

IN RE: Proposed Acquisition of Traders )  
Insurance Company )  
by ) Case No. 070220197C  
Brooke Corporation, Brooke Holdings, Inc., )  
Robert D. Orr and Leland G. Orr )

### **FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER**

Based on the competent and substantial evidence on the whole record, I, Douglas M. Ommen, Director of the Department Insurance, Financial Institutions and Professional Registration, State of Missouri (“Director”), find and conclude that:

1. On or about February 7, 2007, a Form A Registration Statement was filed with the Missouri Department of Insurance (the “Department”) on behalf of Brooke Corporation, Brooke Holdings, Inc., Robert D. Orr and Leland G. Orr (“Applicants”), in connection with the proposed acquisition of control of Traders Insurance Company (“Traders”), a Missouri domestic insurance company. On March 13, 2007, the Department held a public hearing pursuant to an order of notice of hearing. Anita Larson and Jeff Norse appeared for the Applicants. Mark W. Stahlhuth appeared for the Department’s Insurance Solvency & Company Regulation Division.

2. The Applicants will acquire control of Traders pursuant to a Stock Purchase Agreement, dated as of February 5, 2007, by and between Brooke Corporation and Mark C. Concannon, Lorie I. Concannon, Timothy J. Hatfield, and Raeann M. Hatfield, each individually, and Barbara J. Concannon and Patrick J. Concannon as the sole trustees of the Bernard P. Concannon Jr. Trust and the Barabara J. Concannon Trust, both dated July 11, 1997 (collectively “the sellers”), and ancillary agreements thereto. Pursuant to such agreements, Brooke Corporation, will acquire from the sellers all of the then issued and outstanding common stock of Delta Plus Holdings, Inc., which owns all of the issued and outstanding common stock of Traders Insurance Connection, Inc., which owns all of the issued and outstanding common and preferred stock of Traders.

3. A preponderance of the evidence on the whole record fails to show that:

A. After the acquisition of control of Traders by the Applicants, Traders will not be able to satisfy the requirements for the issuance of licenses to write the lines of insurance for which it is presently licensed.

B. The effect of the acquisition of control of Traders will be to substantially lessen competition in insurance or tend to create a monopoly in this state.

C. The financial condition of the Applicants is such as might jeopardize the financial stability of Traders or prejudice the interest of the policyholders of Traders.

D. The Applicants' plans or proposals, if any, to liquidate Traders, to sell its assets, to consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, is unfair or unreasonable to policyholders of Traders or contrary to the public interest.

E. The competence, experience and integrity of the Applicants' management is such that it would be contrary to the interests of the policyholders of Traders and of the public to permit the acquisition of Traders by the Applicants.

F. The proposed acquisition of Traders by the Applicants is likely to be hazardous or prejudicial to the insurance buying public.

### **ORDER**

Based on the foregoing findings and conclusions, the proposed acquisition of control of Traders Insurance Company by Brooke Corporation, Brooke Holdings, Inc., Robert D. Orr and Leland G. Orr as submitted in the Form A Statement is hereby APPROVED.

So ordered, signed and official seal affixed this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

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DOUGLAS M. OMMEN, Director