

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF THE APPLICATION
FOR APPROVAL OF THE ACQUISITION
OF CONTROL OF FIDELITY STANDARD
LIFE INSURANCE COMPANY**

--
AID NO. 2010- 0 6 4

ORDER

A hearing was held at 10:00 a.m. on June 17, 2010 in the Hearing Room of the Arkansas Insurance Department in accordance with the provisions of Ark. Code Ann. §§ 23-69-142, *et seq.*, 23-63-506 *et seq.*, 23-63-510, Department Rule 15, and other pertinent provisions of the Arkansas Insurance Code, pursuant to a Form A Application dated October 15, 2009, filed by David G. Elmore (the "Applicant") seeking approval of a Memorandum of Agreement dated December 31, 2008, (the "Agreement") between the Applicant and First American Capital Corporation ("First American"), the owner of all of the issued and outstanding capital stock of the Company, whereby the Applicant would obtain control of the Company. The hearing was held before Deputy Commissioner Lenita Blasingame ("Hearing Officer") pursuant to her appointment by Commissioner Jay Bradford in accordance with Ark. Code Ann. § 23-61-163. The Insurance Department was represented by Amanda Capps Rose, Associate Counsel, and Brenda Haggard, Manager of Financial Analysis and other members of the Department. The Applicant was present in person and was represented by his attorneys, Dover Dixon Horne, PLLC through Allan W. Horne. First American was represented by its sole stockholder, Margaret Hall, through an Affidavit executed by her on behalf of First American and presented at the hearing.

FINDINGS OF FACT

From the Form A, testimony of the witnesses and other evidence introduced at the hearing, including the Affidavit of Margaret Hall, exhibits filed in connection with the Form A, reports and statements on file with the Department, representations of counsel and other matters and things considered, the Hearing Officer finds as follows:

1. The Form A was filed herein on October 8, 2009. The Commissioner has jurisdiction of the parties and the subject matter of this case under the provisions of Ark. Code Ann. §§ 23-69-142, 23-63-506, 23-63-510, 23-69-149 and other pertinent provisions of the Arkansas Insurance Code. The Notice of Hearing was given within the time and in the manner required by law, and the parties have consented to the holding of this hearing at this time and on this date.

2. The Applicant is a resident of the State of California.

3. The Company is a wholly owned subsidiary of Old Reliance Insurance Company (“Old Reliance”), an Arizona life and health insurance company, NAIC Company Code 67253. Old Reliance is the owner of all of the issued and outstanding capital stock of the Company.

4. The purchase price agreed to be paid for the stock of the Company is fair and equitable to all parties. The Company has no security holders other than the Applicant and, therefore, there are no security holders to be affected by the acquisition of the Company other than the Applicant.

5. Confirmation of the Agreement by the Applicant will not substantially lessen competition in the insurance business in this state or tend to create a monopoly therein.

6. There are no plans or proposals to liquidate the Company, sell its assets, consolidate or merge it with any other person except as set forth in the Agreement. There are no plans or proposals to make any material changes in the business or corporate structure of the

Company that would be unfair or unreasonable to any policyholder of the Company or against the public interest.

7. The competence and experience of the persons who would control the operations of the Company are such that the acquisition of control would be in the best interest of any policyholders of the Company and of the public.

8. No director, officer, agent or employee of any of the parties shall receive any fee, commission, compensation or other valuable consideration whatsoever for in any manner aiding, promoting or assisting with the Agreement.

9. The Agreement is not contrary to law.

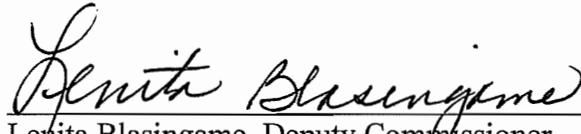
10. All filings, hearings and other procedures required by law or otherwise deemed appropriate by the Commissioner have been duly completed by the Applicant, the Company, First American and the Department.

CONCLUSIONS OF LAW

11. Based upon the above and foregoing Findings of Fact and other matters, facts and things before the designated Hearing Officer, the Hearing Officer finds and concludes that the Agreement is not contrary to law, that none of the conditions specified in Ark. Code Ann. § 23-63-510 as preclusions for the approval of the Agreement exist, and that the proposed acquisition of control of the Company should be approved as provided in the Agreement, Form A and as described in this Order.

RECOMMENDATIONS OF THE HEARING OFFICER

WHEREFORE, based upon the foregoing Findings of Fact, Conclusions of Law, and other matters before me, I recommend that the proposed acquisition of Fidelity Standard Life Insurance Company be approved.



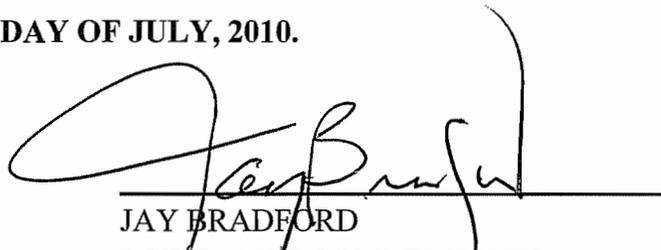
Lenita Blasingame, Deputy Commissioner,
Hearing Officer

CERTIFICATION

I, Jay Bradford, Insurance Commissioner for the State of Arkansas, do hereby certify that the above Findings of Fact, Conclusions of Law, and Recommendations of the Hearing Officer were made by and under my authority and supervision by Lenita Blasingame, Chief Deputy Commissioner and Hearing Officer in this proceeding. I hereby adopt the Hearing Officer's Findings of Fact, Conclusions of Law, and Recommendations in full and enter this Order.

THEREFORE, it is hereby ORDERED that the acquisition of Fidelity Standard Life Insurance Company by David G. Elmore is approved.

IT IS SO ORDERED THIS 9th DAY OF JULY, 2010.



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS