursement rates in two databases, the NPF and the NDP. DDCA and all
17 other Delta Dental State Insurers upload their reimbursement rates and other information to the NPF
18 and NDP, and all have access to the NPF and the NDP.

19 78. DDCA and the other Delta Dental State Insurers share all their provider
20 reimbursement data on the NPF, including reimbursement rates, dentist information (*e.g.*, name,
21 address, specialty), and dentist network affiliation. The NDP contains all the information from the
22 NPF, plus additional data such as practicing provider counts, industry discount studies performed
23 annually by the Milliman consulting firm, and routing files, which contain subscriber data such as
24 employer and group information.

25 79. Employees of DDCA and other Delta Dental State Insurers have broad access to the
26 NPF and the NDP.

27 80. DDCA and other Delta Dental entities have asserted that the NPF and the NDP are
28 necessary for claims processing on multi-state accounts, *i.e.*, so Delta Dental State Insurers can

1 service national clients. Yet, for decades, DDCA and other Delta Dental State Insurers serviced
2 multi-state and national accounts without the NPF or the NDP.

3 **D. DDCA and the Other Delta Dental State Insurers Lower Reimbursement**
4 **Rates to Satisfy an Effective Discount Standard**

5 81. DDCA and the other Delta Dental State Insurers have conspired to agree upon an
6 effective discount standard that requires the effective discount of DDCA and every other Delta
7 Dental State Insurer to be in the top quartile of competitors, and requires DDCA and the other Delta
8 Dental State Insurers to pay claims at the average of competitors in the top quartile of effective
9 discounts. As a practical matter, the higher the effective discount, the lower the reimbursement rate
10 paid to dentists.

11 82. The effective discount is calculated as the average savings across all claims paid. As
12 described above, DDCA and the other Delta Dental State Insurers have shared strategies both for
13 lowering the reimbursements paid to PPO and Premier dentists and for shifting dentists from the
14 higher-paying Premier network to the lower-paying PPO network. After communicating with one
15 another, DDCA and the other Delta Dental State Insurers have chosen to increase their effective
16 discount rates by agreeing unlawfully to lower the reimbursements paid to providers.

17 83. DDCA's implementation of the effective discount standard resulted in DDCA
18 affirmatively lowering or freezing its reimbursement rates for years.

19 **E. DDCA and the Other Delta Dental State Insurers' Price Fixing Has Harmed**
20 **Dental Providers**

21 84. Because of DDCA's monopsony control of the market for dental goods and services
22 in California, California dentists are effectively forced to enter into the Delta Dental Provider
23 Agreement with DDCA, just as Dental Providers in other states are effectively forced to enter into
24 the Delta Dental Provider Agreement with their respective Delta Dental State Insurers. The result
25 is that California Dental Providers, like Dental Providers elsewhere, must accept the artificially low
26 reimbursement rates dictated in that agreement. As shown above, DDCA dominates the commercial
27 dental insurance market in California, with market share above 50%. A California dentist or dental
28 practice is faced with a majority of patients who have subscribed to one of the Delta Dental insurance

1 plans and who wish to be treated by a dentist or dental practice willing to accept that plan; that
2 dentist or practice must accept Delta Dental’s artificially low reimbursement rates.

3 85. With no realistic alternative, California Dental Providers—like the Plaintiffs in this
4 Complaint—are effectively required to accept the Delta Dental Provider Agreement and its below-
5 market rates in order to access the majority of dental patients in California, and thereby to maintain
6 a viable dentistry business. Indeed, DDCA recognizes that California Dental Providers
7 overwhelmingly have no choice but to accept the artificially low reimbursement rates that DDCA
8 offers. As a result, DDCA has been able to deny fee increases and keep reimbursement rates to
9 dental providers constant for a decade or more (in the face of year-over-year inflation). At the same
10 time, DDCA continued (and continues) to increase premiums to consumers.

11 86. DDCA also affirmatively forces California Dental Providers to provide lesser care
12 than what their professional judgment indicates is warranted, or even to forgo providing medically
13 necessary care. Because DDCA’s price-fixing conspiracy results in the denial or disallowance of
14 reimbursement for procedures necessary for optimal care, DDCA leaves California dentists no
15 alternative but to provide more limited procedures, or no procedures at all. For example, California
16 Dental Providers may be forced to perform a light cleaning (*i.e.*, supra-gingival) rather than a deep
17 cleaning (*i.e.*, sub-gingival), or a tooth extraction rather than endodontic therapy and/or a crown,
18 disadvantaging both dentists and patients as a result.

