

STATE OF MISSOURI

DEPARTMENT OF



INSURANCE

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

In re: Proposed Acquisition of:)
Gateway Insurance Company)
by) Case Number 051017347C
Hendricks Holding Company, Inc.)

Findings of Fact, Conclusions of Law, and Order

Findings of Fact and Conclusions of Law

Based on the competent and substantial evidence on the whole record, I, W. Dale Finke, Director of Insurance, State of Missouri, ("Director") find and conclude that:

1. On or about October 14, 2005, a Form A Statement was filed with the Missouri Department of Insurance (the "Department") on behalf of Hendricks Holding Company, Inc. ("Applicant"), in connection with the proposed acquisition of a certain Missouri domestic insurer, namely, Gateway Insurance Company, (the "Insurer"). On November 14, 2005, a hearing was held pursuant to an order of notice. Thomas J. Campbell of Gallop, Johnson & Neuman, L.C. appeared for Applicant. Mark Stahlhuth appeared for the Department's Division of Financial Regulation.
2. Camelot Services, Inc., owns 100% of the 30,000 issued and outstanding shares of voting common stock of the Insurer. Applicant intends to acquire control of the Insurer by acquiring all five hundred (500) shares of the outstanding voting common stock of Camelot Services: four hundred and eighty-six (486) shares from Barry T. Cervantes, Trustee of the Barry T. Cervantes

Revocable Trust Dated February 20, 1986, and fourteen (14) shares from St. Louis Community Foundation, Inc.

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

A. After the change of control of the Insurer by Applicant, the Insurer will be unable to satisfy the requirements for the issuance of a license to write the lines of insurance for which they are presently licensed.

B. The effect of the acquisition of the control of Insurer would be substantially to lessen competition in insurance in this State, or tend to create a monopoly therein.

C. The financial condition of Applicant is such as might jeopardize the financial stability of the Insurer or prejudice the interests of its policyholders.

D. Any plans or proposals Applicant has to liquidate the Insurer, to sell its assets or to consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management are unfair and unreasonable to policyholders or subscribers of the Insurer or contrary to the public interest.

E. The competence, experience and integrity of the Applicant's management are such that it would be contrary to the interests of the policyholders of the Insurer and of the public to permit the acquisition of control of the Insurer by Applicant.

F. The acquisition of the Insurer by the Applicant is likely to be hazardous or prejudicial to the insurance buying public, provided that for a period of three (3) years after the change in control the Insurer does not pay any dividend or make any other distribution to its shareholder or shareholders without the prior written approval of the Director.

Order

Based on the forgoing findings and conclusions, the acquisition of control of Gateway Insurance Company by Hendricks Holding Company, Inc. as proposed in the Form A Statement is hereby **APPROVED WITH CONDITION**, as follows: For a period of three (3) years after the acquisition of control, Gateway Insurance Company may not pay any dividend or make any other distribution to its shareholder or shareholders without the prior written approval of the Director.

So ordered, signed and official seal affixed this ____ day of November, 2005.

W. DALE FINKE, Director