

**FORM A**  
**STATEMENT REGARDING THE**  
**ACQUISITION OF CONTROL OF A DOMESTIC INSURER**

Cherokee Insurance Company

By

Madeleine Suzanne Moroun, in her capacity as Cherokee Insurance Company Co-Trustee under the 2020 Irrevocable Lindsay S. Moroun Trust Agreement dated November 24, 2020

Filed with the Michigan Department of Insurance and Financial Services

Date: February 22, 2022

Notices and Correspondence Concerning This Statement Should be Addressed To:

Ms. Lori McAllister, Member  
[LMcAllister@dykema.com](mailto:LMcAllister@dykema.com)  
Dykema  
201 Townsend Street, Suite 900  
Lansing, Michigan 48933  
and  
Madeleine S. Moroun  
[Morounmadeleine@me.com](mailto:Morounmadeleine@me.com)  
12225 Stephens Road  
Warren, Michigan 48089

**ITEM 1: METHOD OF ACQUISITION**

The Michigan domestic insurer to which this Form A application relates is Cherokee Insurance Company ("Cherokee"), which has been domiciled in the state of Michigan since 1999. The home office for Cherokee is 2700 Howard Street, Port Huron, Michigan 48060. Cherokee's mailing address and service of process address is 34200 Mound Road, Sterling Heights, Michigan 48310.

Cherokee has been a wholly-owned subsidiary of Oakland Financial Corporation ("Oakland") since 1997. Matthew T. Moroun ("Mr. Moroun" or "Matthew Moroun") has been the ultimate controlling person ("UCP") of Oakland since 1996. Oakland is owned 100% by Lakeshore Ventures, LLC ("Lakeshore"), which is owned by the 2020 Irrevocable Lindsay S. Moroun Trust ("LSM Trust"). Mr. Moroun was the sole trustee of the LSM Trust through February 3, 2022. The Organization Chart (Exhibit A) depicts the Co-Trustee addition effective February 4, 2022.

**"Description of How Control is to Be Acquired"**

Madeleine Suzanne Moroun ("Ms. Moroun" or "Madeleine Moroun") is the daughter of Mr. Moroun. Control of Cherokee is to be acquired by Ms. Moroun through the February 4, 2022 Appointment of Co-Trustee (Exhibit B) and the February 4, 2022 Acceptance of Appointment as Cherokee Insurance Company Co-Trustee (Exhibit C).

As a result of Ms. Moroun's February 4, 2022 Appointment as a Co-Trustee, and contingent upon Ms. Moroun obtaining Form A Approval from the Michigan Department of Insurance and Financial Services ("DIFS"), Madeleine Moroun and Matthew Moroun will be the ultimate controlling persons of Cherokee.

For the sake of clarity, Madeleine Moroun files this application in an individual capacity as a result of her Appointment as Co-Trustee of Cherokee Insurance Company under the LSM Trust. As Co-Trustee, she along with Mr. Moroun are the nominal owners of 100% of Lakeshore, which allows Ms. Moroun and Mr. Moroun to exercise control over Oakland and ultimately, Cherokee. Ms. Moroun acquiring control through her appointment is not expected to affect Cherokee's:

- a) Statutory capital and surplus, NAIC risk-based capital ratio, and/or A.M. Best Company "A" (Excellent) financial strength rating.
- b) Statutory financial statements, dividend-paying capacity, plans or intentions, or enterprise risk management approach.
- c) Officers and management team.

Likewise, Ms. Moroun's appointment is not expected to materially change Oakland's GAAP shareholder's equity and financial strength, or its dividend-paying capacity, plans or intentions, or enterprise risk management approach.

Ms. Moroun is presently a member of Oakland's Board of Directors. Ms. Moroun is in her second year at The Law School of the University of Notre Dame. In the future, Ms. Moroun may be appointed as an officer of Oakland, and an officer and/or director of Cherokee or its subsidiaries.

