

1 ROB BONTA
Attorney General of California
2 NELI PALMA
Senior Assistant Attorney General
3 DAVID JONES
Supervising Deputy Attorney General
4 ARI DYBNIS (SBN 272767)
KEVIN REYES (SBN 295526)
5 SEAN MCGUIRE (SBN 31952)
HIMA RAVIPRAKASH (SBN 289441)
6 Deputy Attorneys General
300 South Spring Street, Suite 1702
7 Los Angeles, CA 90013
Telephone: (213) 269-6664
8 Fax: (916) 731-3652
E-mail: Ari.Dybnis@doj.ca.gov
9 *Attorneys for Plaintiff,*
10 *the People of the State of California*

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11
12 SUPERIOR COURT OF THE STATE OF CALIFORNIA
13
14 FOR THE COUNTY OF LOS ANGELES

15
16 **THE PEOPLE OF THE STATE OF CALIFORNIA,**

17 Plaintiff,

18 v.

19 **ASPEN DENTAL MANAGEMENT, INC.**

20 Defendant.
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Case No. 26STCV14023

COMPLAINT

1. Violations of California's False Advertising Law, Business & Professions Code § 17500 et seq.
2. Violations of California's Unfair Competition Law, Business & Professions Code § 17200 et seq.

1 Plaintiff, the People of the State of California (Plaintiff or the People), by and through
2 Rob Bonta, Attorney General of the State of California, allege the following on information and
3 belief:

4 **INTRODUCTION**

5 1. Defendant Aspen Dental Management, Inc. (Aspen Dental or Defendant)
6 represents itself as a service provider that supports the business operations of independent dental
7 offices operating under the “Aspen Dental” brand. In reality, Aspen violated California law by
8 interfering with and unlawfully directing the practice of dentistry. One of Aspen Dental’s
9 functions has been to create and disseminate advertisements for “Aspen Dental”-branded offices.
10 Some advertisements were misleading and violated California consumer protection statutes.

11 2. In this action, the People seek an order permanently enjoining Defendant from
12 engaging in these unlawful, unfair and fraudulent practices, as well as other relief available under
13 California law.

14 **PLAINTIFF**

15 3. Plaintiff is the People of the State of California, who bring this action by and
16 through Attorney General Rob Bonta. The Attorney General is authorized by Business and
17 Professions Code sections 17203, 17204, and 17206 to bring actions to enforce the Unfair
18 Competition Law (UCL) and by Business and Professions Code sections 17535 and 17536 to
19 bring actions to enforce the False Advertising Law (FAL).

20 **DEFENDANT**

21 4. Defendant Aspen Dental Management, Inc. (Aspen Dental) is a private equity
22 owned Delaware corporation headquartered in Chicago, Illinois. It conducted and/or contracted
23 business through its agents, employees, and representatives in counties throughout the State of
24 California, including Los Angeles County.

25 **JURISDICTION AND VENUE**

26 5. This Court has original jurisdiction over this action pursuant to California
27 Constitution, article VI, section 10.

28 6. The violations of law alleged in this Complaint occurred in the County of Los

1 Angeles and elsewhere throughout California.

2 7. Venue is proper in this Court pursuant to Code of Civil Procedure section 395.5
3 because Defendant's marketing and sales activities included the Los Angeles region and therefore
4 Defendant's liability arises in the County of Los Angeles.

5 8. Venue is also proper in this Court pursuant to Code of Civil Procedure section
6 393, subdivision (a), because violations of law that occurred in the County of Los Angeles are a
7 "part of the cause" upon which Plaintiff seeks the recovery of penalties imposed by statute.

8 **DEFENDANT'S BUSINESS ACTS AND PRACTICES**

9 9. Aspen Dental is a dental support organization (DSO) owned by private equity
10 firms. Dental offices generally contract with DSOs to provide business management and
11 administrative support. Each office that contracts with Aspen Dental uses the "Aspen Dental"
12 brand name and operates using Aspen Dental's trade dress.

13 10. Since its founding in 1998, Aspen Dental has grown to contract with over a
14 thousand offices across the United States. It began its expansion into California in 2019 and has
15 since opened 19 offices across the state and served tens of thousands of California patients.

