

**FORM A**

**STATEMENT REGARDING THE  
ACQUISITION OF CONTROL OF OR MERGER WITH A DOMESTIC INSURER**

**CINCINNATI EQUITABLE COMPANIES, INC.  
(herein called "CECI")**

**BY**

**Peter A. Alpaugh and Andrea Alpaugh-Kessel**

**Name of Acquiring Person(s) (Applicant)**

**Filed with the Insurance Department of**

**OHIO COMMISSIONER OF INSURANCE  
(State of domicile of insurer being acquired)**

**Dated: October 8, 2007**

**Name, Title, Address and Telephone Number of Individual to Whom Notices and  
Correspondence Concerning this Statement should be Addressed:**

**Gregory A. Baker  
President & Chief Financial Officer  
Cincinnati Equitable Companies, Inc.  
525 Vine Street, Suite 1925, P.O. Box 3428  
Cincinnati, Ohio 45201-3428  
(513) 621-1826**

**ITEM 1. METHOD OF ACQUISITION**

**Cincinnati Equitable Companies, Inc.  
525 Vine Street, Suite 1925, P.O. Box 3428  
Cincinnati, Ohio 45201-3428**

**RECEIVED**

**OCT 10 2007**

**OFIS  
LANSING, MICHIGAN**

The majority (98.5%) of the outstanding common stock of Cincinnati Equitable Companies, Inc. has been owned/controlled by Joy S. Alpaugh, through the Alpha Investment Partnership, which is a limited partnership whose partners (Joy S. Alpaugh, Peter A. Alpaugh and Andrea L. Alpaugh-Kessel) are all members of the Alpaugh family.

Joy S. Alpaugh passed away on June 7, 2007. Mrs. Alpaugh's interest in Alpha Investment Partnership and Cincinnati Equitable Companies, Inc. is left to her surviving daughter and son, Andrea L. Alpaugh-Kessel and Peter A. Alpaugh. Peter A. Alpaugh serves as Chairman of the Board and is active in the daily operation of the companies. Andrea L. Alpaugh-Kessel is a housewife in California.

**ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT**

(a) Peter A. Alpaugh  
8375 Old Stable Road  
Cincinnati, Ohio 45243

Andrea L. Alpaugh-Kessel  
626 Flores De Oro  
Rancho Santa Fe, California 92067

- (b) The applicants are individuals.
- (c) The applicants are the son and daughter of Joy S. Alpaugh, ultimate controlling person since 2003.
- (d) Organizational Chart for Holding Company.  
(See attached – Exhibit A)

**ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANT**

Directors, Officers or Owners of 10% or more of the voting securities of CEIC.

**EXECUTIVE OFFICERS**

The Executive Officers of Cincinnati Equitable Companies serve at the discretion of the Board of Directors. The business address for each Executive Officer and Director is 525 Vine Street, Suite 1925, Cincinnati, Ohio 45202.

Gregory A. Baker, President, Chief Executive Officer &  
Chief Financial Officer  
(See attached – Exhibit B)

Peter A. Alpaugh, Chairman of the Board  
(See attached – Exhibit C)

Linda S. Bales, Corporate Secretary  
(See attached – Exhibit D)

**BOARD OF DIRECTORS**

PETER A. ALPAUGH – See attached. (Exhibit C)

W. G. ALPAUGH – See attached. (Exhibit E)

GREGORY A. BAKER – See attached. (Exhibit B)

JAMES W. KETRING – See attached. (Exhibit F)

SUSAN E. FHANER – See attached. (Exhibit G)

**DIRECTORS, OFFICERS OR OWNERS OF 10% OR MORE OF THE VOTING  
SECURITIES OF CEIC**

ANDREA L. KESSEL – See attached. (Exhibit H)

**ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION**

- (a) No money has changed hands in this transaction. The transfer of ownership is a paper transaction; result of the settlement of an estate.
- (b) No consideration was exchanged.
- (c) Source of funds for Surplus Note: None

**ITEM 5. FUTURE PLANS FOR INSURER**

- (a) There are no plans to change the existing business operations or corporate structure of Southern Michigan Insurance Company.
- (b) Our plans for Southern Michigan Insurance Company will not change as a result of this change in ownership. We will continue to comply with Michigan's "books and records" requirements under Section 5256. We have previously requested permission to maintain the Corporate Minutes in our Cincinnati, Ohio office.
- (c) No changes are planned after the consummation of this proposed transaction.
- (d) Five-year projections – Not Applicable

The five year Balance Sheet and Income Statement for Southern Michigan Insurance Company is attached. (EXHIBITS J & K)

**ITEM 6. VOTING SECURITIES TO BE ACQUIRED**

All shares will be acquired indirectly. Seventy Thousand four hundred seventy five (70,475) shares of voting common stock (10%) will be acquired through Alpha II Investment, LLL. (Note: A portion of Alpha II, LLC, outstanding shares are held in a charitable remainder trust. However, Peter Alpaugh and Andrea Alpaugh-Kessel own all of the voting shares of this entity). Six hundred thousand shares of voting common stock (88.5%) will be acquired through Alpha Investment Partnership.

**ITEM 7. OWNERSHIP OF VOTING SECURITIES**

Peter A. Alpaugh and Andrea L. Alpaugh-Kessell will beneficially own 100% of the voting common stock of Cincinnati Equitable Companies, Inc.

**ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER**

Not Applicable.

**ITEM 9. RECENT PURCHASES OF VOTING SECURITIES**

Not Applicable.

**ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE**

The applicants have made no recommendations to purchase stock of the insured.

**ITEM 11. AGREEMENTS WITH BROKER-DEALERS**

The applicants have no agreements, contracts or understandings with any broker-dealer.

**ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS**

Listed below are the Exhibits, which include the required financial Statements.

<b>EXHIBIT A:</b>	<b>Organizational Chart</b>
<b>EXHIBIT B:</b>	<b>Biographical Affidavit – Gregory A. Baker</b>
<b>EXHIBIT C:</b>	<b>Biographical Affidavit – Peter A. Alpaugh</b>
<b>EXHIBIT D:</b>	<b>Biographical Affidavit – Linda S. Bales</b>
<b>EXHIBIT E:</b>	<b>Biographical Affidavit – W. G. Alpaugh</b>
<b>EXHIBIT F:</b>	<b>Biographical Affidavit – James W. Ketring</b>
<b>EXHIBIT G:</b>	<b>Biographical Affidavit – Susan E. Fhaner</b>
<b>EXHIBIT H:</b>	<b>Biographical Affidavit – Andrea L. Kessel</b>
<b>EXHIBIT J:</b>	<b>Five (5) year Balance Sheet – Southern Michigan Ins. Company</b>
<b>EXHIBIT K:</b>	<b>Income Statement – Five Year Plan</b>
<b>EXHIBIT L</b>	<b>Personal Financial Statements of ultimate controlling persons, Peter A. Alpaugh and Andrea L. Kessel. (These will be forwarded as they become available.)</b>

ITEM 13. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of Section 1311 of the Insurance Code of 1956, as amended, C.E.C.I. has caused this application to be duly signed on its behalf in the City of Cincinnati and State of Ohio on the 8th day of October, 2007.


(SEAL) Cincinnati Equitable Companies, Inc.

Name of Applicant

BY

  
Gregory A. Baker - President & CEO

Attest:

  
(Signature of Officer)

Corporate Secretary  
(Title)

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated October 8, 2007, for and on behalf of Cincinnati Equitable Companies, Inc.; he is the President and Chief Executive Officer of such company and that he is authorized to execute and file such document. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

(Signature)

  
Gregory A. Baker