

# DCA Investment Holdings + Dental Care Alliance + DCA Acquisition Holdings: Restructuring Agreed Upon

As anticipated in an earlier article, a dental support organization has been de-leveraged and restructured. We expect the 18 BDCs involved to drastically amend their over \$300mn in exposure.

Remains Rated CCR 5 And A Major Important Underperformer

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[Company File](#)

Dental Care Alliance, LLC — the operating company controlled by DCA Investment Holdings, LLC — is a dental support organization that provides comprehensive back-office and management support services to affiliated dental practices. Rather than owning practices outright in all instances, DCA partners with dentists and dental groups, enabling clinicians to focus on patient care while the DSO handles administrative, operational, and infrastructure functions. As of early 2026, DCA supports approximately 370+ affiliated practices across 22 states, primarily in the Eastern United States (Midwest, Mid-Atlantic, Northeast, and Southeast). The company employs more than 5,250 professionals and records approximately 3 million patient visits annually. For the full Company Profile, click [here](#).

We [warned](#) on April Fool's Day 2026 that a major restructuring was coming for the company. Now we can reveal that a debt for equity swap has been completed and that total BDC exposure is even greater than we originally flagged. Apparently, the 18(!) BDCs with exposure use three different names for the same entity: **Dental Care Alliance Inc.**, **DCA Acquisition Holdings Inc** and **DCA Investment Holding Inc**. Last time we wrote we had identified only two of those names. As a result, we can report that total BDC exposure at year-end 2025 at cost was a massive \$337mn and the FMV \$293mn, according to Solve/Advantage Data's records.

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With the restructuring, the company's balance sheet - and BDC exposure - is going to radically change. According to [a press release](#), \$1.1bn in debt has been "forgiven" in a debt for equity swap (although that term is not used). Another \$95mn of new equity is being injected. Given that total debt previously amounted to \$1.7bn, this is a drastic re-do, all conducted out of court. The transaction is expected to be completed in the IIQ 2026, and likely won't show up on the BDCs books till then. We expect the BDCs involved will need to both book some sort of realized loss and transmute most of their existing debt - all in a senior loan due in 2028 - into new equity. According to patchy news reports, some \$0.600bn of debt will remain, but with a maturity extended to 2031.

In aggregate, the impact on BDC income should be significant. The debt was generating over \$40mn in annual interest income. That could drop by two-thirds going forward. Estimating the impact on book value is harder because we don't know what value the restructured dental business has been given.

There are 6 public BDCs involved, with a range of exposure. In absolute dollars, the most exposed is **FS-KKR Capital** (FSK) with \$107mn at cost. Please review the Company File for every BDC's exposure as we don't have room here for a full discussion of each. Unfortunately, we expect that the BDCs might have to write down significant amounts because - as of the IVQ 2025 - very little in the way of unrealized depreciation had been booked. Apparently, the weakening of this credit happened quickly because in the IIIQ 2025, the cost was discounted only (5%). Only in the IVQ 2025 - when the loans were placed on non-accrual - did the company become a Major Important Underperformer and was downgraded from a corporate credit rating of 2 to a 5. Even then a discount of only (13%) was applied by the lenders.