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INSURANCE EVALUATION DIVISION

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

**CLARKSTON VENTURES, LLC
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: March 20, 2019

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

Rochelle Kaplan
Assistant Secretary and Corporate Legal Counsel
CONIFER HOLDINGS, INC.
550 West Merrill Street, Suite 200
Birmingham, Michigan 48009

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

with copies to:

Amy D. Eisenbeis
Chief Compliance Officer and General Counsel
Clarkston Capital Partners, LLC
91 W. Long Lake Road
Bloomfield Hills, MI 48304

Telephone: (248) 723-8000

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.

Clarkston Ventures, LLC has already invested \$4,923,136.07 and purchased 786,638 shares of Conifer Hold Co. Therefore, Clarkston Ventures, LLC currently owns 9.28% of Conifer Hold Co. Clarkston Ventures, LLC proposes to invest up to another \$4,000,000 into Conifer Hold Co and purchase at least if not more than 61,183 shares, which will make its ownership of Conifer Hold Co in excess of 10%.

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 applicant is:

CLARKSTON VENTURES, LLC
(hereinafter referred to as, “CLARKSTON VENTURES”)
c/o Amy D. Eisenbeis
Chief Compliance Officer and General Counsel
Clarkston Capital Partners, LLC
91 W. Long Lake Road
Bloomfield Hills, MI 48304

Telephone: (248) 723-8000

- (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.

CLARKSTON VENTURES was organized as a Michigan limited liability company on May 26, 2016. CLARKSTON VENTURES, is a Bloomfield Hills, Michigan-based private special purpose vehicle investing in securities of selected portfolio companies. Currently, its only investment is in Conifer Hold Co.

- (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 1 - Organizational Chart.

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

The following table sets forth the name of the managing member and other members owning 5% or more of CLARKSTON VENTURES. Please see attached Exhibit 2 - Biographical Affidavits regarding Gerald W. Hakala II and Jeremy J. Modell. Separately both have submitted finger print cards and paid the filing fee as required by this section.

Jeffrey A. Hakala's Biographical Information and finger print cards are already on file with the Department of Insurance and Financial Services.

| Name | Position with Applicants | Approximate Ownership |
|--|--------------------------|-----------------------|
| Jeffrey A. Hakala | Managing Member | 32.54% |
| Gerald W. Hakala II | Member | 32.54% |
| Jeremy J. Modell Revocable Living Trust dated November 6, 2003 | Member | 32.54% |
| All Other Members | Member | 2.38% |

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) CLARKSTON VENTURES wishes to purchase at least 61,183 additional shares of Conifer Hold Co and as many more shares as may be purchased up to an investment of \$4,000,000. Purchases are funded by member contributions to CLARKSTON VENTURES.

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

- (b) CLARKSTON VENTURES expects that the purchase price will be the result of an arms-length transaction and will be mainly a function of Conifer Hold Co.'s stock price on the NASDAQ.

(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) CLARKSTON VENTURES lacks the control of Conifer Hold Co, Conifer Ins or White Pine necessary to effect any of the transactions described in this section. CLARKSTON VENTURES has 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.

CLARKSTON VENTURES may acquire at least 61,183 additional shares of common stock of Conifer Hold Co, or more shares, for an investment of up to \$4,000,000, which including its current holdings, will be in excess of 10% of the issued and outstanding stock of Conifer Hold Co.

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.

As of the date of this Form A, CLARKSTON VENTURES owns and has the power to vote, and the persons listed in Item 3 beneficially own, 786,638 shares of common stock of Conifer Hold Co. In addition, persons listed in Item 3 as other members of CLARKSTON VENTURES own and have the power to vote an additional 74 shares of common stock of Conifer Hold Co. As of the date of this Form A, CLARKSTON VENTURES and the persons listed in Item 3 do not currently have a right to acquire beneficial ownership of any additional shares 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.

As of the date of this Form A, neither CLARKSTON VENTURES nor any of the persons listed in Item 3 are 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.

Other than the purchase by CLARKSTON VENTURES of the 786,638 shares listed above and the purchase by persons listed in Item 3 as other members of CLARKSTON VENTURES of the

74 shares listed above, CLARKSTON VENTURES and persons listed in Item 3 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.

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 | Biographical Affidavits of Gerald W. Hakala II and Jeremy J. Modell |

| | |
|---|---|
| 2 | Financial Statements / Tax Returns for CLARKSTON VENTURES 2017 |
| 4 | Financial Statements / Tax Returns for CLARKSTON VENTURES 2018 |
| 5 | Personal Financial Statements – Jeffrey A. Hakala, Gerald W. Hakala II and Jeremy J. Modell |

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, Jeffrey A. Hakala has caused this application to be duly signed on its behalf in the City of Bloomfield Hills and State of Michigan on the 20th day of March, 2019.

CLARKSTON VENTURES, LLC,

By: *Hakala*
Jeffrey A. Hakala
Its: Managing Member

Attest:

By: *Gerald W. Hakala II*
Gerald W. Hakala II
Its: Member

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated March 20, 2019, for and on behalf of the Applicant; that he is the Managing Member of such company 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 knowledge, information and belief.

 Hakala
Jeffrey A. Hakala