

FdG Associates Invests \$12 Million in DentaQuest Ventures

Adds Newest “Acquisition Platform” to Portfolio

NEW YORK, NY (May 21, 2002) – FdG Associates, a middle market private equity firm, announced today that it has made a \$12 million equity investment in DentaQuest Ventures, Inc., a Boston, MA-based dental benefits provider with an expanding regional presence. This is a growth equity investment by FdG and creates the third acquisition platform in its current portfolio.

“DentaQuest is a leader in providing creative and cost-effective dental care programs, and it has a compelling growth strategy for leveraging its expertise and operations platform to serve a larger client-base,” said David Gellman, Managing Director, FdG Associates. “We’re prepared to invest more capital in DentaQuest and are enthusiastic about the economics of the dental insurance market, and DentaQuest’s market position.”

With the investment, FdG purchased \$12 million of preferred stock convertible into a minority ownership position in the company. The capital was used by DentaQuest to complete its purchase of Consumer Dental Corp., Consumer Dental Care of Virginia, Inc. and CDC Management, Inc., providers of managed dental care plans in Maryland, Washington D.C. and Virginia. FdG intends to provide equity capital for future acquisitions by DentaQuest as the company expands. The unleveraged structure of this first acquisition provides flexibility for the company to seek senior and possibly subordinated debt to support additional transactions.

“FdG’s experience, expertise and its long-term commitment to our company enables DentaQuest to continue to develop and offer high quality, affordable and innovative dental benefit plans to our current and future customer base,” said Bob Hunter, President and CEO, DentaQuest. “We look forward to growing together with FdG.”

FdG's first fund, *FdG Capital Partners*, raised \$205 million in 1998. Since its founding, the firm has made 10 investments, principally in distribution, business services, retail and consumer products. The firm's other acquisition platforms include Industrial Controls Distributors LLC and Vintage Nurseries LLC. Another platform investment, McGinnis Farms, Inc., featured two add-ons before it was sold last year to Deere & Company. In addition to one other growth equity investment in Golf Galaxy, Inc., *FdG* has led several recapitalizations of privately owned companies.

The National Healthcare Finance Administration estimates that the U.S. market for dental expenditures will exceed \$65 billion in 2002, and it is expected to grow at nearly 6 percent per year through 2008. In addition, the National Association of Dental Plans estimates that U.S. dental plan membership has grown approximately 6 percent per year since 1994. However, as of 1999, dental plan membership still only represents 55 percent of the population.

DentaQuest's growth strategy includes moving into markets that have high levels of dental insurance penetration but that are also highly fragmented. "DentaQuest's big value-add is the superiority of its operational infrastructure, its management expertise, and the ability to offer people a higher quality product at a competitive price," said Gellman. "We're excited about DentaQuest's future."

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About *FdG Associates*

FdG Associates is a private investment firm providing equity capital to North American-based middle market growth companies with sound businesses and unrealized potential. By building a partnership with management and offering creative problem solving and strategic, long-term planning focused around key corporate initiatives, *FdG* empowers companies to achieve their full growth potential and increase their equity value.

FdG will typically commit from \$15 million to \$25 million in equity to sponsor management buyouts, recapitalizations and growth-oriented capital investments in private and public companies. The deep and diverse experience of the firm's executive team enables *FdG* to pursue opportunities in the business and consumer services, distribution, light manufacturing, retail and consumer products sectors.

FdG is headquartered in New York, NY. For additional information, please visit www.fdgassociates.com.

About DentaQuest Ventures

DentaQuest Ventures, Inc., develops and administers high quality, innovative and affordable dental care programs. The DentaQuest family of dental plans serves over two million members. Renowned for its outstanding customer service, DentaQuest processes 3.8 million claims per year with 99.6 percent financial accuracy and completes 98 percent of claims within 15 days. In addition, the company answers more than one million customer calls per year with a 95 percent access rate and processes over 500,000 enrollment forms a year with over 99 percent accuracy.

DentaQuest is headquartered in Boston, Massachusetts. For further information visit the company Web site at www.dentaquest.com.

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