

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE ACQUISITION)	
OF CONTROL OF CARECENTRIX)	
OF NEW JERSEY, INC. BY BLAZING)	
STAR CCX PARENT, INC., BLAZING)	
STAR CCX PARENT HOLDINGS, INC.,)	
BLAZING STAR CCX SUPERCO, INC.,)	HEARING OFFICER'S
SYCAMORE PARTNERS III, L.P.,)	REPORT
SYCAMORE PARTNERS III-A, L.P.,)	
SYCAMORE PARTNERS WING)	
CO-INVEST, L.P., SYCAMORE PARTNERS)	
III GP, L.P., SYCAMORE PARTNERS)	
III GP, LTD., STEFAN KALUZNY,)	
ALLIANCE SANTE PARTICIPATIONS)	
LTD., AND STEFANO PESSINA)	

Procedural History

In accordance with N.J.S.A. 17:27A-2, by a filing dated April 30, 2025, and supplemented by additional filings through June 19, 2025, Blazing Star CCX Parent, Inc. (“CCX Parent”), Blazing Star CCX Parent Holdings, Inc. (“CCX Parent Holdings”), Blazing Star CCX Superco, Inc. (“CCX Superco”), Sycamore Partners III, L.P. (“Sycamore Fund III”), Sycamore Partners III-A, L.P. (“Sycamore Fund III-A”), Sycamore Partners Wing Co-Invest, L.P. (“Sycamore Wing Co-Invest”), Sycamore Partners III GP, L.P. (“Sycamore III GP”), Sycamore Partners III GP, Ltd. (“Sycamore III Ultimate GP”), Stefan Kaluzny (collectively, the “Sycamore Applicants”), Alliance Sante Participations Ltd. (“ASP”), and Stefano Pessina (together with ASP, the “SP Applicants” and, collectively with the Sycamore Applicants, the “Applicants”), filed with the Department of Banking and Insurance (the “Department”) an application to acquire control (“the

Form A filing”) of CareCentrix of New Jersey, Inc. (the “Domestic Insurer”), a New Jersey licensed Organized Delivery System (“ODS”).¹

The Domestic Insurer is a direct wholly-owned subsidiary of CareCentrix, Inc., which, in turn, is a direct wholly-owned subsidiary of CareCentrix Holdings, Inc. CareCentrix Holdings, Inc. is wholly-owned by CCX Acquisition, Inc., which, in turn, is a direct wholly-owned subsidiary of CCX Next, LLC (“CCX Next”). CCX Next is wholly-owned by WBA Acquisition 3, LLC, which, in turn, is a direct wholly-owned subsidiary of Walgreens Boots Alliance, Inc. (“WBA”). No person or group of persons directly or indirectly beneficially owns, controls, holds with power to vote, or holds proxies representing collectively ten percent (10%) or more of the voting securities of WBA other than Stefano Pessina, WBA’s current executive chairman, who beneficially owns through ASP approximately seventeen percent (17%) of the issued and outstanding common stock of WBA. Stefano Pessina has an existing conditional disclaimer of affiliation in relation to his ownership of WBA’s common stock. Accordingly, WBA is the current ultimate controlling person of the Domestic Insurer.

On March 6, 2025, WBA, Blazing Star Parent, LLC (“Parent”) and Parent’s direct wholly-owned subsidiary, Blazing Star Merger Sub, Inc. (“Merger Sub”) entered into an Agreement and Plan of Merger, pursuant to which, subject to the terms and conditions set forth therein, Merger Sub will be merged with and into WBA, with WBA continuing as the surviving company (the “Merger”). In connection with the Merger, WBA will undertake certain reorganization transactions prior to and at the closing of the Merger pursuant to which the various existing operating businesses of WBA will be held in several distinct business units (each a “Business Unit”), including a

¹ Pursuant to N.J.S.A. 17:48H-16(a) and N.J.A.C. 11:22-4.10, a licensed ODS organized under the laws of the State of New Jersey is treated as a domestic insurer for purposes of the Insurance Holding Company Systems Act, N.J.S.A. 17:27A-1 to -14.

Business Unit consisting of CCX Acquisition, Inc. and its direct and indirect subsidiaries, including the Domestic Insurer (collectively, the “CCX Business Unit”). Specifically, as part of such reorganization, substantially concurrently with the closing of the Merger, CCX Parent will acquire all of the equity interests in CCX Acquisition, Inc. from CCX Next (the “Proposed Acquisition”) pursuant to an equity transfer agreement (the “CCX Transfer Agreement”) to be entered into by CCX Parent and CCX Next at the closing of the Merger.