16 **Aspen Dental's Corporate Practice, Ownership, and Management of Dentistry**

17 11. To expand into California, Aspen Dental did not find existing dental offices and
18 contract with them. It conducted research to identify appropriate locations to open Aspen Dental-
19 branded practices. It then entered into leases for the office space. It designed the office layout,
20 built out the office, and decorated every aspect of the office, down to selecting what artwork
21 hangs on the bathroom walls. Aspen Dental also selected, purchased, and installed all dental
22 equipment.

23 12. Aspen Dental built denture laboratories in every dental office and staffed and
24 operated them with Aspen Dental, not dental practice, employees.

25 13. Each office that Aspen Dental opened in California bore only the "Aspen Dental"
26 name on its exterior, signage, and interior, without any indication of an independent, licensed
27 dentist-owner of the dental office. Aspen Dental similarly advertised these dental practices on its
28 website simply as "Aspen Dental" practices without identifying any independent dentist-owners.

1 14. For each office in California that Aspen Dental opened and built out, it would
2 contract with a dentist-owner. Aspen originally contracted with a single dentist to open its first
3 group of offices in California. The dentist was licensed in California but, to date, has never
4 practiced or been domiciled in California. She is an owner of other Aspen Dental-branded offices
5 in other states and is married to an Aspen Dental executive. Subsequently, Aspen Dental has
6 contracted with other dentists for offices in California.

7 15. Pursuant to these contracts, Aspen Dental agreed to provide all California practices
8 with, among other services: bookkeeping; accounting; patient scheduling; billing; collections;
9 payroll; payment of accounts payable; licensing; preparation of tax returns; laboratory services;
10 recruiting, hiring, supervising, and terminating all non-clinical office personnel; arranging for all
11 utilities and janitorial services; and storage and organization of files and records. As part of its
12 services, the contracts allow Aspen Dental to collect patient payments and withdraw for itself a
13 service fee that it can increase at its own discretion, without any authorization or oversight by the
14 ostensible practice owner.

15 16. Aspen Dental also agreed to provide “advice and assistance” in arranging for,
16 building out, repairing and developing office space; recruiting dentists and other clinical staff;
17 purchasing dental supplies, equipment and furnishings; and advertising and marketing the
18 practices, among other services.

19 17. The contracts severely limit dentist-owners who seek to terminate the agreement.
20 For example, upon termination of the contract, the dentist-owner is required to immediately
21 vacate and surrender the office to Aspen Dental, including all equipment and property in the
22 office. The contract further bars them from practicing within a ten-mile radius of the practice or
23 soliciting office patients for a full year.

24 18. The contract authorizes Aspen Dental to replace the prior owner-dentist with one
25 of its choosing, retain copies of all the office’s patient records, and solicit and provide care for all
26 the office’s patients.

27 19. Aspen Dental created systems, clinical policies, and trainings that guide dentists
28 through a career development path from associate dentist, to managing dentist, to a contracting

1 practice owner, and then to executive leadership in Aspen Dental itself. Through these measures,
2 Aspen Dental has been able to assure that its practice owners are “highly aligned” with Aspen
3 Dental and that Aspen Dental can maintain uniformity throughout its California offices.

4 20. Aspen Dental created systems, documents, and trainings that lay out fee schedules
5 for services and procedure codes to use for billing, default hours and days of operation, the flow
6 for the treatment of patients through different stations in the office, how clinicians fill out charts,
7 the amount of time that clinicians should take for specific procedures, and how, when, and in
8 what frequency clinicians should perform certain procedures, and then what follow-up measures
9 and post-service products are appropriate.

10 21. Many of these systems, documents, and trainings are framed as guidance but the
11 guidance uniformly emphasizes specific profitable goods and services. Aspen Dental pairs the
12 guidance with metrics or “scorecards” that track the sale and revenue of those goods and services.
13 Aspen Dental also uses its own extensive supervisory and management structure to emphasize
14 these metrics to dental practice clinical and non-clinical staff, including through direct office
15 visits and chart reviews.

16 22. Aspen Dental’s own managers and supervisors are also heavily involved in the
17 hiring of clinical practice employees. Aspen Dental has a bonus structure for many supervisory
18 employees that operates as an effective profit share with the practice or practices, whose
19 clinicians the supervisors interact with.

20 23. Aspen Dental also hires and directs an office manager in each practice, who is
21 technically a practice employee. In addition to handling the basic management of the offices,
22 these managers are placed in offices to encourage patients to agree to and pay for as many of the
23 services and products in their treatment plan as possible and as quickly as possible.

