

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

Single Vision Solution, Inc.
Name of Domestic Insurer

BY
Fielmann USA Inc.
Name of Acquiring Person (Applicant)

Filed with the Michigan Department of Insurance and Financial Services

Date: July 14, 2023

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

To:

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Introduction and Purpose of Form

This Form A Statement Regarding the Acquisition of Control or Merger with a Domestic Insurer seeks the approval of the Director of the Michigan Department of Insurance and Financial Services (the “**Director**”) for the indirect acquisition of control of SVS Vision Solution, Inc. (the “**Domestic Insurer**”), a Michigan domiciled alternative financial delivery system, by Fielmann USA Inc., a Delaware corporation (the “**Applicant**”). The Applicant (*i.e.*, Fielmann USA Inc., f/k/a Rivalto 1280, Inc.) is ultimately owned by Fielmann AG, a German publicly traded company.

Although a publicly traded company, Fielmann AG has a single natural person that is the controlling individual, Marc Fielmann (the “**Ultimate Controlling Person**”). Marc Fielmann intends to hold ultimate control over the Domestic Insurer following the acquisition, and no other individual natural person will maintain more than 5% ownership or control, directly or indirectly, of the Domestic Insurer.

Further Background Information about the Current Structure of the Domestic Insurer

The current and proposed post-closing ownership structure of the Domestic Insurer is identified in the organizational charts, attached as **Exhibit 2** and **Exhibit 3**. A narrative description of the current ownership is as follows:

Robert G. Farrell, Jr. owns 51% and Kenneth J. Stann owns 49% of SVS Vision Holding Company, a Delaware S Corp.

SVS Vision Holding Company holds a Michigan Third-Party Administrator (“**TPA**”) license, which has not had any activity since 2018. SVS Vision Holding Company has no employees or assets other than the TPA license.

SVS Vision Holding Company holds 100% of the shares of SVS Vision Holding II Company, a Delaware S Corp. SVS Vision Holding II Company has had no activity other than receiving and distributing dividends from the Domestic Insurer (*i.e.*, Single Vision Solution, Inc.) (discussed below). SVS Vision Holding II Company has no employees or assets other than a bank account that serves as a pass-through account for the annual dividends. The original purpose of SVS Vision Holding II Company is unknown, but to dissolve it would require filing a Form A with the Director, and management has concluded that doing so would not be worth the cost and effort.

SVS Vision Holding II Company holds 100% of the shares of SVS Vision, Inc., a Delaware S corporation. SVS Vision, Inc. is the retail entity that has all of SVS’ employees, and owns the bulk of SVS’ assets.

SVS Vision Holding II Company holds 100% of the shares of the Domestic Insurer (*i.e.*, Single Vision Solution, Inc.), a Michigan S corporation. The

Domestic Insurer is a Michigan licensed insurer that holds vision insurance contracts and has nominal physical assets and no employees. Its management functions are performed by SVS Vision, Inc. employees pursuant to a Management Services Agreement. SVS Vision, Inc. provides the provider network for approximately 70% of the Domestic Insurer's claims via an affiliated provider agreement.

SVS Vision Holding II Company holds 100% of the membership interests of SVS Real Estate Holding, LLC, a Michigan limited liability company. SVS Real Estate Holding, LLC is the tenant for all of the leased retail spaces, headquarters, and lab facility. SVS Real Estate Holding, LLC, in turn subleases these locations to SVS Vision, Inc.

ITEM 1. METHOD OF ACQUISITION

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

Single Vision Solution, Inc.
118 Cass Avenue
Mount Clemens, Michigan 48043
Phone Number: (586) 464-1522

Subject to the approval of the Director, control is to be acquired pursuant to and through an equity purchase agreement (the "**Purchase Agreement**") whereby the Applicant will acquire all of the issued and outstanding shares of SVS Vision Holding Company. As noted above, SVS Vision Holding Company is currently owned by Robert G. Farrell, Jr. and Kenneth J. Stann, who together own 100% of SVS Vision Holding Company.

As noted above, the Applicant is a holding company recently formed and to be used for purposes of this acquisition, which is ultimately controlled by a single individual natural person, Marc Fielmann. As a result, Marc Fielmann, after the closing of the acquisition, will be the Ultimate Controlling Person of the Applicant.

A copy of the Purchase Agreement is attached hereto as **Exhibit 1**.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

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

Fielmann USA Inc.

C/O Ernst & Linder LLC
30 Wall Street, 8th Floor

New York, New York 10005

- (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 was formed in the state of Delaware on August 19, 2022 for the purpose of acquiring the equity interests as described in Item 1 above.

Notwithstanding Applicant's new formation, Fielmann AG has been in the vision care business since the early 1970's having been founded by Guenther Fielmann. Fielmann AG is predominantly an optical retailer selling RX glasses, contact lenses, other eyewear products, and hearing aids. Fielmann AG also operates the largest vision insurance in Germany with over 9 million members. It currently operates in 16 European countries.

As part of Fielmann AG's expansion efforts, Fielmann AG intends to expand its operations to North America, in part by and through the acquisition of the Domestic Insurer. The overall business of the Applicant, by and through the acquisition of control of the Domestic Insurer, is to continue providing the same or similar services and products currently provided by Fielmann AG and the Domestic Insurer.

- (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.*

Again, please see Current and Proposed Post-Closing Organizational Charts, attached as **Exhibit 2** and **Exhibit 3**.

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

The names and titles of all persons who are directors, officers and owners of 10% or more of the voting interests of the Applicant are as follows:

- Roland Strathmann, Director and Chairman
- Lukas Ruecker, Director and Chief Executive Officer
- David D. Cassell, General Counsel, Chief Administrative Officer and Executive Vice President
- Marc Fielmann, Ultimate Controlling Person

Biographical Affidavits on the National Association of Insurance Commissioners Form for the above named persons (Roland Strathmann, Lukas Ruecker, David Cassell and Marc Fielmann) are attached as **Exhibit 4(A), Exhibit 4(B), Exhibit 4(C) and Exhibit 4(D)**, respectively, to this Application.