Therefore, at the consummation of the Proposed Acquisition (the “Closing”), the Domestic Insurer will become an indirect wholly-owned subsidiary of CCX Parent and, consequently, the Applicants will acquire control of the Domestic Insurer, as further described below.

Pursuant to N.J.S.A. 17:27A-2(d) and after notice was provided in papers of general circulation and on the Department’s website, a public hearing was held on the Form A filing on July 30, 2025. Pursuant to N.J.A.C. 11:1-35.6(g), the public hearing was conducted based on the documents filed. The hearing panel and Department staff determined that the documents filed in connection with the Proposed Acquisition satisfied the requirements of N.J.S.A. 17:27A-2(b). Public comments were allowed to be submitted through the close of business on July 30, 2025. No comments were received. No other documents were required, and the record was closed on July 30, 2025.

Findings of Fact

The Domestic Insurer was incorporated under the laws of the State of New Jersey on December 16, 2011, and commenced business on January 1, 2012. The Domestic Insurer is a New Jersey licensed organized delivery system.

The Sycamore Applicants are part of a private equity firm, Sycamore Partners, based in New York. The firm specializes in consumer, distribution and retail-related investments and partners with management teams to improve the operating profitability and strategic value of their

businesses. Since its inception in 2011, Sycamore Partners' funds have raised approximately \$10 billion in aggregate committed capital, and its investors include leading endowments, financial institutions, family offices, pension plans and sovereign wealth funds.

ASP is a Cayman Islands exempted limited company, which currently holds all of the shares of WBA common stock owned, directly or indirectly, by Stefano Pessina. ASP is 100% controlled by Stefano Pessina, who holds all the outstanding voting stock issued by ASP. ASP's principal business is the holding of investments and other operating businesses.

Immediately following the Closing, CCX Parent will own 100% of the equity interests in CCX Acquisition, Inc., which will continue to hold 100% of the stock of CareCentrix Holdings, Inc. CareCentrix, Inc. will remain as a direct wholly-owned subsidiary of CareCentrix Holdings, Inc., and the Domestic Insurer will continue to be a direct wholly-owned subsidiary of CareCentrix, Inc.

CCX Parent is a direct wholly-owned subsidiary of CCX Parent Holdings, which, in turn, is a direct wholly-owned subsidiary of CCX Superco. Immediately following the Closing, CCX Superco will be owned directly by (a) Sycamore Fund III, Sycamore Fund III-A, and Sycamore Wing Co-Invest (collectively, the "Sycamore Funds"), each of which is solely controlled by their common general partner, Sycamore III GP, which, in turn, is solely controlled by its general partner, Sycamore III Ultimate GP, which is wholly owned by Stefan Kaluzny and (b) ASP, which is 100% controlled by Stefano Pessina, and ASP's direct wholly controlled subsidiary, ASP Sub 1 Ltd., a newly formed Cayman Islands exempted limited company ("ASP Sub" and together with ASP, the "SP Investors").

Pursuant to Section 2.02 of the CCX Transfer Agreement, the consideration for the Proposed Acquisition will be an amount equal to \$150 million in cash, subject to certain customary

adjustments. The Applicants represent that such purchase price will be sourced from a portion of each of (a) the equity financing for the Merger consideration committed by the Sycamore Funds in an amount up to two billion five hundred million dollars (\$2,500,000,000) and (b) funds that will be invested pursuant to a reinvestment by ASP of the aggregate cash consideration received by it in connection with the closing of the Merger (the “Reinvestment”), plus an additional cash investment by ASP Sub equal to seventy-seven million, six hundred thirty-eight thousand, six hundred forty-five dollars (\$77,638,645), in the aggregate, to purchase common equity interests in the parent entities in each of the Business Units, including the CCX Business Unit (together with the Reinvestment, the “SP Investment”), pursuant to a Reinvestment Agreement by and among the SP Applicants and Parent.

As a result of and immediately following the Merger, the SP Investment and the Proposed Acquisition, the Sycamore Funds will collectively hold approximately fifty-six and seventy-five hundredths percent (56.75%) of the shares of CCX Superco’s stock, and they will therefore beneficially own the same percentage of the stock of the Domestic Insurer, while the SP Investors will hold the remaining forty-three and twenty-five hundredths percent (43.25%).² Accordingly, each of the Applicants will indirectly control the Domestic Insurer as of immediately following the Closing.

The Applicants represent that the Proposed Acquisition does not and is not expected to involve any debt financing, and no debt is expected to be incurred by CCX Superco or any of its subsidiaries, including the Domestic Insurer, in connection with or as a result of the Merger or the Proposed Acquisition.

² Of the shares of CCX Superco stock that will be owned by the SP Investors, ASP and ASP Sub will directly hold 95.55% and 4.45%, respectively; but 100% of the CCX Superco stock owned by the SP Investors will be controlled solely by Stefano Pessina.

The Applicants further represent that the nature and amount of consideration for the Proposed Acquisition were determined through due diligence and in view of the financial position and results of operation of the CCX Business Unit, including its past and present business operations, historical and potential earnings, financial condition and prospects, and assets and liabilities.

The Applicants further represent that, except as may arise in the ordinary course of business or as otherwise described in Item 5 the Form A Statement, they have no present plans or proposals to cause the Domestic Insurer to declare an extraordinary dividend, to liquidate the Domestic Insurer, to sell the Domestic Insurer's assets to or merge it with any person or persons or to make any other material change in the Domestic Insurer's business operation or corporate structure or management.

The Applicants provided the Department with audited financial statements of Sycamore Fund III and Sycamore Fund III-A, as of and for the years ended December 31, 2020, 2021, 2022, 2023 and 2024 (collectively, the "Audited Financial Statements"). Sycamore III GP and Sycamore III Ultimate GP do not have audited financial statements of their own, as their operations consist of serving as the direct and indirect general partner, respectively, of the Sycamore Funds. ASP does not have, and is not required to have, audited financial statements, as its sole activity since its inception has been to hold the WBA common stock beneficially owned by Stefano Pessina. Sycamore Wing Co-Invest, CCX Superco, CCX Parent Holdings, CCX Parent, and ASP Sub are each newly formed for the purpose of completing the Proposed Transactions. Accordingly, such Applicants and ASP Sub do not have audited financial statements of their own. Stefan Kaluzny

and Stefano Pessina (together, the “Individual Applicants”) submitted certain financial information to the Department that was reviewed for adequacy.³

Analysis

N.J.S.A. 17:27A-2(d)(1) provides that the Commissioner shall approve an acquisition of control of a domestic insurer unless he or she finds that one or more of the seven disqualifying factors set forth therein exist. The statute provides in pertinent part:

(1) The Commissioner shall approve any merger or other acquisition of control ... unless, after a public departmental hearing thereon, he [or she] finds that:

(i) After the change of control the domestic insurer ... would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;

(ii) The effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in this State or tend to create a monopoly therein ... [applying the competitive standard as set forth in the statute];

(iii) The financial condition of any acquiring party is such as might jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders;

(iv) The financial condition of any acquiring party is such that (a) the acquiring party has not been financially solvent on a generally accepted accounting principles basis, or if an insurer, on a statutory accounting basis, for the most recent three fiscal years immediately prior to the date of the proposed acquisition (or for the whole of such lesser period as such acquiring party and any predecessors thereof shall have been in existence); (b) the acquiring party has not generated net before-tax profits from its normal business operations for the latest two fiscal years immediately prior to the date of acquisition (or for the whole of such lesser period as such acquiring party and any predecessors thereof shall have been

³ Pursuant to N.J.A.C. 11:1-35, Appendix Exhibit A Item 12(b), financial statements for individuals shall not be public and shall not be considered a public record for the purposes of the “Right-to-Know” law, (now known as the Open Public Records Act) N.J.S.A. 47:1A-1 to-13.

in existence); or (c) the acquisition debt of the acquiring party exceeds 50% of the purchase price of the insurer;

(v) The plans or proposals which the acquiring party has to liquidate the insurer, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair and unreasonable to policyholders of the insurer and not in the public interest;

(vi) The competence, experience and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest of policyholders of the insurer and of the public to permit the merger or other acquisition of control; or

(vii) The acquisition is likely to be hazardous or prejudicial to the insurance buying public.

Upon a thorough review of the documents submitted into evidence, the hearing panel and Department staff have determined that none of the seven disqualifying factors set forth above should result if the Proposed Acquisition is effectuated. Each of these conditions is discussed below.

First, after the acquisition, the Domestic Insurer will continue to meet the requirements to transact the business for which it is presently licensed pursuant to Title 17 of the New Jersey Statutes. There is nothing in the record to indicate that, after the Proposed Acquisition, the Domestic Insurer would not be able to continue to satisfy the requirements to transact the business for which it is presently licensed.

Second, the Proposed Acquisition of the Domestic Insurer will not lessen competition in the New Jersey insurance market or tend to create a monopoly therein. N.J.S.A. 17:27A-2(d)(1)(ii) provides that in applying this competitive standard, the standard set forth in N.J.S.A. 17:27A-4.1(d) shall apply. That statute utilizes a complex formula based on the market shares of the insurers involved in the transaction. The statute by its terms does not apply if, as an immediate result of the acquisition, there would be no increase in the overall market share of the involved

insurers after the acquisition. See N.J.S.A. 17:27A-4.1(b)(2)(d). None of the Applicants, nor any of their respective affiliates, currently transacts any direct insurance business in New Jersey or is licensed as an ODS in New Jersey. Accordingly, the transaction meets the exemption standards because the Applicants and their affiliates, on the one hand, and the Domestic Insurer, on the other hand, do not compete in any lines of business. Accordingly, the Proposed Acquisition will not violate the competitive standard set forth in N.J.S.A. 17:27A-4.1 because it does not substantially lessen competition in New Jersey or tend to create a monopoly therein.

