

FORM A

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

ProCare Health Plan, Inc.

Name of Domestic Insurer

BY

Augustine K. Kole-James Administrative Trust UAD 6/30/2008

Name of Acquiring Person (Applicant)

Filed with the State of Michigan, Department of Energy, Labor & Economic Growth, Office of Financial and Insurance Regulation

Dated: December 7, 2010

Name, title, address and telephone number of Individual to whom notices and correspondence concerning this statement should be addressed:

Nancy L. Lukey, Esq.
3520 Okemos Rd, #6-154
(517) 347-2486

ITEM 1. METHOD OF ACQUISITION

State the name and address of the domestic insurer to which this application relates and a brief description of how control is to be acquired.

The domestic health maintenance organization is ProCare Health Plan, Inc. ("ProCare") at 3968 Mt Elliott, Detroit, MI 48207. By operation of law, upon the death of Dr. Augustine Kole-James ("Dr. Kole-James") on March 24, 2010, his estate ("Estate") became the owner of 100% of the issued and outstanding shares of common stock of ProCare ("ProCare Shares"). In accordance with the probate administration of the Estate, 100% of the ProCare Shares will be transferred to the Augustine K. Kole-James Administrative Trust UAD 6/30/2008 ("Trust"), and in accordance with Michigan law, legal title to the ProCare Shares will be held in the name of Robin M. Cole as Family Trustee of the Trust.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

- (a) **State the name and address of the applicant seeking to acquire control over the insurer.**

Applicant is the Trust. The Trust's address is 3956 Mt. Elliott, Detroit, MI 48207.

- (b) **If the applicant is not an individual, state the nature of its business operations for the past 5 years or for such lesser period as such person and any predecessors thereof shall have been in existence. Describe the business intended to be done by the applicant and the applicant's subsidiaries.**

The Trust has not engaged in any business operations during the past 5 years. The Trust was created by a trust agreement executed by the late Dr. Kole-James on June 30, 2008, but no assets were held by the Trust until after the death of Dr. Kole-James. Upon finalization of the probate administration of the Estate, all of the net assets of the Estate will be transferred to the Trust, or related continuing trusts. The Trust is a non-charitable trust which is administered in accordance with the Michigan Trust Code (MCL 700.7101 et seq.).

- (c) **Furnish a chart or listing clearly presenting the identities of the interrelationships among the applicant and all affiliates of the applicant, including the ultimate controlling person(s). No affiliate need be identified if its total assets are equal to less than ½ of 1% of the total assets of the ultimate controlling person affiliated with the applicant. Indicate in such chart or listing the percentage of voting securities of each such person which is owned or controlled by the applicant or by any other such person. If control of any person is maintained other than by the ownership or control of voting securities, indicate the basis of such control. As to each person specified in such chart or listing indicate the type of organization (e.g. corporation, trust, partnership), primary business (e.g. holding company, insurance agency, manufacturer) and the state or other jurisdiction of domicile. If court proceedings involving a reorganization or liquidation are pending with respect to any such person, indicate which person, and set forth the title of the court, nature of proceedings and the date when commenced.**

A chart or listing of the identities of the interrelationships among the applicant and all affiliates of the applicant, including the ultimate controlling person(s) is not applicable to the current proposed transaction. As indicated in Item 1 above, all ProCare Shares will be transferred to the Trust, and legal title will be held in the name of Robin M. Cole as Family Trustee of the Trust. The Trust has no affiliates.

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

State the following with respect to 1) the applicant if she or he is an individual 2) if the applicant is not an individual, all persons who are, or who have been selected to be, directors, executive officers (or others who perform or will perform functions appropriate to those positions), or owners of 10% or more of the voting securities of the applicant, and, 3) in all instances where individuals will be the direct or indirect source of funding for the acquisition:

- (a) **Name and business address;**

The Trust is not an individual. However, the Trust does not have any directors or executive officers. Robin M. Cole is the Family Trustee of the Trust and in that role will perform functions similar to a director or officer. As Family Trustee of the Trust, Ms. Cole has the authority to make management decisions regarding the Trust's assets and related administration. In accordance with the terms of the Trust agreement, Alex L. Parrish is the Distribution Trustee of the Trust. In that role, he has no powers or responsibilities in the administration and management of the Trust's assets, including ProCare Shares. His role is limited to making discretionary distributions from the Trust.

No individual will be a direct or indirect source of funding for the acquisition.

- (b) **Present principal business activity, occupation or employment including position and office held and the name, principal business and address of any corporation or other organization in which such employment is carried on;**

Robin M. Cole is currently a member of the Board of Directors and the President and CEO of

ProCare. Ms. Cole's business address is 3968 Mt. Elliott, Detroit, MI 48207. ProCare is engaged in the business of a health maintenance organization and has a contract with the State of Michigan to manage and arrange for the provision of health care services for individuals enrolled in the Medicaid managed care program.

- (c) **All occupations, positions, offices or employment during the last 5 years, giving the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on; if any such occupation, position, office or employment required licensing by or registration with any federal, state or municipal governmental agency, indicate such fact, the current status of such licensing or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection therewith.**

Robin M. Cole has been a member of the Board of Directors of ProCare continuously from 2004 to the present. She was the Secretary and the Executive Director of ProCare from 2004 until March 2010. In March 2010 she was appointed Acting CEO of ProCare. As of August 1, 2010, she was appointed President and CEO of ProCare. From 2004 to 2010, Ms. Cole was the Executive Director of Pro Care Plus, Inc. She is currently President and CEO of Pro Care Plus. From 2004 to present, Ms. Cole is the office coordinator for Professional Medical Center, P.C. Professional Medical Center is a medical practice. Professional Medical Center's address is 3956 Mt. Elliott, Detroit, MI 48207. Pro Care Plus contracts with Wayne County governmental entities to manage and arrange for the provision of health care services. Pro Care Plus' address is 3956 Mt. Elliott, Detroit, MI 48207.

- (d) **Whether or not such person has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last 10 years and, if so, give the date, nature of conviction, name and location of court, and penalty imposed or other disposition of the case. Whether or not such person has had any civil judgments against the person r esulting in \$25,000 or more in civil fines or penalties or injunctive or other equitable relief.**

Robin M. Cole has not been convicted in a criminal proceeding during the past 10 years. Ms. Cole has not had any civil judgments against her resulting in \$25,000 or more in civil fines or penalties or injunctive or other equitable relief.

- (e) **Upon the request of the Commissioner, individuals shall provide fingerprint cards pursuant to Section 249a for state, multi-state, and federal criminal history record checks.**

Robin M. Cole completed LiveScan fingerprinting in June 2010 and the results should be on file with OFIR.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

- (a) **Describe the nature, source and amount of funds or other considerations used or to be used in effecting the merger or other acquisition of control. Describe any transaction where funds were or are to be obtained for such purpose, including any pledge of the insurer's stock or pledge of the stock of any of its subsidiaries or controlling affiliates. If any part of the same is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding or trading securities, furnish a description of the transaction, the names of the parties thereto, the relationship, if any, between the borrower and the lender, the amounts borrowed or to be borrowed, and copies of all agreements, promissory notes and security arrangements relating thereto.**

As indicated in Item 1 above, the transfer of ProCare Shares to the Trust will occur in accordance with the probate administration of the Estate. There are no funds or other considerations used or

to be used in effecting the transfer of ProCare Shares to the Trust. There are no transactions where funds were or are to be obtained for such purpose, including any pledge of ProCare's stock or the stock of any of its affiliates.

- (b) **Explain the criteria used in determining the nature and amount of such consideration.**

As indicated in paragraph (a) above, there is no consideration for the transfer of ProCare Shares from the Estate to the Trust.