Mr. Ruecker is experienced in the insurance industry, and maintains biographical affidavits on file in a vast majority of U.S. states, including Michigan. We have included an updated version of his Biographical Affidavit with this Application.

Individual background checks for these individuals have been ordered from True Hire, and should be provided directly to the Director therefrom.

Prior to the addition of any future directors or officers and subject to corporate approval by the Applicant and regulatory approval by the Director, the Applicant will submit biographical affidavits and will initiate individual background checks for the new individuals, which will be provided directly to the Director therefrom.

It is our understanding that Biographical Affidavits of Robert G. Farrell, Jr. and Kenneth J. Stann (the current owners) have been previously submitted to the Director; however, please note that these individuals will not serve as directors or officers of the Domestic Insurer following the closing date of the acquisition.

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.

Further to the Purchase Agreement, the Applicant will pay \$115,000,000 in cash to the sellers, Robert G. Farrell, Jr. and Kenneth J. Stann, (subject always to various purchase price adjustments as described in the Purchase Agreement) as consideration for sellers, principally to acquire SVS Vision, Inc. Through its acquisition of SVS Vision, Inc., Applicant will also thereby be acquiring control of the Domestic Insurer which, given its size, constitutes a very small piece of the total assets to be acquired.

While the purchase price noted above will be paid in cash, we understand that the Applicant may enter into some limited financing arrangements up the corporate chain; however, the Applicant will at all times be adequately capitalized, as supported by the financial statements of SVS Vision Holding Company and Subsidiaries (Consolidated) (Exhibit 5(A)), Single Vision Solution, Inc. (Exhibit 5(B)), and Fielmann AG (Exhibit 5(C)). The personal financial information of the single natural individual controlling person, Marc Fielmann (*i.e.*, the Ultimate Controlling Person) is included within Exhibit 5(D).

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

The nature and amount of consideration to be paid in connection with the indirect control by Applicant of the Domestic Insurer was determined by arm's length negotiations as set forth in the Purchase Agreement. The Applicant performed due diligence and reviewed financial statement information and various other documents and information of the Domestic Insurer as part of the acquisition.

- (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.*

Not applicable.

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.

Immediately following the closing of the acquisition, the Domestic Insurer will continue to conduct its operations as currently conducted. The Applicant has no immediate plans to liquidate, dividend, sell, or merge, or make any material change to the Domestic Insurer, and the Applicant intends to continue to follow the requirements applicable to Domestic Insurer by law and under the Michigan Department of Insurance Bulletin 2016-22-INS, including but not limited to the financial and capital requirements outlined therein. As discussed recently with the department, the applicant may consider some disposition of the Domestic Insurer but no final decisions have been made in this regard.

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.

None, other than as indirectly described above through the Purchase Agreement.

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.

None, other than as indirectly described above through the Purchase Agreement.

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, other than as indirectly described above through the Purchase Agreement.

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.

None, other than as indirectly described above through the Purchase Agreement.

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, other than as indirectly described above through the Purchase Agreement.

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.*

Please see the following Attachments:

- Exhibit 1: Equity Purchase Agreement¹
- Exhibit 2: Current Organizational Chart
- Exhibit 3: Proposed Organizational Chart after Acquisition

¹ In theory, we could omit the purchase agreement as an Exhibit, but in our experience, it is most often submitted with the Form A filing and DIFS likely would ask for it anyways.

- Exhibit 4(A): Biographical Affidavit for Roland Strathmann
- Exhibit 4(B): Biographical Affidavit for Lukas Ruecker
- Exhibit 4(C): Biographical Affidavit for David D. Cassell
- Exhibit 4(D): Biographical Affidavit for Marc Fielmann
- Exhibit 5(A): 2022 Consolidated Audited Financial Statements for SVS Vision Holding Company and Subsidiaries
- Exhibit 5(B): 2022 Audited Financial Statements for Single Vision Solution, Inc.
- Exhibit 5(C): 2022 Audited Financial Statements and Annual Report for Fielmann AG
- Exhibit 5(D): Personal Financial Information for the Ultimate Controlling Person, Marc Fielmann
- Exhibit 6: Plan of Operations of the Domestic Insurer
- Exhibit 7: Management Services Agreement between the Domestic Insurer and SVS Vision, Inc. (same as previously provided to the Director)
- Exhibit 8: Three Year Financial Projections of the Domestic Insurer

(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.*

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.

Applicant, having recently been formed, does not have any financial statements. Instead, we have provided the financial statements of Fielmann AG (**Exhibit 5(C)**), as well as the personal financial information of Marc Fielmann, the Ultimate Controlling Person (**Exhibit 5(D)**).

- (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.*

Neither Applicant nor Domestic Insurer provide annual reports to shareholders; however, we have included the 2022 Fielmann Annual Report (**Exhibit 5(C)**), which is the most recent report available.

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.

[Signature Page to Form A]

[Signature Page to Supplemental Submission to Form A]

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, Fielmann USA Inc. has caused this Supplemental Submission to be duly signed on its behalf in the City of Los Angeles, in California, on the 17th day of July, 2023.

Fielmann USA Inc.

By: _____


Lukas Ruecker

Its: Chief Executive Officer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Supplemental Submission Dated July 17th, 2023, for and on behalf of Fielmann USA Inc.; that he is the Chief Executive Officer 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.

Fielmann USA Inc.

By:  _____

Its: CHIEF EXECUTIVE OFFICER

[EXHIBITS TO FOLLOW]