Third, based on the Audited Financial Statements and the financial information provided by the Individual Applicants, it does not appear that the financial condition of the Applicants will jeopardize the financial condition of the Domestic Insurer. For the years ended December 31, 2022, 2023 and 2024, Sycamore Fund III and Sycamore Fund III-A, collectively, reported net change in partners' capital resulting from operations of \$1,063,424,405, \$1,072,357,606 and \$970,968,874, respectively.

Fourth, it appears that the financial condition of the Applicants is such that they have been solvent on a basis of generally accepted accounting principles for the three-year period immediately prior to the date of the Proposed Acquisition. At December 31, 2022, 2023 and 2024, Sycamore Fund III and Sycamore Fund III-A, collectively, reported total partners' capital of \$4,730,849,218, \$5,097,055,108 and \$6,452,946,548, respectively. According to the financial information filed by the Applicants, it does not appear that the financial condition of the Domestic Insurer will be jeopardized. No debt or loans will be utilized to fund the Proposed Acquisition. Accordingly, the requirement that the acquisition debt may not exceed 50% of the purchase price is satisfied.

Fifth, the Applicants do not propose to liquidate the Domestic Insurer or sell its assets. As set forth above, the Applicants do not have any present plans or proposals to materially change the business operations, corporate structure, management, or general plan of operations of the Domestic Insurer other than may arise in the ordinary course of business.

Sixth, there is nothing in the record from which it may be concluded that the competence, experience, and integrity of the persons who will control the operations of the Domestic Insurer are such that it would not be in the best interest of consumers and of the public to permit the acquisition of control. The Applicants do not have any present plans or proposals to change the Domestic Insurer's business operations, corporate structure, and management following the transaction.

Seventh, there is nothing in the record from which it may be concluded that the proposed transaction is likely to be hazardous or prejudicial to the insurance buying public for the reasons set forth above.

Recommendation

Based on the foregoing analysis, the hearing panel and Department staff recommend that the proposed acquisition of control of CareCentrix of New Jersey, Inc. by the Applicants be approved.

Upon a thorough review of the foregoing, I concur with the findings, analysis and recommendations of the hearing panel and Department staff. I therefore recommend that the Proposed Acquisition be approved.

07/31/2025

Date

Michael Santitoro

Michael Santitoro
Hearing Officer

MS Hearing Officer's Report-CareCentrix of NJ Acquisition/Orders

Exhibits List

In the Matter of the Acquisition of Control of CareCentrix of New Jersey, Inc. by Blazing Star CCX Parent, Inc., Blazing Star CCX Parent Holdings, Inc., Blazing Star CCX Superco, Inc., Sycamore Partners III, L.P., Sycamore Partners III-A, L.P., Sycamore Partners Wing Co-Invest, L.P., Sycamore Partners III GP, L.P., Sycamore Partners III GP, Ltd., Stefan Kaluzny, Alliance Sante Participations Ltd., and Stefano Pessina

- Exhibit 1: Form A Statement and related filings dated as of April 30, 2025
- Exhibit 2: Supplement to Form A filing dated as of May 7, 2025. Applicants provided Biographical Affidavits for S. Pessina and O. Barra.
- Exhibit 3: Supplement to Form A filing dated as of June 19, 2025, Applicants provided confidential information in response to various inquiries.
- Exhibit 4: Waiver of 20-day notice of hearing submitted by Barry Liss, Gibbons PC, on behalf of the Sycamore Applicants
- Exhibit 5: Waiver of 20-day notice of hearing submitted by Stefano Pessina and by Stefano Pessina and Ben Burman on behalf of Alliance Sante Participations Ltd.
- Exhibit 6: Waiver of 20-day notice of hearing submitted by Cynthia J. Borrelli, Esq., Principal, Bressler Amery and Ross, on behalf of Domestic Insurer
- Exhibit 7: Affidavit of Publication of Notice of Hearing in The Record, reflecting publication on July 23, 2025
- Exhibit 8: Affidavit of Publication of Notice of Hearing in Courier Post, reflecting publication on July 23, 2025
- Exhibit 9: Affidavit of Publication of Notice of Hearing in the Star Ledger (on-line version), reflecting publication on July 23, 2025