

OCT 05 2016

FILED

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

IN THE MATTER OF THE MERGER)
OF STONETRUST HOLDING COMPANY, LLC,)
a Louisiana domiciled limited liability company,)
with and into STONETRUST COMMERCIAL)
INSURANCE COMPANY, a Nebraska domiciled)
stock insurer)

CAUSE NO.: C-2257

ORDER
APPROVING MERGER and
FORM A EXEMPTION

Stonetrust Commercial Insurance Company (“Stonetrust”) has filed for Approval of Merger to merge Stonetrust Holding Company, LLC, a Louisiana domiciled limited liability holding company, with and into Stonetrust, a Nebraska domiciled property and casualty insurer. Further, Stonetrust has requested that the proposed transactions be exempt from the requirement to file a Form A acquisition statement under Neb. Rev. Stat. § 44-2126. Such exemption request is made pursuant to Neb. Rev. Stat. § 44-2128(2).

After review of the filings, correspondence, and information provided to the Nebraska Department of Insurance (“Department”), the Director hereby approves the merger, grants an exemption from the requirement to file a Form A acquisition statement, and assigns, concludes, and orders as follows:

FINDINGS OF FACT

1. On September 23, 2016, Stonetrust applied to the Director of Insurance for approval of the merger and requested the transaction be exempt from the Form A acquisition statement requirements.

2. Stonetrust is a Nebraska domestic property and casualty stock insurer initially licensed to do business in the State of Nebraska on August 30, 2016. Stonetrust is a wholly owned subsidiary of Stonetrust Holding Company, LLC (“Holding Company”), a Louisiana

domiciled limited liability holding company. Holding Company's sole member is Dhandho Holdings Corp. ("Dhandho"), a Puerto Rico corporation.

3. Under the proposed merger, Holding Company will merge with and into Stonetrust, the separate existence of Holding Company will cease, and Stonetrust will be the surviving company possessing all of the rights, privileges, powers, franchises and interests, and being subject to all of the restrictions, disabilities, duties, debts and liabilities of Holding Company.

4. As a result of the proposed merger, no cash consideration will be paid and no changes will be made to Stonetrust's articles of incorporation or bylaws. The principal result of the merger will be that Holding Company will cease to exist and will be removed from the corporate structure. The outstanding common stock of Stonetrust owned by Holding Company immediately prior to the merger will be reissued in the name of Dhandho. This will result in no change to the ultimate controlling party of Stonetrust.

5. The Board of Directors and sole shareholder of Stonetrust each approved the merger on September 1, 2016.

6. The sole member of Holding Company approved the merger on September 1, 2016.

7. The proposed effective date of the merger is December 31, 2016.

CONCLUSIONS OF LAW

1. The Department of Insurance has jurisdiction over the subject matter and parties to this proceeding as authorized under Neb. Rev. Stat. §§ 44-2121 through 44-2155.

2. Stonetrust filed the required documents with the Department including an Agreement and Plan of Merger; the merger filing fee; a resolution adopted by the Board of Directors of Stonetrust and its sole shareholder, Holding Company, approving the merger; a resolution adopted by the sole member of Holding Company approving the merger; and Articles of Merger.

3. On the basis of the information filed with the Department, there is sufficient reason to believe the interests of the policyholders of Stonetrust will be protected under the proposed merger.

ORDER

IT IS THEREFORE ORDERED, there being no evidence to indicate that the merger of Holding Company with and into Stonetrust is contrary to law or to the best interest of the policyholders of the insurer; the proposed merger is hereby approved. Stonetrust shall notify the Department of the date the Articles of Merger are filed with the Nebraska Secretary of State's Office showing the effective date of the merger.

IT IS FURTHER ORDERED that Dhandho is hereby granted an exemption from the requirement to file a Form A acquisition statement pursuant to Neb. Rev. Stat. § 44-2128(2) because such transaction is not being made or entered into for the purpose of, and does not have the effect of, changing or influencing control of a Nebraska domestic insurer. Nothing contained herein shall be construed to restrict the Director of Insurance from considering the issue of control of the Nebraska domestic insurer at a later date if new information should warrant such review. An amendment to Stonetrust's Form B Registration Statement must be filed within fifteen days after the end of the month in which the transaction is completed.

Dated this 5 day of October, 2016.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



BRUCE R. RAMGE
Director of Insurance

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above Order Approving Merger and Form A Exemption was served upon Stonetrust Commercial Insurance Company by mailing a copy of same to its attorney, Robert Nefsky, Rembolt Ludtke LLP, 1128 Lincoln Mall, Suite 300, Lincoln, Nebraska 68508 on this 5 day of October, 2016 by U.S. Mail, postage prepaid.