19 87. The Price Fixing Mechanism and the Market Allocation Mechanism give California
20 Dental Providers no choice but to accept below-competitive reimbursement rates as determined by
21 DDCA via the Price Fixing Mechanism. Absent the Price Fixing Mechanism and the Market
22 Allocation Mechanism, California Dental Providers would have greater choice among the dental
23 insurance plans they could accept from their patients. California Dental Providers would then be
24 better positioned to negotiate with DDCA for higher reimbursement rates for the goods and services
25 they provide to insureds under Delta Dental insurance plans. As a result, DDCA’s monopsonistic
26 conspiracy has not only harmed California Dental Providers and California consumers, it has
27 harmed competition itself.

28

1 88. Due to DDCA’s implementation and maintenance of the Price Fixing Mechanism,
2 Plaintiffs and the Dental Providers in California have received less reimbursement for the goods and
3 services they provided to Delta Dental insureds and have been injured in their property and business
4 as a result.

5 **III. DDCA AND ITS CO-CONSPIRATORS ENGAGE IN UNLAWFUL OUTPUT**
6 **RESTRICTIONS**

7 89. In addition to the Market Allocation Mechanism and the Price Fixing Mechanism,
8 DDCA and the other Delta Dental entities have engaged in a mechanism that restricts the nature and
9 amount of business that DDCA and the other Delta Dental State Insurers are allowed to do outside
10 of the “Delta Dental” brand.

11 90. Through their longstanding business practices, DDCA and the other Delta Dental
12 State Insurers have the skills and knowledge required to compete with other Delta Dental plans.
13 Although the agreements that dictate the Market Allocation Mechanism prohibit one Delta Dental
14 State Insurer from contracting with Dental Providers and selling Delta Dental-branded dental
15 insurance in the exclusive territory of any other Delta Dental State Insurer, those express
16 prohibitions do not extend to non-Delta Dental-branded insurance.

17 91. Delta Dental State Insurers are permitted to own and operate so-called “second
18 brands” and, ostensibly, to use those second brands to offer non-Delta Dental-branded insurance
19 products. Defendant DDCA operates an affiliated, for-profit second brand called Dentegra. During
20 the relevant period, at least six other Delta Dental State Insurers had for-profit affiliated second
21 brands: Illinois (TruAssure), Kansas (Surency), Massachusetts (DentaQuest), Michigan
22 (Renaissance), Missouri (Advantica), and Rhode Island (Altus). In general, Dentegra and each of
23 the other second brands paid higher reimbursement to Dental Providers than the corresponding Delta
24 Dental State Insurers. Accordingly, California Dental Providers would benefit from increased
25 competition if the second brands belonging to the other Delta Dental State Insurers competed against
26 DDCA in California.

27 92. When other, similar entities—like Blue Cross Blue Shield—have imposed express
28 restrictions on second brands, they have attracted scrutiny under the antitrust laws. In an effort to

1 avoid such scrutiny, Delta Dental has not imposed written restrictions on second brands.
2 Nonetheless, DDCA and the other Delta Dental State Insurers have formed an unwritten agreement
3 to restrict the business of the second brands to avoid direct competition against the Delta Dental
4 brand—particularly in the market segment for large employer commercial business that accounts
5 for the overwhelming majority of DDCA and the other Delta Dental State Insurers’ revenues and
6 profits.

7 93. In practice, the second brands of DDCA and the other Delta Dental State Insurers
8 identified above have studiously avoided actual competition with the Delta Dental brand. Thus,
9 DDCA’s second brand, Dentegra, and the other second brands owned by Delta Dental State Insurers
10 have focused their operations on underwriting Delta Dental-branded business and insuring smaller
11 employers and individuals (for example, on insurance exchanges) where Delta Dental State Insurers
12 generally do not compete. Overwhelmingly, these second brands have not competed for the large
13 employer commercial business that provides the great majority of Delta Dental revenues. Pursuant
14 to this unwritten agreement, the second brands belonging to other Delta Dental State Insurers have
15 not competed in California in exchange for DDCA’s agreement not to allow Dentegra to compete
16 for large employer group business in other states.