24 24. Aspen Dental also encouraged the sale of particular products and services through
25 direct incentives to practices’ clinical employees. For example, Aspen Dental developed and
26 implemented an incentive program for hygienists to encourage the sale of clear aligners. The
27 program offered hygienists \$50 per sale to a new patient or \$100 for sale to an existing patient. It
28 implemented a similar incentive but for dentists to encourage the sale of its Motto brand clear

1 aligners. Under the plan, dentists could receive \$200 per case, promotional items for office staff,
2 and even a four-day trip to Mexico.

3 25. Aspen Dental's business practices created pressure on practices' clinical staff to
4 comply with Aspen Dental's "guidance" and metrics, and to promote unnecessary and expensive
5 products or services to patients. Further, the business practices created confusion, even in clinical
6 practice employees, regarding who owns and directs their practices.

7 **Advertising Practices**

8 26. Aspen Dental created the advertising for all its contracted California dental
9 practices. Aspen created much of this advertising as part of uniform marketing campaigns to
10 advertise for multiple offices, and some advertising was disseminated in other states. Aspen
11 Dental disseminated the advertising without California practice owners' review or affirmative
12 signoff of each piece of advertising. Its advertisements directed California consumers to Aspen
13 Dental call centers that would then refer patients to specific Aspen Dental practices. However, it
14 never registered with the Dental Board of California as a dental group advertiser and referral
15 service.

16 27. Many advertisements that Aspen Dental created contained misleading and/or false
17 representations.

18 28. As discussed above, Aspen Dental's California practices operated under the Aspen
19 Dental brand, without disclosing that Aspen Dental did not own the practices. Aspen Dental's
20 advertising was similarly misleading. It did not clearly disclose the owners of the California
21 Aspen Dental-branded offices that were being advertised or that the advertisements were paid for
22 by participating dentists. It similarly never disclosed that more than 50% of its advertisements
23 were for one California dentist, as required by California statute.

24 29. Aspen Dental represented that new patients could get full exams and x-rays for
25 free. However, Aspen Dental made this representation without disclosing the terms and
26 conditions of this offer. For example, Aspen Dental did not always disclose that this offer only
27 applied if the patient was 21 years or older and uninsured.

28 30. Aspen Dental's California advertising included misleading testimonials, including

1 testimonials as to the quality of Aspen Dental care from individuals who never received treatment
2 from any California practice.

3 31. Aspen Dental represented that “we work with all insurance, or no insurance.”
4 However, Aspen Dental offices did not accept state or federally funded insurance programs.

5 32. Aspen Dental represented that its practices had “no hidden fees or surprises” and
6 that emergencies were welcome. However, Aspen Dental practices charged emergency patients a
7 “problem focus fee,” but did not disclose these fees in its advertising. In fact, Aspen Dental
8 directed its call centers not to disclose the fee to patients.

9 33. Aspen Dental represented that its offices craft their dentures in on-site labs “from
10 start to finish, so they never leave our office and you never have to worry.” However, this was
11 only true for certain types of dentures. It was Aspen Dental’s practice to send certain dentures to
12 outside laboratories.

13 34. Some Aspen Dental advertisements suffered from ambiguity and misleading cost
14 claims because of the use of inexact price language. It described prices for certain products or
15 procedures as “starting at”, “as low as,” and “from” without clearly disclosing the factors that
16 affect the price or what a patient gets for that price, versus similar more expensive products of
17 procedures. Aspen Dental similarly represented discounts “up to” certain specific amounts
18 without clearly disclosing the factors affecting eligibility for those discounts versus lesser
19 discounts.

20 35. Aspen Dental’s Spanish-language advertisements in some cases also lacked
21 disclosures that were included in nearly identical English-language advertisements. For example,
22 when Aspen Dental advertised financed monthly payments in English, it regularly disclosed that
23 the financing was not through Aspen Dental but instead offered by and subject to the approval of
24 third-party financing. However, similar disclosures did not appear in Spanish-language
25 advertisements.

26 36. Aspen Dental’s misleading and/or false advertising violated California law.
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1 **FIRST CAUSE OF ACTION**

2 VIOLATIONS OF BUSINESS AND PROFESSIONS CODE SECTION 17500 ET SEQ.

3 (False or Misleading Statements)

4 37. The People reallege and incorporate by reference each of the paragraphs above as
5 though fully set forth herein.

