



DEPARTMENT OF

INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

IN RE: The Proposed Acquisition of)
 OakRe Life Insurance)
 Company by First Trust) Case No. 010518488C
 of Mid-America, Trustee for)
 American Prearranged Services Trust)

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

Findings of Fact and Conclusions of Law

Based on the testimony and other evidence presented, I, SCOTT B. LAKIN, Director of the Department of Insurance, State of Missouri, find and conclude that:

1. On or about May 16, 2001, First Trust of Mid-America, Trustee for American Prearranged Services Trust Insurance Company (AAPS Trust) filed a Form A Registration Statement with the Missouri Department of Insurance (the Department) in connection with the proposed direct acquisition of OakRe Life Insurance Company (OAKRE), a Missouri stock life insurance company. A public hearing was held beginning on June 21, 2001, as ordered by the Department and continuing at various times until August 31, 2001. APS Trust and the Department's Division of Financial Regulation appeared by counsel.

2. Pursuant to the second amended Form A, APS Trust will purchase from Xerox Financial Services, Inc., 100% of the voting stock of OAKRE. American Prearranged Services, Inc. (APSI), controls APS Trust. John Lake and John McCulloch control APSI.

3. On or about September 18, 2001, APS Trust filed a second amended Form A at the request of the Division of Financial Regulation. The amendment to the Form A consists of the following statements:

"1. American Prearranged Services, Inc. ('APSI') will invest \$448,724 into OakRe upon its acquisition and such additional investment will be posted as a contingency reserve liability on the books and records of OakRe.

"2. Of the single class of voting securities of OakRe, APSI will own and control 448724/1500000 of securities after the acquisition.

"3. After the acquisition, OakRe will transact its life insurance business as proposed in the Form A and attached exhibits, but will charge premiums and carry reserve liabilities in accordance with the written report of James Thompson, which is attached to his pre-filed testimony. The Board of Directors intend to review its products and premium from time to time and shall file with the Missouri Department of Insurance policy forms and actuarial analysis in support of such other product.

"4. APSI will not withdraw the contingency reserve from OakRe without the prior approval from the Missouri Department of Insurance."

4. Based upon the second amended Form A, a preponderance of evidence on the whole record fails to show that:

(A) After the acquisition of OAKRE by APS, OAKRE will not be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which it is presently licensed;

(B) The effect of the acquisition of OAKRE by APS will be to substantially lessen competition in insurance or tend to create a monopoly in this state;

(C) The financial condition of APS is such as might jeopardize the financial stability of OAKRE or prejudice the interests of its policyholders;

(D) APS=s plans, if any, to liquidate or sell OAKRE or to consolidate or merge it with other companies or to make any other material change in OAKRE=s business, corporate structure, or management, would be unfair or unreasonable to policyholders of OAKRE or contrary to the public interest;

(E) The competence, experience, and integrity of APS=s management are such that it would be contrary to the interest of policyholders of OAKRE and to the public to permit the acquisition of OAKRE by APS;

(F) The proposed acquisition of OAKRE by APS 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 OakRe Life Insurance Company by First Trust of Mid-America, Trustee for American Prearranged Services Trust Company is **APPROVED WITH CONDITIONS**, as follows:

1. American Prearranged Services, Inc. ("APSI") will invest \$448,724 into OakRe upon its acquisition and such additional investment will be posted as a contingency reserve liability on the books and records of OakRe.
2. Of the single class of voting securities of OakRe, APSI will own and control 448724/1500000 of securities after the acquisition.

3. After the acquisition, OakRe will transact its life insurance business as proposed in the Form A and attached exhibits, but will charge premiums and carry reserve liabilities in accordance with the written report of James Thompson, which is attached to his pre-filed testimony. The Board of Directors intend to review its products and premium from time to time and shall file with the Missouri Department of Insurance policy forms and actuarial analysis in support of such other product.

4. APSI will not withdraw the contingency reserve from OakRe without the prior approval from the Missouri Department of Insurance.

So ordered, signed and official seal affixed this _____ day of September, 2001.

SCOTT B. LAKIN, Director
Missouri Department of Insurance