- (c) **If the source of the consideration is a loan made in the lender's ordinary course of business and if the applicant wishes the identity of the lender to remain confidential, the applicant must specifically request that the identity be kept confidential.**

There is no loan involved in the proposed transfer of ProCare Shares to the Trust.

ITEM 5. FUTURE PLANS FOR INSURER

- (a) **Describe any plans or proposals which the applicant may have for the insurer to declare a dividend, (whether or not extraordinary), to liquidate the insurer, to sell its assets, to merge it with any person or persons, or to make any other material change in its business operations or corporate structure or management.**

The Trust does not currently have any plans or proposals to declare an extraordinary or other dividend for ProCare, liquidate ProCare, sell ProCare's assets, merge ProCare with any person or persons, or make any other material change in ProCare's business operations or corporate structure or management.

- (b) **Provide a 5 year business plan which describes the types of business to be written by the insurer, marketing plan, projected direct, assumed, ceded, and net written premiums by line, pro-forma statutory balance sheets and income statements. Also, describe proposed changes to the insurer's reinsurance program (if any), amount, timing, and type of capital contributions (if any), proposed changes to the insurer's executive officers and directors, and compliance plan with the "books and records in Michigan" requirement of Section 5256.**

Current plans are that ProCare will continue to operate as a Medicaid HMO for the next 5 years and beyond. Five-year projected premiums, and pro-forma statutory balance sheets and income statements are attached as **Appendix A** to this statement.

There are no proposed changes in ProCare's reinsurance program. However, ProCare's reinsurance program will change as necessary to remain in compliance with requirements of the Insurance Code of 1956, as amended.

The Trust does not have any current intention to provide a capital contribution to ProCare. Capital contributions may be considered in the future as necessary or appropriate.

There are no proposed changes in ProCare's compliance plan with the "books and records in Michigan" requirements of Section 5256 of the Insurance Code of 1956, as amended.

Currently, there are no proposed changes in ProCare's executive officers or directors. However, changes in executive officers or directors may occur during the next 5 years in the event of vacancies or if prudent business practices call for the appointment of additional or different

officers or directors.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

State the number of shares of the insurer's voting securities which the applicant, its affiliates and any person listed in Item 3 plan to acquire, and the terms of the offer, request, invitation, agreement or acquisition, and a statement as to the method by which the fairness of the proposal was arrived at.

The Trust plans to acquire 100% of the voting securities of ProCare. As explained in Item 1 above, the transfer of ProCare Shares from the Estate to the Trust is in accordance with the probate administration of the Estate.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

State the amount of each class of any voting security of the insurer which is beneficially owned or concerning which there is a right to acquire beneficial ownership by the applicant, its affiliates or any person listed in Item 3.

100% of ProCare Shares will be owned by the Trust.

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

Give a full description of any contracts, arrangements or understandings with respect to any voting security of the insurer in which the applicant, its affiliates or any person listed in Item 3 is involved, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. Such description shall identify the persons with whom the contracts, arrangements or understanding have been entered into.

There are no contracts, arrangements or understandings with respect to any voting security of ProCare in which the Trust or any person listed in Item 3 is involved, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

Describe any purchases of any voting securities of the insurer by the applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this statement. Include in the description the dates of purchase, the names of the purchasers, and the consideration paid or agreed to be paid therefor. State whether any shares so purchased are hypothecated.

Neither the Trust nor any person listed in Item 3 has purchased any voting securities of ProCare during the 12 calendar months preceding the filing of this statement.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Describe any recommendations to purchase any voting security of the insurer made by the applicant, its affiliates or any person listed in Item 3, or by anyone based upon interviews or at the suggestion of the applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this statement.

Neither the Trust nor any person listed in Item 3 has made any recommendations to purchase any voting security of ProCare during the 12 calendar months preceding the filing of this statement.