17 94. Instead, DDCA’s Dentegra, the largest Delta Dental second brand, has devoted most
18 of its efforts and resources to facilitating Delta Dental-branded business rather than to competing
19 under its own name. Dentegra became a so-called “single-licensed entity,” or “SLE,” securing
20 licenses in all 50 states enabling it to underwrite multi-state Delta Dental-branded business on
21 insurance exchanges and for “groups of individuals” like AARP, including members in California.
22 If all second brands competed for this business, California consumers would pay lower premiums
23 and California Dental Providers would obtain higher reimbursement.

24 95. Although DDCA and the other Delta Dental entities deny that they agreed to restrict
25 second brands in these ways, the concerted action described above can only be the result of collusion
26 with the intention to avoid competition between second brands and Delta Dental State Insurers.

27 96. In an attempt to mask the agreement to foreclose second brands from competing with
28 Delta Dental State Insurers, DDCA and others within the Delta Dental system attribute the second

1 brands' abstention from competition for large group business to lack of resources, network, and
2 brand recognition. However, those insufficiencies exist because DDCA and the other relevant Delta
3 Dental State Insurers have purposely starved Dentegra and the other second brands of those things,
4 disabling them from competing in ways that would not serve the Delta Dental brand.

5 97. Additional facts demonstrate the existence of the unwritten agreement concerning
6 second brands. DDCA and the other Delta Dental State Insurers have common motives to conspire
7 to restrict the second brands' output: to maintain the profits from existing Delta Dental-branded
8 business, and to sustain their market power by preventing potential competitors from entering and
9 winning away from Delta Dental both insurance business and Dental Providers. DDCA and the
10 other Delta Dental State Insurers have acted against their own interest in agreeing to restrict the
11 second brands' output, choosing to forsake potentially profitable business that would be available
12 to them if they expanded into territories otherwise prohibited by the Market Allocation Mechanism.

13 98. The output restrictions described above amount to a significant restraint on trade in
14 the California market for dental goods and services because they directly limit the amount of
15 competition and the number of competitors in the market in which DDCA should be required to
16 compete for customers. Absent these output restrictions, there would be greater competition for
17 dental insurance and other dental services in California, which would result in greater insurance
18 choice and lower premiums for California dental plan sponsors and members, and greater insurance
19 choice and higher rates of reimbursement for dental goods and services provided by California
20 dentists and dental practices.

21 **IV. THE SUPRACOMPETITIVE PROFITS OF DDCA AND ITS CO-**
22 **CONSPIRATORS—FUNNELED INTO EXCESSIVE EXECUTIVE**
23 **COMPENSATION AND CAPITAL RESERVES—ARE DIRECT EVIDENCE OF**
THE EXERCISE OF MONOPSONY POWER IN CALIFORNIA AND
THROUGHOUT THE UNITED STATES

24 99. Regardless of the historical motives of its predecessor when dental service
25 corporations began to be formed more than 70 years ago, today, DDCA (like the other Delta Dental
26 State Insurers) is driven by corporate greed. Its excessive spending on executive compensation
27 packages and its amassment of ever-inflating capital reserves with no legitimate business purpose
28

1 to justify their magnitude contradict its proffered pro-competitive justification, *i.e.*, that supposedly
2 it has suppressed provider reimbursements to keep its clients' and insureds' premiums low.

3 100. As reflected in public tax forms, from 2014-2022, DDCA and the other Delta Dental
4 State Insurers have collected billions of dollars in operating gain—*i.e.*, profit—by increasing
5 premiums to consumers while suppressing Dental Provider reimbursement, which fell by
6 approximately 11% on an inflation-adjusted basis during the same period.

7 101. In turn, DDCA and the other Delta Dental State Insurers have used their
8 supracompetitive profits to pay lavish salaries and perquisites and to hoard billions of dollars in
9 capital reserves. While DDCA and most of the Delta Dental entities are nominally not-for-profit
10 entities, their directors and executives have received lavish executive compensation as a reward for
11 implementing and maintaining the highly profitable conspiracy described above. DDCA has
12 routinely paid its executives seven- and even eight-figure compensation packages. As examples,
13 DDCA paid one of its CEOs, Tony Barth, more than \$15 million in 2019; the total compensation of
14 its Chief Information Officer, Patrick Steele, exceeded \$13.6 million in 2014; and its prior CEO,
15 Gary Radine, was paid more than \$18 million in 2011. For seven of the eight years from 2014 to
16 2021, the compensation of DDCA's CEO was higher than 90% of that of non-profit health peer
17 CEOs.² Similarly, based on public tax filings, between 2014 and 2021, nearly one third of Delta
18 Dental CEOs received compensation higher than 90% of their non-profit health peers and over half
19 received compensation that was higher than 75% of those peers. From 2022 through 2024 (the most
20 recent year for which DDCA has reported its executive compensation publicly), its highest-paid
21 executive has averaged more than \$6 million in annual reportable compensation, and its five highest-
22 paid executives received total reportable compensation of \$16.452 million (2022), \$19.128 million
23 (2023), and \$19.078 million (2024).³

