

AMENDED AND RESTATED FORM A**STATEMENT REGARDING THE ACQUISITION OF CONTROL OF OR
MERGER WITH A DOMESTIC INSURER****SAUCON MUTUAL INSURANCE COMPANY****NAIC No. 17736**

(Name of Domestic Insurer)

By

Saucon Holding Company**Brian T. Regan****Michael G. Crofton****Martin C. Gilchrist**

(Name of Acquiring Persons)

Filed with the Insurance Department of the Commonwealth of Pennsylvania

Dated: February 5, 2015

Name, title, address and telephone number of individuals to whom notices and correspondence concerning this form should be addressed:

Stephen Bajan, Chief Executive Officer
Saucon Mutual Insurance Company
74 West Broad Street, Suite 300
Bethlehem, PA 19018
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INTRODUCTION

This Application is being filed with the Pennsylvania Insurance Department (the “Department”) to amend the original application filed with the Department on September 2, 2014 (the “Original Application”). This Application is being filed simultaneously with an Amended and Restated Plan of Conversion (the “Plan”) of Saucon Mutual Insurance Company (“Saucon Mutual” or the “Company”) and incorporates herein by reference provisions of such Plan. As set forth in the Plan, the Board of Directors of the Company has approved a series of transactions that will convert the Company into a stock corporation, all of the capital stock of which would be held by a newly-organized stock holding company, with all of the capital stock of that stock holding company being acquired by investors pursuant to a stock offering that is conducted concurrently with the conversion of the Company (the “Conversion”). As used in this Application, the term “Converted Insurance Company” means the stock insurance company into which the Company will be converted upon the Conversion.

As described in the Plan, the Conversion is being undertaken in furtherance of the following objectives: (i) to reward the members of the Company for their loyalty to the Company; (ii) to make a charitable contribution in furtherance of the Company’s ongoing commitment to the community; (iii) to modernize the Company’s governance structure; (iv) to enable the issuance of stock and other financial instruments in order to raise capital, facilitate potential acquisitions of other businesses, and incentivize employees; (v) to re-enter the insurance underwriting business; and (vi) to maintain the independence of the Company.

As set forth in the Plan, to accomplish the Conversion, the following steps relevant to the change of control of the Company will occur:

A. Creation of Holding Company Saucon Holding Company (“Saucon Holding”) was organized as a Pennsylvania stock corporation for the purpose of becoming the holding company of the Converted Insurance Company. While the articles of incorporation of Saucon Holding have been filed with the Pennsylvania Department of State, Saucon Holding has not yet (and prior to the closing of the Conversion will not have) issued stock, elected any directors or officers, or engaged in any business activities. Upon the Conversion: (1) all individuals who are then officers and directors of the Company will remain as officers and directors of the Converted Insurance Company and also become the officers and directors of Saucon Holding; and (2) 1,000 shares of capital stock of the Converted Insurance Company, constituting all of its issued and outstanding shares of capital stock, will be issued and sold to Saucon Holding, with the result that the Converted Insurance Company will be a wholly-owned subsidiary of Saucon Holding.

B. Subscription Agreements For Saucon Holding Stock. Concurrently with the Conversion, Saucon Holding will engage in a private offering (the “Stock Offering”) to investors in accordance with a stock offering plan described in the Plan and as briefly summarized below:

1. The Stock Offering will be an offering of 3,250,000 shares of common stock of Saucon Holding, at a price of \$1.00 per share.

2. All of the shares being offered in the Stock Offering will be issued and sold to members of the board and management of the Company (the “Investors”). The Investors will enter into binding subscription agreements with Saucon Holding pursuant to which they will subscribe for and acquire their Saucon Holding shares. The Investors who subscribe for shares in the Stock Offering will become the holders of all of the outstanding shares of capital stock of Saucon Holding, and, as a condition precedent to the issuance of Saucon Holding stock, each Investor will enter into a Shareholders Agreement with Saucon Holding in the form filed with the Plan.