No other person has made any recommendations to purchase any voting security of ProCare based upon interviews or at the suggestion of the Trust or a person listed in Item 3 during the 12 calendar months preceding the filing of this statement.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Describe the terms of any agreement, contract or understanding made with any broker-dealer as to solicitation of voting securities of the insurer for tender and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.

There is no agreement, contract, or understanding made with any broker-dealer as to solicitation of voting securities of ProCare for tender.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

- (a) **Financial statements and exhibits shall be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.**

There are no financial statements attached to this statement as explained in paragraph (b) below.

No exhibits are attached to this statement. There are no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of ProCare or additional soliciting material relating thereto. There are no proposed employment, consultation, advisory, managing general agent, controlling producer, or management contracts concerning ProCare. There are no annual reports or proxy statements to the stockholders of ProCare or the Trust for the last two fiscal years. There are no additional documents or papers required by Sections 4 and 6 of Form A forms and instructions.

- (b) **The financial statements shall include the audited annual financial statements of the persons (both corporate and individual) identified in Item 2 (c), including individuals who are applying to be the ultimate controlling persons, for the preceding 5 fiscal years (or for such lesser period as such applicant and its affiliates and any predecessors thereof shall have been in existence), and similar information covering the period from the end of such person's last fiscal year as of a date not earlier than 90 days prior to the filing of the statement. The statements may be prepared on either an individual basis, or, unless the Commissioner otherwise requires, on a consolidated basis if consolidated statements are prepared in the usual course of business. The consolidated financial statements shall include the consolidating work sheets.**

The annual financial statements of the applicant corporate entity shall be accompanied by the certificate of an independent public accountant to the effect that such statements present fairly the financial positions of the applicant and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the applicant is an insurer which is actively engaged in the business of insurance, the financial statements need not be certified, provided they are based on the Annual Statement of the person filed with the insurance department of the person's domiciliary state and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of the state.

The Trust does not have audited financial statements. ProCare has filed audited financial statements with OFIR each year for the preceding 5 years and in 2010. Financial statements of Dr. Kole-James were filed with OFIR each year for the preceding 5 years and in 2010.

ProCare Shares will not be transferred to the Trust until after the date of OFIR approval of the acquisition of control. No other assets have been transferred from the Estate to the Trust as of the date of this statement. It is anticipated that other assets, including _____, will be transferred from the Estate to the Trust. Approximately _____ in cash is in the Trust as of the date of this statement.

- (c) **File as exhibits copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the insurer and (if distributed) of additional soliciting material relating thereto, any proposed employment, consultation, advisory, managing general agent, controlling producer, or management contracts concerning the insurer, annual reports and proxy statements to the stockholders of the insurer and the applicant for the last two fiscal years, and any additional documents or papers required Form A forms and instructions Section 4 and 6.**

As indicated in paragraph (a) above, there are no exhibits attached to this statement.

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ITEM 13. SIGNATURE AND CERTIFICATION

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of Section 1311 of the Insurance Code of 1956, as amended, the Augustine K. Kole-James Trust UAD 6/30/2008 has caused this application to be duly signed on its behalf in the City of Detroit and State of Michigan on the 6th day of December, 2010.

(SEAL) Augustine K. Kole-James Trust UAD 6/30/2008
Name of Applicant

BY: 
Robin M. Cole, Family Trustee

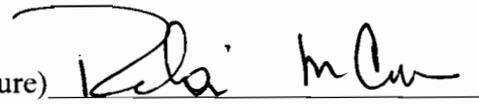
Attest:


(Signature of Officer)

Family Trustee
(Title)

CERTIFICATION

The undersigned deposes and says that she has duly executed the attached application dated December 7, 2010, for and on behalf of the Augustine K. Kole-James Trust UAD 6/30/2008; that she is the Family Trustee of the Trust and that she is authorized to execute and file such instrument. Deponent further says that she is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his or her knowledge, information and belief.

(Signature) 

(Type or print name beneath) Robin M. Cole