6 38. Defendant violated California Business and Professions Code section 17500, et
7 seq. (the False Advertising Law or FAL) by making or disseminating, or causing to be made or
8 disseminated, before the public in this State, untrue or misleading statements in connection with
9 the sale of goods or services, that Defendant knew or should have known were untrue or
10 misleading. These statements included, but are not limited to, the following:

- 11 a. Aspen Dental owns and operates the dental practices operating in California under
12 its brand name;
13 b. New patients could get full exams and x-rays for free;
14 c. Advertising testimonials reflected the opinion of patients of the California
15 practices for which Aspen Dental was advertising;
16 d. Aspen Dental offices accept all insurance;
17 e. Aspen Dental offices do not charge any hidden or surprise fees; and
18 f. Aspen Dental offices craft all dentures in their on-site laboratories.

19 **SECOND CAUSE OF ACTION**

20 VIOLATIONS OF BUSINESS AND PROFESSIONS CODE SECTION 17200 ET SEQ.

21 (Unfair, Unlawful, and/or Fraudulent Business Practices)

22 39. The People reallege and incorporate by reference each of the paragraphs above as
23 though fully set forth herein.

24 40. Defendant has engaged, and continues to engage, in acts or practices that are
25 unlawful, unfair, or fraudulent, and which constitute unfair competition within the meaning of
26 section 17200 of the Business and Professions Code. These acts or practices include, but are not
27 limited to, the following:

- 28 a. Defendant violated Business and Professions Code section 17500 et seq. as alleged

- 1 in the First Cause of Action;
- 2 b. Defendant violated California’s prohibition on the unlicensed practice of dentistry
- 3 (Bus. & Prof. Code, §§ 1625, 1626.);
- 4 c. Defendant violated California’s prohibition on private equity’s interference with
- 5 the professional judgment of dentists in making healthcare decisions (Bus. & Prof.
- 6 Code, § 1191, subd. (a)(1).);
- 7 d. Defendant violated California’s prohibition on private equity’s exercise of control
- 8 over the ownership of patient records, selecting and hiring of dentists based on
- 9 clinical competency or proficiency, setting the clinical competency parameters
- 10 under which a dentist can enter into contractual relationships with other dentists
- 11 for the delivery of care, and approving the selection of medical equipment and
- 12 supplies for a dental practice (Bus. & Prof. Code, § 1191, subd. (a)(2).);
- 13 e. Defendant violated California’s prohibition on contracts between private equity
- 14 and dental practices where the contract would enable the private equity entity to
- 15 interfere with the professional judgment of dentists in making healthcare decisions
- 16 (Bus. & Prof. Code, § 1191, subd. (c)(1));
- 17 f. Defendant violated California’s prohibition on contracts between private equity
- 18 and dental practices that bar any provider in a practice from competing with that
- 19 practice in the event of a termination or resignation of that provider from the
- 20 practice (Bus. & Prof. Code, § 1191, subd. (d)(1));
- 21 g. Defendant violated California’s prohibition on the restraint of a lawful profession
- 22 (Bus. & Prof., Code, §§ 16600, 16600.1.);
- 23 h. Defendant violated California law by providing and facilitating the payment of
- 24 unlawful incentives (Bus. & Prof. Code, §§ 650 subd. (a), (b), 1680, subd. (g).);
- 25 i. Defendant violated California law by creating, disseminating, and facilitating
- 26 advertisements for dental practices that contain a misrepresentation of fact (Bus. &
- 27 Prof. Code, § 651, subd. (b)(1).);
- 28 j. Defendant violated California law by creating, disseminating, and facilitating