24 102. DDCA and the other Delta Dental State Insurers have also used their illicit revenue
25 to build excessive capital reserves that are multiples higher than both any regulatory requirement

26 _____
27 ² For the purposes of executive compensation, peers are defined as non-profit entities with NTEE
28 code E (Health Care) operating in the U.S. with revenue of 1/10 to 10 times the revenue of the
corresponding Delta Dental entity.

³ Form 990 for Delta Dental of California, Inc., 2022-2024 (Part VII).

1 and those of other insurers in the health industry. Risk-based capital (“RBC”) ratios measure surplus
2 level relative to risk to ensure a company’s solvency, and the National Association of Insurance
3 Commissioners (“NAIC”) requires that ratio to be at least 2.0; if an insurance company’s RBC falls
4 below 2.0, regulatory intervention is deemed necessary. The capital reserves that DDCA and the
5 other Delta Dental State Insurers have amassed far exceed the statutory requirements. Based upon
6 public information submitted to the NAIC, from 2014 through 2021, the Delta Dental State Insurers’
7 median RBC ratio ranged between 11.4 and 15.3, while the median range for more than 900 health
8 insurers that report to NAIC was between 5.9 and 7.1. Similarly, during the same period, the Delta
9 Dental State Insurers’ average RBC ratio was 12.3 compared to their peers’ (*i.e.*, other dental
10 insurers’)⁴ average of 7.9.

11 103. According to its public filings, DDCA’s surplus *tripled* from \$1 billion in 2016 to \$3
12 billion in 2023. These excessive capital reserves serve no legitimate insurance purpose or other
13 genuine business need.

14 104. Together, the exorbitant salaries and bulging reserves demonstrate that DDCA (like
15 its co-conspirators) is in fact motivated to, and does, derive significant supracompetitive profits from
16 its anticompetitive practices.

17 **V. DDCA’S ANTICOMPETITIVE CONDUCT VIOLATES THE CARTWRIGHT ACT**
18 **UNDER THE *PER SE*, QUICK LOOK, AND RULE OF REASON STANDARDS,**
AND ITS AGREEMENTS SHOULD BE ENJOINED

19 105. DDCA’s conduct in engaging in the Market Allocation Mechanism, the Price Fixing
20 Mechanism, and the Output Restrictions is *per se* anticompetitive.

21 106. DDCA possesses market power in California; the unlawful trust has significant
22 anticompetitive effects in respect of non-substitutable products within the relevant product and
23 geographic markets; and the conspiracy has no or insufficient pro-competitive justifications when
24 measured against the anticompetitive conduct alleged. Thus, DDCA is liable for each mechanism
25 of the alleged trust even under a quick-look or rule-of-reason analysis.

26

27 ⁴ For the purposes of calculating reserves, the Delta Dental State Insurers’ peers are defined as
28 dental insurance companies whose main operations are dental and do not generally contain other
insurance services as a major component of their business.

1 107. As alleged herein, DDCA has exercised its market power to achieve significantly
2 anticompetitive purposes with few or no compensatory features in respect of each aspect of the
3 alleged conspiracy.

4 108. Absent the Market Allocation Mechanism, the Price Fixing Mechanism, and the
5 Output Restrictions, DDCA would compete with the other Delta Dental State Insurers in the market
6 for dental goods and services in California and in a way that would naturally produce higher
7 reimbursement rates for California Dental Providers and/or lower premiums for dental insurance
8 plan sponsors and members in California.

9 109. In order to remedy its anticompetitive practices, Defendant DDCA should be
10 enjoined from conforming to and implementing the Market Allocation Mechanism.