**ITEM 2: METHOD OF ACQUISITION**

- a) Madeleine Suzanne Moroun is an individual applicant seeking to acquire control over Cherokee, along with her father Matthew Moroun:

Personal address:

160 Provençal Road  
Grosse Pointe Farms, Michigan 48236

Business address:

12225 Stephens Road  
Warren, Michigan 48089

Email Address:

Morounmadeleine@me.com

- b) Ms. Moroun is an individual applicant.  
c) Exhibit A sets forth the February 4, 2022 Organization Chart.

Ms. Moroun is the daughter of Mr. Moroun (UCP of Cherokee) and is also the daughter of Lindsay S. Moroun.

No court proceedings involving a reorganization or liquidation are pending with respect to the individuals and entities set forth in Exhibit A.

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

Madeleine Moroun submits this application as an individual applicant. Ms. Moroun's Universal Certificate of Authority BIOGRAPHICAL AFFIDAVIT is attached as Exhibit D.

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

As described in **ITEM 1 "Description of How Control is to Be Acquired"**, along with Mr. Moroun, Ms. Moroun is a nominal shareholder of Lakeshore. No funds or other considerations are used in effecting Ms. Moroun's acquisition of control as a nominal shareholder.

**ITEM 5: FUTURE PLANS FOR INSURER**

See **ITEM 1 "Description of How Control is to Be Acquired"**. Upon obtaining control, Ms. Moroun has no plans or proposals to have the insurer declare a dividend (whether or not extraordinary). Dividend payments from Cherokee to Oakland are proposed by Cherokee's management, and voted on and approved by its Board of Directors at quarterly meetings thereof. Ms. Moroun has no plans or proposals to change historical dividend-paying practices of Cherokee.

Further, Ms. Moroun has no plans or proposals to liquidate Cherokee, 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.

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

As described in **ITEM 1 “Description of How Control is to Be Acquired”**, along with Mr. Moroun, Ms. Moroun is a nominal shareholder of Lakeshore. No voting securities will be acquired in connection with this Form A application. Oakland has owned all voting shares of Cherokee since 1997, continues to own such shares on February 4, 2022, and is expected to continue to own such shares for the foreseeable future.

**ITEM 7: OWNERSHIP OF VOTING SECURITIES**

As described in **ITEM 1 “Description of How Control is to Be Acquired”**, along with Mr. Moroun, Ms. Moroun is a nominal shareholder of Lakeshore. No voting securities will be acquired in connection with this Form A application. Oakland has owned all voting shares of Cherokee since 1997, continues to own such shares on February 4, 2022, and is expected to continue to own such shares for the foreseeable future.

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

As described in **ITEM 1 “Description of How Control is to Be Acquired”**, no voting securities will be acquired in connection with this Form A application. Ms. Moroun becomes a nominal shareholder (along with Mr. Moroun) of Lakeshore as a result of Exhibit B and C.

**ITEM 9: RECENT PURCHASE OF VOTING SECURITIES**

As described in **ITEM 1 “Description of How Control is to Be Acquired”**, Item 9 is not applicable. In connection with Ms. Moroun’s acquisition of control, Ms. Moroun has not purchased (and does not expect to purchase) any voting securities of Cherokee, Oakland, or Lakeshore.

As depicted in Exhibit A, Mr. Moroun has been Sole Trustee of the LSM Trust, which owns (and will continue to own), 100% of Lakeshore, which owns all of Oakland, which owns all of Cherokee.

**ITEM 10: RECENT RECOMMENDATIONS TO PURCHASE**

As described in **ITEM 1 “Description of How Control is to Be Acquired”**, Item 10 is not applicable. In connection with Ms. Moroun’s acquisition of control, Ms. Moroun has not purchased any voting securities of Cherokee, Oakland, or Lakeshore.

As depicted in Exhibit A, Mr. Moroun has been Sole Trustee of the LSM Trust, which owns (and will continue to own), 100% of Lakeshore, which owns all of Oakland, which owns all of Cherokee.

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

None.

