

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

**Reliance HMO Inc.**

\_\_\_\_\_  
Name of Domestic Insurer

BY

**Reliance ACO LLC**

\_\_\_\_\_  
Name of Acquiring Person (Applicant)

Filed with the Insurance Department of

Michigan

(State of domicile of insurer being acquired) Dated: September 17, 2020

\_\_\_\_\_  
Name, Title, Address and Telephone Number of Individual to Whom Notices and Correspondence  
Concerning this Statement Should be Addressed:

Gene Farber

\_\_\_\_\_  
23900 Orchard Lake Road

\_\_\_\_\_  
Suite 200

\_\_\_\_\_  
Farmington Hills, MI 48336  
\_\_\_\_\_

**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.

Reliance HMO Inc., 23900 Orchard Lake Road, Suite 210  
Farmington Hills, MI 48336

The applicant will purchase more than 10% of the stock of the domestic insurer.

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

- (a) State the name and address of the applicant seeking to acquire control over the insurer.  
Reliance ACO LLC, 23900 Orchard Lake Road, Suite 200,

Farmington Hills, MI

- (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.

Applicant has operated a Medicare Shared Savings Program under a contract with CMS

- (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). 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.

Reliance ACO LLC, is a Michigan limited liability company.  
Dr. Nazmul Haque owns 15% of Reliance ACO LLC and is a Controlling person. Dr. Haque is a Michigan resident and will File a separate form A. He is an individual.

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

On the biographical affidavit, include a third party background check and 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 if the applicant is not an individual.

- (a) Name and business address;
- (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;
- (c) Material 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 or such licensing or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection therewith.
- (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.
- (e) Upon the request of the Director, independent third party verification reports prepared by an NAIC approved vendor shall be provided. See [https://www.naic.org/documents/industry\\_ucaa\\_third\\_party.pdf?19](https://www.naic.org/documents/industry_ucaa_third_party.pdf?19) for a list of third party vendors for background reports.

**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.

The stock purchase will be funds from the profits of the

LLC. None of these funds are borrowed.

rt 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.

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

The price of the stock was set by the Board at its inception at \$10,000 a share. This is

The same price the applicant is paying/

(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.

NA

#### **ITEM 5. FUTURE PLANS FOR INSURER**

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 applicant has no plans to liquidate, sell or otherwise change the operations of the Insurer.

#### **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.

180 shares. A purchase agreement is included. The price is the original price set by the Insurer at it founding.

#### **ITEM 7. OWNERSHIP OF VOTING SECURITIES**

State the amount of each class or 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.

The only right is to purchase 180 shares of common stock.

#### **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 understandings have been entered into.

None

#### **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 therefore. State whether any shares so purchased are hypothecated.

Dr. Haque, a controlling party of applicant purchased a total of 35 shares in Reliance HMO, 25 of which were in the last 12 months. The applicant has not

purchased and shares in the last 12 months but does own 20 shares of the insurer.

**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

**ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS**

- (a) Financial statements, exhibits, and three-year financial projections of the insurer(s) shall be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached. Also provide a three-year narrative business plan which describes the types of business to be written by the insurer, and marketing plan. The financial projections shall include 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.

Attached are a three year projection the insurer has filed with DIFS. The applicant does not plan to make any changes in the insurer and plans on relying on management to operate the business. The Applicant does not have a business plan and defers to the insurer on this matter.

- (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 if the information is available. The statements may be prepared on either an individual basis, or, unless the Director 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 applicant is including five years of tax returns. The Applicant does not have audited financial statements. The ultimate controlling person is including five years of tax returns which are not audited.

Any ultimate controlling person who is an individual may file personal financial statements that are reviewed rather than audited by an independent public accountant. The review shall be conducted in accordance with standards for review of personal financial statements published in the *Personal Financial Statements Guide* by the American Institute of Certified Public accountants. Personal financial statements shall be accompanied by the independent public accountant's Standard Review Report stating that the accountant is not aware of any material modifications that should be made to the financial statements in order for the statements to be in conformity with generally accepted accounting principles.

The annual financial statements of the applicant shall be accompanied by the certificate of an independent public accountant to the effect that such statements present fairly the financial position 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 or the insurer and the applicant for the best two fiscal years, and any additional documents or papers required by Form A forms and instructions for Sections 4 and 6.

NONE

**ITEM 13. AGREEMENT REQUIREMENT FOR ENTERPRISE RISK MANAGEMENT**

Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.

**ITEM 14. SIGNATURE AND CERTIFICATION**

Signature and certification required as follows:

**SIGNATURE**

Pursuant to the requirements of Section 1311 of the Ins. Code of 1956, as amended,

\_\_\_\_\_ has caused this application to be duly signed  
on behalf in the City of FARMINGTON HILLS and State of  
Michigan on the 22<sup>nd</sup> day of  
SEPTEMBER, 2020.

(SEAL) RELIGIANCE ACO LLC

\_\_\_\_\_  
Name of Applicant

BY GENE FARBER COO  
\_\_\_\_\_  
(Name) (Title)

Attest:  
Gene Faria  
(Signature of Officer)

CDO  
(Title)

**CERTIFICATION**

The undersigned deposes and says that ~~she or he~~ has duly executed the attached application dated 9/27, 2020, for and on behalf of PELANCO FID (Name of Applicant); ~~that she or he~~ is the CDO (Title of Officer) of such company and that ~~she or he~~ is authorized to execute and file such instrument. Deponent further says that she or 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.

(Signature) Gene Faria

(Type or print name beneath) GENE FARIA