11 110. Likewise, the Price Fixing Mechanism is anticompetitive because it results in DDCA
12 and the other Delta Dental State Insurers sharing price information and agreeing among themselves
13 to rates at which they will reimburse Dental Providers, allowing DDCA to abuse its monopsony
14 control to artificially impose lower rates on California Dental Providers. Defendant DDCA should
15 be enjoined from colluding to set the reimbursement rates offered to Dental Providers.

16 111. The Output Restrictions are also anticompetitive because they limit the amount of
17 business DDCA and other Delta Dental State Insurers can generate under their non-Delta Dental
18 insurance plans, *i.e.*, their second brands. These restrictions prevent Delta Dental State Insurers
19 from developing and offering dental insurance plans under their second brands that would compete
20 with Delta Dental plan offerings. DDCA should be enjoined from preventing its second brand,
21 Dentegra, from competing with Delta Dental State Insurers. Such an injunction will give dental
22 plan sponsors, providers, and members greater choice in dental insurance.

23 **VI. PLAINTIFFS HAVE SUFFERED ANTITRUST INJURY**

24 112. Plaintiffs have suffered antitrust injury in respect of each of the three mechanisms of
25 the Delta Dental trust described herein.

26 113. The Market Allocation Mechanism is an illegal horizontal market allocation
27 agreement and has caused antitrust injury to Plaintiffs. By allocating the markets in which the Delta
28 Dental State Insurers can offer dental insurance, DDCA has restrained competition in a way that has

1 reduced the number of insurance plans available to dental patients served by California Dental
2 Providers, and thus restrained competition among dental insurance providers for the reimbursement
3 rates offered to California Dental Providers. California Dental Providers—faced with DDCA’s
4 market dominance in its allocated territory, and with the other Delta Dental State Insurers’ refusal
5 to conduct business and compete in California—are faced with a “take it or leave it” scenario for
6 the reimbursement rates they are offered by DDCA in California.

7 114. Absent the Market Allocation Mechanism, there would be more competition among
8 dental insurers for the dental goods and services business of dentists and dental practices, and for
9 the insurance premium business of dental plan sponsors and members. This competition would
10 increase the reimbursement rates available to California Dental Providers. This competition also
11 would decrease the premiums (or increase the coverage) available to dental plan sponsors and
12 members.

13 115. The Price Fixing Mechanism has caused antitrust injury to Plaintiffs. By colluding
14 to reduce the reimbursement rates paid by DDCA to California Dental Providers, rather than
15 allowing those rates to be set by competition among DDCA and the other Delta Dental State
16 Insurers, DDCA has reduced competition and set artificially low the amounts that California Dental
17 Providers receive as reimbursement for goods and services provided to Delta Dental insureds.

18 116. Absent the conspiracy, competition among DDCA and the other Delta Dental State
19 Insurers would naturally lead to higher reimbursement rates for California Dental Providers.

20 117. The Output Restrictions have caused antitrust injury to Plaintiffs. By colluding to
21 refrain from using Dentegra and other second brands to compete with Delta Dental State Insurers’
22 Delta Dental-branded business, DDCA (like the other Delta Dental State Insurers) has directly
23 reduced the amount of competition in the market for dental goods and services.

24 118. Absent the restrictions, the other Delta Dental State Insurers would conduct more
25 dental insurance business in California in competition with DDCA. This increased competition
26 would again result in increased reimbursement rates to California Dental Providers, who would have
27 the choice of accepting patients (and thus reimbursement rates) under more insurance plans, and not
28 just the Delta Dental plans from DDCA.

1 119. The Dental Providers in California have suffered direct harm as a result of DDCA’s
2 and the other Delta Dental entities’ anticompetitive and unfair acts and conspiracy. DDCA has
3 market power in California. While a California dentist may decline to become a member of DDCA’s
4 network, or decide not to accept Delta Dental insurance, to do so means being denied access to the
5 largest group of potential dental patients because there are significant disincentives for patients to
6 seek treatment by an “out-of-network” dentist; this is particularly acute because, in California,
7 DDCA holds a dominant share of the market.

8 120. Given its market power, DDCA can and does (a) charge California consumers
9 insurance premiums in excess of what they would otherwise be in a competitive market, (b) pay
10 California Dental Providers below-market rates for services rendered to Delta Dental insureds
11 pursuant to the Delta Dental Provider Agreement, and (c) retain the difference as a supracompetitive
12 profit without being taxed upon it due to DDCA’s “non-profit” status.

