

**FORM A**

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

**CONIFER INSURANCE COMPANY AND WHITE PINE INSURANCE COMPANY  
Michigan Domestic Insurers**

**BY**

**STRENGTH CAPITAL PARTNERS III-Special Situations, LP**

**And**

**STRENGTH CAPITAL PARTNERS III-Special Situations (AIV), LP  
Name of Acquiring Persons (Applicants)**

**Filed with the Department of Finance and Insurance of the State of Michigan  
pursuant to  
Sections 1311 and 1312 of the Michigan Insurance Code of 1956, as amended**

**Dated: August 28, 2014**

Name, Title, address and telephone number of Individual to Whom Notices and Correspondence  
Concerning this Statement Should be Addressed:

Rochelle Kaplan  
General Counsel  
CONIFER HOLDINGS, INC.  
550 West Merrill Street, Suite 200  
Birmingham, Michigan 48009

Telephone: (248) 559-0840  
Facsimile: (248) 559-0870

with copies to:

Robin Fenberg, CFO  
STRENGTH GP III-SS LLC  
350 N. Old Woodward Ave., Ste 100  
Birmingham, Michigan 48009

Telephone: (248) 220-1169

## **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 insurers to which this application is related is:

Conifer Insurance Company and White Pine Insurance Company,  
Michigan insurance corporations  
550 West Merrill Street, Suite 200  
Birmingham, Michigan 48009

Telephone: (248) 559-0840  
Facsimile: (248) 559-0870

Conifer Holdings, Inc., a Michigan corporation ("Conifer Hold Co") owns 100% of Conifer Insurance Company, ("Conifer Ins"). Conifer Hold Co purchased these Conifer Ins shares via a Stock Purchase Agreement Dated August 4, 2009 and the Michigan Office of Insurance regulation approved the Form A on December 21, 2009.

Conifer Hold Co also owns 100% of White Pine Insurance Company, ("White Pine"). Conifer Hold Co purchased these shares via a Stock Purchase Agreement Dated December 7, 2010. The Commonwealth of Pennsylvania Office of Insurance Regulation approved the Form A on December 28, 2010. On June 29, 2011, Michigan Office of Insurance Regulation approved the re-domestication of White Pine Insurance Company from PA to MI.

Both Strength Capital Partners III-Special Situations, LP and Strength Capital Partners III-Special Partners (AIV), LP, whose General partner is Strength GP III-SS LLC purposes to invest a total of ten million dollars into Conifer Hold Co. which will make both shareholders owners in excess of 10% of the Conifer Hold Co stock. The total number of shares of common stock will be 71,942 shares and the approximate percent of ownership will be in excess of 10% and possibly as high as in excess of 20%. The attached Exhibit 1 – is a draft of the Subscription Agreement.

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

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

The applicants are:

STRENGTH CAPITAL PARTNERS III-Special Situations, LP  
And  
STRENGTH CAPITAL PARTNERS III-Special Situations (AIV), LP,  
(hereinafter referred to as, "STRENGTH CAPITAL")  
General Partner of both funds is: Strength GP III-SS LLC  
c/o Robin Fenberg, CFO  
350 N. Old Woodward Ave., Ste 100  
Birmingham, Michigan 48009

Telephone: 248-220-1169



- (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.

STRENGTH CAPITAL is a Birmingham, Michigan based private equity fund investing in middle market, non-public entities.

- (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 1/2 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.

Please see the attached Exhibit 2 - Organizational Chart.

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

The following table sets forth the name of each director and executive officer of STRENGTH CAPITAL. Only Mark McCammon and Michael Bergeron own voting securities. Please see attached Exhibit 3 - Biographical Affidavits regarding Mr. McCammon and Mr. Bergeron setting forth the information required by this Item 3. Separately both have submitted finger print cards and paid the filing fee as required by this section.

Name	Position with Applicants	Approximate Ownership
Mark McCammon	General Partner	25%
Michael Bergeron	General Partner	25%
Miscellaneous Investors (all non-voting shareholders)	Limited Partners	50%

**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.

- (a) Pursuant to the Subscription Agreement attached as Exhibit 1, STRENGTH CAPITAL shall acquire 71,942 shares of Conifer Holdings, Inc. for the purchase price of ten million dollars.
- (b) Explain the criteria used in determining the nature and amount of such consideration.
  - (b) The purchase price is the result of an arms-length negotiation between Conifer Hold Co and STRENGTH CAPITAL, mainly a function of Conifer Hold Co.'s book value.
- (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.
  - (c) Not applicable. This transaction is not a loan.