- 1 advertisements for dental practices that are “likely to mislead or deceive because
2 of a failure to disclose material facts” (Bus. & Prof. Code, § 651, subd. (b)(2).);
- 3 k. Defendant violated California law by creating, disseminating, and facilitating
4 advertisements for dental practices that contain “other representations or
5 implications that in reasonable probability will cause an ordinarily prudent person
6 to misunderstand or be deceived” (Bus. & Prof. Code, § 651, subd. (b)(5).);
- 7 l. Defendant violated California law by creating, disseminating, and facilitating
8 advertisements for dental practices that contain “any advertising statements of a
9 character tending to deceive or mislead the public” (Bus. & Prof. Code, § 1680,
10 subd. (h).);
- 11 m. Defendant violated California law by creating, disseminating, and facilitating
12 advertisements for dental practices that contain statements that “[r]elate[] to fees
13 . . . without fully and specifically disclosing all variables and other material
14 factors” (Bus. & Prof. Code, § 651, subd. (b)(4).);
- 15 n. Defendant violated California law by creating, disseminating, and facilitating
16 advertisements for dental practices that contain price representations that were not
17 exact (Bus. & Prof. Code, § 651, subd. (c).);
- 18 o. Defendant violated California law by creating, disseminating, and facilitating
19 advertisements for dental practices that used a “photograph or other image of a
20 model without clearly stating in a prominent location in easily readable type the
21 fact that the photograph or image is of a model. . .” and that the “model is anyone
22 other than an actual patient, who has undergone the procedure being advertised”
23 (Bus. & Prof. Code, § 651, subd. (b)(3)(B).);
- 24 p. Defendant violated California law by creating, disseminating, and facilitating
25 advertisements for dental practices that used a “statement, endorsement, or
26 testimonial that is likely to mislead or deceive because of a failure to disclose
27 material facts” (Bus. & Prof. Code, § 651, subd. (b)(8).);
- 28 q. Defendant violated California law by facilitating, directing, and aiding dental

practices in using a “false, assumed, or fictitious name, . . . or any name other than the name under which the person is licensed to practice. . .” (Bus. & Prof. Code, § 1680, subd. (f).);

r. Defendant violated California law by operating a dental advertising and referral service without complying with the registration and service contract presentment requirements (Bus. & Prof. Code, § 650.2, subd. (a)(6)); and

s. Defendant violated California law by operating a dental advertising and referral service without complying with disclosure requirements in the advertising it disseminated. (Bus. & Prof. Code, § 650.2 subd. (a)(8), (9).)

PRAYER FOR RELIEF

WHEREFORE, the People pray for judgment as follows:

1. Pursuant to Business and Professions Code, section 17535, that Defendant, along with Defendant’s successors, agents, representatives, employees, and all persons who act in concert with Defendant, be permanently enjoined from making any false or misleading statements in violation of Business and Professions Code, section 17500, as alleged in this Complaint;

2. Pursuant to Business and Professions Code, section 17203, that the Court enter all orders necessary to prevent Defendant, as well as Defendant’s successors, agents, representatives, employees, and all persons who act in concert with Defendant from engaging in any act or practice that constitutes unfair competition in violation of Business and Professions Code, section 17200;

3. Pursuant to Business and Professions Code, section 17203, that the Court enter all orders or judgments, including but not limited to restitution, as may be necessary to restore to any person in interest any money or other property that Defendant may have acquired by violations of Business and Professions Code, section 17200, as proved at trial;

4. Pursuant to Business and Professions Code, section 17535, that the Court enter all orders or judgments, including but not limited to restitution, as may be necessary to restore to any person in interest any money or other property that Defendant may have acquired by violations of Business and Professions Code, section 17500, as proved at trial;

1 5. Pursuant to Business and Professions Code, section 17536, that the Court assess a
2 civil penalty of two thousand five hundred dollars (\$2,500) against each Defendant for each
3 violation of Business and Professions Code section 17500, as proved at trial;

4 6. Pursuant to Business and Professions Code, section 17206, that the Court assess a
5 civil penalty of two thousand five hundred dollars (\$2,500) against each Defendant for each
6 violation of Business and Professions Code, section 17200, as proved at trial;

7 7. That the Court award disgorgement of profit pursuant to Government Code,
8 section 12527.6;

9 8. That Plaintiff recover its costs of suit; and

10 9. For such other and further relief that the Court deems just and proper.

11
12 Dated: May 1, 2026

Respectfully Submitted,

13 ROB BONTA
14 Attorney General of California
15 NELI PALMA
16 Senior Assistant Attorney General
17 DAVID JONES
18 Supervising Deputy Attorney General

19 /s/ Ari Dybnis
20 ARI DYBNIS
21 KEVIN REYES
22 Deputy Attorneys General
23 Attorneys for Plaintiff, the People of the
24 State of California
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28