13 121. DDCA has exerted its monopsony power to pay lower reimbursements to California
14 Dental Providers. Since 2011, GDP per capita, mean U.S. household income, and the average salary
15 for a physician have been slowly and steadily growing. By contrast, however, dentists on average
16 have seen regular and consistent *declines* in their earnings, despite the broader healthcare trend.

17 122. Moreover, the negative trends in the incomes of dentists and dental practices do *not*
18 exist in those segments of the dental market where DDCA is not present and exercising its
19 monopsony powers. For example, dental insurance does not typically cover cosmetic procedures.
20 As a result, patients do not select the dentists from whom they receive cosmetic dental services
21 based on the insurance plans accepted by those dentists. Instead, dentists who provide cosmetic
22 dental procedures are free to do so at the prices they set, and are not subject to the reimbursement
23 rates provided by dental insurers like DDCA. Rates and revenues in the cosmetic dentistry market
24 are thus free from significant interference by DDCA. Unsurprisingly, and in stark contrast to the
25 markets for dental services in which Delta Dental State Insurers do operate, the market for cosmetic
26 dentistry has grown and is projected to continue growing in the near future.⁵

27 _____
28 ⁵ Grand View Research, U.S. Cosmetic Dentistry Market Size & Outlook, 2022-2030 (2022).

1 128. Plaintiffs may sue on behalf of the Injunction Class and the Damages Class
2 (collectively, the “Classes”) because:

3 a. The Classes are so numerous that joinder of all members is impracticable. The Classes
4 number in the tens of thousands, the exact number and their identities being known by DDCA.

5 b. Questions of law and fact are common to the Classes, including but not limited to the
6 following:

- 7 i. Whether DDCA possesses monopsony power over the Classes;
- 8 ii. Whether DDCA conspired with co-conspirators to allocate markets
9 horizontally;
- 10 iii. Whether DDCA conspired with co-conspirators to share price information;
- 11 iv. Whether DDCA conspired with co-conspirators to fix, stabilize, or reduce the
12 amounts of reimbursements to Dental Providers;
- 13 v. Whether DDCA conspired with co-conspirators to restrict output by placing
14 artificial and anticompetitive limitations on the use of second brands;
- 15 vi. Whether the Classes suffered antitrust injury;
- 16 vii. Whether DDCA’s conduct in respect of the Market Allocation Mechanism as
17 alleged in this Complaint caused damages to the Damages Class and the
18 method of calculating the amount and extent of those damages;
- 19 viii. Whether DDCA’s conduct in respect of the Price Fixing Mechanism as
20 alleged in this Complaint caused damages to the Damages Class and the
21 method of calculating the amount and extent of those damages;
- 22 ix. Whether DDCA’s conduct in respect of the Output Restrictions Mechanism
23 as alleged in this Complaint caused damages to the Damages Class and the
24 method of calculating the amount and extent of those damages;
- 25 x. Whether DDCA’s conduct in respect of the three above-described
26 mechanisms combined in full, or in part, caused damages to Plaintiffs and
27 other members of the Damages Class and the method of calculating the
28 amount and extent of those damages; and

- 1 xi. Whether DDCA’s conduct as alleged in this Complaint should be enjoined.
- 2 c. Plaintiffs are members of the Classes, have claims that are typical of the claims of the
3 members of the Classes because all members of the Classes were injured, and may continue to be
4 injured, in the same manner by DDCA and its co-conspirators’ unlawful, anticompetitive, and
5 inequitable methods, acts, and practices. Plaintiffs have interests coincident with and not
6 antagonistic to those of the other members of the Classes, and will fairly and adequately protect the
7 interests of the members of the Classes.
- 8 d. Plaintiffs are represented by counsel who are competent and experienced in the prosecution
9 of antitrust and class action litigation and who will fully and adequately protect the interests of all
10 members of the Classes.
- 11 e. The prosecution of separate actions by individual members of the Classes would create a
12 risk of inconsistent or varying adjudications.
- 13 f. DDCA has acted on grounds that apply generally to the Classes, so that final injunctive relief
14 is appropriate respecting the Classes as a whole.
- 15 g. The questions of law and fact common to the members of the Classes predominate over any
16 questions affecting only individual members, including legal and factual issues relating to market
17 power, liability, and damages.
- 18 h. A class action is superior to other available methods for the fair and efficient adjudication of
19 this controversy. Treatment as a class action will permit a large number of similarly situated persons
20 to adjudicate their common claims in a single forum simultaneously, efficiently, and without the
21 duplication of effort and expense that numerous individual actions would engender. The Classes
22 are readily definable, records for the Classes should exist in the files of DDCA, and a class action
23 will eliminate the possibility of repetitious litigation.
- 24 i. Class treatment will also permit the adjudication of relatively small claims by many members
25 of the Classes who otherwise could not afford to litigate claims such as those asserted in this
26 Complaint.
- 27 j. This class action presents no difficulties of management that would preclude its maintenance
28 as a class action.

