

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE REQUEST BY )  
DIAMOND CASTLE INVESTORS GROUP )  
FOR AN EXEMPTION FROM THE FILING )  
AND PUBLIC HEARING REQUIREMENTS ) ORDER  
OF THE INSURANCE HOLDING COMPANY )  
SYSTEMS ACT, N.J.S.A. 17:27A-1 ET SEQ. )

This matter having been opened by the Commissioner of the Department of Banking and Insurance (“the Commissioner”) pursuant to N.J.S.A. 17:1C-1 et seq., and 17:27A-1 et seq., and all powers expressed or implied therein; and

IT APPEARING that N.J.S.A. 17:27A-2d provides for the Commissioner’s approval of any merger or other acquisition of control of a domestic insurer after holding a public hearing; and

IT FURTHER APPEARING that N.J.S.A. 17:27A-2f(2)(a) provides an exemption to N.J.S.A. 17:27A-2 when an offer, request, invitation, agreement or acquisition is made which the Commissioner by Order shall find as not having been made or entered into for the purpose, and not having the effect, of changing or influencing the control of a domestic insurer; and

IT FURTHER APPEARING that Beacon Health Strategies, LLC (“BHS” or “the insurer”) is a New Jersey-domiciled licensed organized delivery system subject to the requirements of N.J.S.A. 17:27A-1 et seq.; and

IT FURTHER APPEARING that BHS is a direct, wholly-owned subsidiary of Beacon Health Holdings, LLC (“BHH”), which, in turn, is a wholly-owned subsidiary of the Diamond Castle Investors group (“Diamond Castle”), consisting of funds DCP IV GP-GP, LLC, DCP IV

GP, L.P., Deal Leaders Fund, L.P., Diamond Castle Partners, IV, L.P., Diamond Castle Partners IV-A,, L.P. and DC Partners IV-A, L.P., collectively controlled by individuals Ari Benacerraf, Michael Ranger, and Andrew Rush; and

IT FURTHER APPEARING that the Diamond Castle Investors group is recapitalizing its funds such that Diamond Castle Partners IV, L.P., Diamond Castle Partners IV-A, L.P. and Deal Leaders Fund, L.P., will transfer their investments in the portfolio companies, including BHH and BHS, to two newly-formed investment funds that will be organized as limited partnerships, Diamond Castle Partners 2014, L.P., and DCP 2014 Deal Leaders Fund, L.P. (the “Recap Funds”), that will in turn be controlled by a newly-formed general partner, DCP 2014 GP, L.P., that will in turn be controlled by DCP 2014 GP-GP, LLC, (“Recap GP of GP”) which will ultimately be controlled by individuals Ari Benacerraf, Michael Ranger and Andrew Rush; and

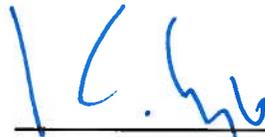
IT FURTHER APPEARING that after the transaction, individuals Ari Benacerraf, Michael Ranger and Andrew Rush will continue to be the ultimate controlling persons of Recap GP of GP and thus ultimately of the newly-formed investment funds and of the insurer and its holding company BHH; and

IT FURTHER APPEARING that this transaction is an intrasystem corporate restructuring that is not being made or entered into for the purpose, and will not have the effect, of changing or influencing the control of the insurer; and

IT FURTHER APPEARING that the Department of Banking and Insurance (“the Department”) has reviewed the documents submitted in support of this request and, based upon that review, has determined that the parties may be exempted from the filing and public hearing requirements of N.J.S.A. 17:27A-2, upon finding that the provisions of N.J.S.A. 17:27A-2f(2) are applicable to this transaction;

THEREFORE, IT IS on this 5<sup>th</sup> day of November, 2014,

ORDERED that, based upon the finding that the proposed transaction involves an intrasystem reorganization that has no effect on the ultimate control or ownership of the insurer, this transaction is hereby exempted from the statutory filing and public hearing requirements of N.J.S.A. 17:27A-1 et seq. in accordance with N.J.S.A. 17:27A-2f(2).



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Kenneth E. Kobylowski  
Commissioner