**ITEM 12: FINANCIAL STATEMENTS AND EXHIBITS**

- a) As described in **ITEM 1 “Description of How Control is to Be Acquired”**, Mr. Moroun’s acquiring control through her appointment as Co-Trustee of Cherokee Insurance Company is not expected to affect Cherokee’s:
- 1) Statutory capital and surplus, NAIC risk-based capital ratio, and/or A.M. Best Company “A” (Excellent) financial strength rating.
  - 2) Statutory financial statements, dividend-paying capacity, plans or intentions, or enterprise risk management approach.
  - 3) Officers and management team.
- b) Ms. Moroun’s personal financial statements are attached as Exhibit E.
- c) Ms. Moroun was appointed to the Oakland Board of Directors on October 17, 2021 with an annual director’s fee of \$25,000. No fees will be paid in 2022 for Ms. Moroun’s appointment as Cherokee Insurance Company Co-Trustee.

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

As described in **ITEM 1 “Description of How Control is to Be Acquired”**, given the nature of the items effecting Ms. Moroun’s control (i.e., Appointment of Co-Trustee and Acceptance of Appointment as Cherokee Insurance Company Co-Trustee), this Form A will not affect the enterprise risk management approach of Cherokee, Oakland, or their subsidiaries. Cherokee will file its Form F “Enterprise Risk Report” by April 30, 2022, with such Form F to be signed by Mr. Moroun (consistent with prior years).

Nonetheless, if DIFS considers it appropriate, Cherokee will file by March 15, 2022 (15 days after the end of the month Ms. Moroun acquired control), a Form F “Enterprise Risk Report” certifying that “In connection with Ms. Moroun’s acquisition of control of Cherokee, there has been no material change in the enterprise risk framework of Cherokee through March 15, 2022.” The Form F will be signed by the Chief Executive Officer of Cherokee, as well as Mr. Moroun and Ms. Moroun (as UCPs of Cherokee).

**ITEM 14: 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, Madeleine Suzanne Moroun has caused this application to be duly signed on her behalf in the City of South Bend and State of Indiana on this 22nd day of February, 2022.



**Madeleine Suzanne Moroun  
An Individual**

**ATTEST:**

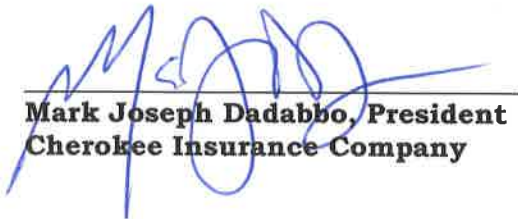
I attest to the signature of Ms. Moroun above.



**Mark Joseph Dadabbo, President  
Cherokee Insurance Company**

**CERTIFICATION:**

The undersigned deposes and says that he has duly executed the attached application dated February 22, 2022, for and on behalf of Madeleine Suzanne Moroun; that he is the President of Cherokee Insurance 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.



**Mark Joseph Dadabbo, President  
Cherokee Insurance Company**

<b>LIST OF EXHIBITS</b>
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- EXHIBIT A            FEBRUARY 4, 2022 ORGANIZATION CHART**
- EXHIBIT B            FEBRUARY 4, 2022 APPOINTMENT OF CO-TRUSTEE**
- EXHIBIT C            FEBRUARY 4, 2022 ACCEPTANCE OF APPOINTMENT OF CHEROKEE  
INSURANCE COMPANY CO-TRUSTEE**
- EXHIBIT D            UNIVERSAL CERTIFICATE OF AUTHORITY "BIOGRAPHICAL AFFIDAVIT"  
OF MADELEINE MOROUN**
- EXHIBIT E            DECEMBER 31, 2021, 2020, 2019, 2018 AND 2017 STATEMENTS OF  
FINANCIAL CONDITION OF MADELEINE S. MOROUN AND  
INDEPENDENT ACCOUNTANTS' REVIEW REPORT**
- EXHIBIT F            CHEROKEE INSURANCE COMPANY STATUTORY-BASIS FINANCIAL  
STATEMENTS AS OF AND FOR YEARS ENDING DECEMBER 31, 2023,  
2022 (PROJECTIONS) AND 2021, 2020 AND 2019 (ACTUAL)**