1 **FIRST CAUSE OF ACTION**

2 **Violation of the Cartwright Act,**
3 **Business & Professions Code §§ 16700 – 16770**

4 129. Plaintiffs, on behalf of themselves and all others similarly situated, reallege and
5 incorporate herein by reference each of the allegations contained in the preceding paragraphs of this
6 Complaint, and further allege against Defendant DDCA as follows:

7 130. Beginning at a date unknown to Plaintiffs, and continuing thereafter up until the
8 present, Defendant and its co-conspirators entered into and engaged in a continuing unlawful trust
9 for the purpose of unreasonably restraining trade in violation of sections 16700 – 16770 of the
10 California Business and Professions Code.

11 131. The unlawful trust entered into by Defendant and its co-conspirators has included
12 concerted action and undertakings with the purpose and effect of (a) allocating markets for dental
13 goods and services horizontally, (b) sharing price information and fixing, stabilizing, or reducing
14 prices (*i.e.*, the amounts of reimbursements to Dental Providers), and (c) restricting output by
15 placing artificial and anticompetitive limitations on the use of second brands.

16 132. The unlawful trust among Defendant and its co-conspirators has had the following
17 effects, among others:

- 18 a. Competition between Defendant and other Delta Dental State Insurers in California
19 has been suppressed, restrained, and eliminated;
- 20 b. Defendant and the other Delta Dental State Insurers have fixed prices in California,
21 specifically fixing the amounts that can be charged and reimbursed for dental goods
22 and services in California;
- 23 c. Competition between Defendant and second brands of other Delta Dental State
24 Insurers in California has been suppressed, restrained, and eliminated; and
- 25 d. Plaintiffs and the members of the Classes have received lower reimbursement from
26 Defendant than they otherwise would have received in the absence of Defendant’s
27 unlawful combinations and contracts with its co-conspirators, and, as a direct and
28

1 proximate result, Plaintiffs and the members of the Classes have been deprived of
2 the benefits of free and fair competition on the merits.

3 133. Plaintiffs and the members of the Classes are “persons” within the meaning of the
4 Cartwright Act as defined in section 16702.

5 134. The acts done by Defendant as part of, and in furtherance of, its contracts,
6 combinations, or conspiracy were authorized, ordered, or done by its officers, directors, agents,
7 employees, or representatives while actively engaged in the management of Defendant’s affairs.

8 135. Defendant’s contracts, combinations, and/or conspiracies constitute *per se* violations
9 of the Cartwright Act, and, in any event, would also violate the Cartwright Act under a quick look
10 or rule-of-reason analysis.

11 136. As a direct and proximate result of Defendant’s unlawful conduct, Plaintiffs have
12 suffered injury in their business and property, having been paid less, having been forced to accept
13 far less favorable rates and other contract terms, and/or having access to far fewer patients than they
14 would have but for the illegal trust between Defendant and its co-conspirators, incurring damages
15 in an amount according to proof at trial. As a result of Defendant’s violation of sections 16720 and
16 16726 of the California Business and Professions Code, Plaintiffs bring this claim pursuant to
17 section 16750(a) and seek treble damages and the costs of suit, including reasonable attorneys’ fees.

18 137. In addition, Defendant’s unlawful conduct threatens to continue to injure Plaintiffs.
19 Therefore, Plaintiffs on behalf of themselves and the members of the Injunction Class seek a
20 permanent injunction prohibiting Defendant from continuing its illegal trust and ordering it to take
21 appropriate remedial action to correct and eliminate any remaining effects of any of the conspiracy.

22 138. Plaintiffs reserve the right to seek preliminary injunctions as appropriate.