**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.

- (a) The applicants lack control of Conifer Hold Co, Conifer Ins or White Pine necessary to effect any of the transactions described in this section. The applicants have no plans to propose any of the transactions described in this section to the Board of Directors of senior management of Conifer Hold Co., Conifer Ins. Or White Pine.
- (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 3 changes to the insurer's executive officers and directors, and compliance plan with the "books and records in Michigan" requirement of Section 5256.
  - (b) Conifer Ins and White Pine plan on continuing to grow and expanding its current market share in Michigan and several other states. There is no change to the business plan as a result of the investment by the Applicants.

In compliance with Section 5256 (MCLA §500.5256) of the Michigan Insurance Code, Conifer Insurance Company and White Pine Insurance Company will continue to keep under its control at its principal place of business in Michigan (i) all records relating to its business and affairs and (ii) personnel knowledgeable about these records. The Applicants are aware that, under Section 5256 of the Michigan Insurance Code, the removal of any material part of such records from the State of Michigan would require the prior written approval of the Department.



**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 Subscription Agreement provides that STRENGTH CAPITAL will acquire from the 71,942 shares of common stock – in excess of over 10% of the issued and outstanding stock of Conifer Hold Co.

The fairness of the investment price was determined through extensive arm's length private negotiations between the parties mainly based on Conifer Hold Co.'s book value. The criteria used in determining the nature and amount of such consideration looked to the current earnings, the future expected profitability of Conifer Hold Co. and the current insurance markets.

**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.

Michael Bergeron owns 5,032 shares of common stock of Conifer Hold Co., individually as well as a trustee to the trusts of his children's trust funds that own collectively 723 shares of common stock of Conifer Hold Co. (Michael Bergeron purchased 1,000 shares on January 2, 2011 and the remained, 4,032 on January 28, 2014).

Mark McCammon owns 806 shares of common stock of Conifer Hold Co, individually.

Strength Capital Partners II, LP owns 15,000 shares of common stock of Conifer Hold Co. Strength Capital Partners II, LP is a private equity fund. Both Mark McCammon and Michael Bergeron are 50 / 50 General Partners of this fund.

Except for common shares listed above on Conifer Hold Co. and those described and contemplated by the Subscription Agreement, as of the date of this Form A, Applicants, to their knowledge, any person listed in Item 3, do not beneficially own or have a right to acquire beneficial ownership of any voting securities of Conifer Hold Co., Conifer Ins. or White Pine.

**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.

Except for the Subscription Agreements, as of the date of this Form A, the Applicants are not a party to any contract, arrangement or understanding with respect to any voting security of Conifer Hold Co., Conifer Ins. or White Pine.

**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.

Michael Bergeron recently purchased 4,032 shares of common stock of Conifer Hold Co., individually as well as is a trustee to the trusts of his children's trust funds that owns 723 shares of commons stock of Conifer Hold Co. on or about January 28, 2014.

Mark McCammon recently purchased 806 shares of common stock of Conifer Hold Co. on or about January 28, 2014.

Other than those items listed above regarding the General Partners of the Applicants, the Applicants during the 12 calendar months preceding the filing of this statement have not made any other purchases of any voting securities of Conifer Hold Co., Conifer Ins. Or White Pine other than the one contemplated in this filing.

**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.

None.

**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.

None. There are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of Conifer Ins. And White Pine 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.

(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.

(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

(a) The following financial statements and exhibits are attached to this statement:

Item	Description
1	Draft Subscription Agreement between the Applicants and Conifer Holdings, Inc. dated September __, 2014
3	Biographical Affidavits of Mark McCammon and Michael Bergeron
4	Financial Statements (prior 1 fiscal year) – STRENGTH CAPITAL PARTNERS (Fund started in May of 2013)
5	Financial Statement – Strength Capital Partners II, LP


**ITEM 13. SIGNATURE AND CERTIFICATION**

Signature and certification required as follows:

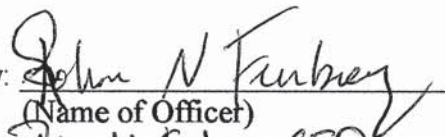
**SIGNATURE**

Pursuant to the requirements of Section 1311 of the Insurance Code of 1956, as amended, Mark McCammon has caused this application to be duly signed on its behalf in the City of Birmingham and State of Michigan on the 28<sup>th</sup> day of August, 2014.

**STRENGTH CAPITAL PARTNERS III-Special Situations, LP, and  
STRENGTH CAPITAL PARTNERS III-Special Situations (AIV), LP,**

By:   
Mark R. McCammon  
Its: General Partner

Attest:

By:   
(Name of Officer)  
Its: John N. Farber, CFO

**CERTIFICATION**

The undersigned deposes and says that she or he has duly executed the attached application dated August 28, 2014, for and on behalf of the Applicants; that he is the General Partner of such companies and that he is authorized to execute and file such instrument. 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 or her knowledge, information and belief.

  
Mark R. McCammon