23 **SECOND CAUSE OF ACTION**

24 **Violation of the Unfair Competition Law,**
25 **Business & Professions Code §§ 17200 – 17210**

26 139. Plaintiffs, on behalf of themselves and all others similarly situated, reallege and
27 incorporate herein by reference each of the allegations contained in the preceding paragraphs of this
28 Complaint, and further allege against Defendant DDCA as follows:

1 140. Beginning at a date unknown to Plaintiffs, and continuing thereafter up until the
2 present, Defendant DDCA committed acts of unfair competition, as defined by sections 17200 –
3 17210 of the California Business and Professions Code.

4 141. The acts and practices of Defendant DDCA, as alleged herein, constituted a common
5 and continuing course of conduct of unfair competition by means of unfair, unlawful, and/or
6 fraudulent business acts or practices within the meaning of sections 17200 – 17210 of the California
7 Business and Professions Code.

8 142. DDCA’s violations of sections 16700 – 16770 of the California Business and
9 Professions Code, as set forth above, constitute unfair competition and unlawful, unfair, and
10 fraudulent business acts and practices within the meaning, and in violation, of sections 17200 –
11 17210 of the California Business and Professions Code.

12 143. DDCA’s acts and practices, as set forth above, whether or not in violation of sections
13 16700 – 16770 of the California Business and Professions Code, and whether or not concerted or
14 independent acts, are otherwise unfair, unconscionable, unlawful, or fraudulent.

15 144. DDCA’s actions to restrain trade, allocate markets, fix prices, and restrict output
16 constitute unfair competition and unlawful, unfair, and fraudulent business acts and practices within
17 the meaning, and in violation, of sections 17200 – 17210 of the California Business and Professions
18 Code.

19 145. The conduct of DDCA in engaging in combinations with others with the intent,
20 purpose, and effect of creating and carrying out restrictions in trade and commerce, eliminating
21 competition among them, and fixing the reimbursement of California Dental Providers at artificially
22 low levels, constitutes and was intended to constitute unfair competition and unlawful, unfair, and
23 fraudulent business acts and practices within the meaning, and in violation, of sections 17200 –
24 17210 of the California Business and Professions Code.

25 146. As a result of its violations of Business and Professions Code sections 17200 –
26 17210, DDCA has unjustly enriched itself at the expense of Plaintiffs and the other members of the
27 Damages Class. The unjust enrichment continues to accrue as the unlawful, unfair, and fraudulent
28 business acts and practices continue.

- 1 g. Defendant is permanently enjoined from retaliating against any Plaintiff or member
2 of the Classes for participation in the litigation or enforcement of any remedy;
- 3 h. Defendant must provide ongoing periodic reporting on compliance, must submit to
4 monitoring by the Court, and must establish a process through which members of the
5 Classes will be represented regarding any compliance issue at Defendant's cost, all
6 of which should continue until Defendant shows that it has corrected the effects of
7 its illegal conduct;
- 8 i. Plaintiffs and the Damages Class are awarded threefold the damages determined to
9 have been sustained by them as a result of the conduct of Defendant complained of
10 herein, as provided in California Business and Professions Code section 16750(a),
11 and judgment shall be entered against Defendant for the amount so determined;
- 12 j. The alleged trust, contract, combination, or conspiracy be adjudged and decreed to
13 be a violation of the Unfair Competition Law;
- 14 k. The conduct of Defendant constitutes unlawful, unfair, and/or fraudulent business
15 practices within the meaning of California's Unfair Competition Law, California
16 Business and Professions Code sections 17200 – 17210;
- 17 l. Defendant be required to provide restitution and disgorgement of all of Defendant's
18 ill-gotten gains as allowed by law and equity as determined to have been sustained
19 by Plaintiffs and the Classes, together with the costs of suit, including reasonable
20 attorneys' fees;
- 21 m. Plaintiffs and the Damages Class are awarded pre- and post-judgment interest at the
22 highest legal rate from and after the date of service of the initial Complaint in this
23 action;
- 24 n. Defendant is financially responsible for the costs and expenses of a Court-approved
25 notice program by mail, broadcast media, and publication designed to give
26 immediate notification to members of the Classes; and
- 27 o. Plaintiffs and the Classes are awarded any such other and further relief as the Court
28 may deem just and proper, including such additional relief as the Court may deem

1 just and proper to restore competition and to redress, dissipate the anticompetitive
2 effects of, and prevent recurrence of Defendant's violations.

3 **JURY DEMAND**

4 Plaintiffs hereby demand a jury trial for all issues so triable.

5
6 Dated: April 30, 2026

Respectfully submitted,

7
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