This Application sets forth as Applicants for the change of control of the Converted Insurance Company (1) Saucon Holding and (2) those Investors who propose to acquire 10% or more of Saucon Holding’s capital stock.

Item 1. Insurer and Method of Acquisition

A. Domestic Insurer

Saucon Mutual Insurance Company
 74 West Broad Street, Suite 300
 Bethlehem, PA 18018
 NAIC No. 17736

B. Method of Acquisition

As described above, the Applicants propose to acquire control of the Company as part of the Conversion of the Company from a mutual insurer to a stock insurer as set forth in the Plan.

Item 2. Identity and Background of the Applicants

A. <u>Name and Business Address of Applicants</u>	<u>Domicile</u>
Saucon Holding Company 74 West Broad Street, Suite 300 Bethlehem, PA 18018	Pennsylvania
Brian T. Regan c/o Regan, Levin, Bloss, Brown & Savchak, P.C. 702 Hamilton Street Allentown, PA 18101	Pennsylvania
Michael G. Crofton c/o The Philadelphia Trust Company 1760 Market Street	Pennsylvania

Philadelphia, PA 19102

Martin C. Gilchrist
c/o Urban Research & Development Corp.
28 West Broad Street
Bethlehem, PA 18018

Pennsylvania

B. Nature of Applicants' Business

Saucon Holding is a corporation formed for the purpose of holding 100% of the stock of the Converted Insurance Company. As indicated above, while the articles of incorporation of Saucon Holding have been filed with the Pennsylvania Department of State, Saucon Holding has not yet (and prior to the closing of the Conversion will not have) issued stock, elected any directors or officers, or engaged in any business activities.

Brian T. Regan: Brian Regan is the President and Chair of the Board of Directors of the Company and a shareholder in the accounting firm of Regan, Levin, Bloss, Brown and Savchack, P.C., an accounting firm with offices in Allentown, Easton and Stroudsburg, Pennsylvania.

Michael G. Crofton: Michael Crofton is a Member of the Board of Directors of the Company and President & CEO of The Philadelphia Trust Company, an independent private bank and depository trust company.

Martin C. Gilchrist: Martin Gilchrist is the Treasurer and a Member of the Board of Directors of the Company and the President of Urban Research & Development Corp., a consulting firm in areas of community planning and landscape architecture.

C. Organizational Chart.

A current organizational chart of the Company and its sole subsidiary is included as Exhibit A. No court proceedings involving a reorganization or liquidation are pending with respect to any such person.

An organizational chart depicting the Converted Insurance Company and its affiliates after the change of control is included as Exhibit B. Unless otherwise indicated, control of all such persons will be maintained by the ownership or control of voting securities. No court proceedings involving a reorganization or liquidation are pending with respect to any such person.

Item 3. Identity and Background of Individuals Associated with the Applicants

As described above, the existing directors and executive officers of the Company will be the directors and executive officers of Saucon Holding upon the Conversion, with each executive officer of the Company obtaining the same executive office status (e.g. president, secretary, etc.) with respect to Saucon Holding. Biographical affidavits for all proposed directors and executive

officers of Saucon Holding, including those directors who propose to acquire a controlling interest in Saucon Holding, are currently on file with the Department.

Item 4. Nature, Source and Amount of Consideration

A. Nature, Source and Amount of Funds. Pursuant to the Plan, Saucon Holding will acquire control of the Converted Insurance Company by purchasing from the Converted Insurance Company 1,000 shares of capital stock of the Converted Insurance Company on the effective date of the Conversion, such shares constituting all of the Converted Insurance Company's issued and outstanding shares of capital stock. Those authorized and outstanding shares will have a par value of \$950.00 per share. Saucon Holding will pay an aggregate purchase price of \$1,425,000 for those shares and the Converted Insurance Company will record the proceeds as follows: \$950,000 as paid-in capital and \$475,000 as paid-in surplus.

Each of the other Applicants will be acquiring control of the Converted Insurance Company through the purchase of Saucon Holding stock. As described above, the purchase of the Saucon Holding stock will be pursuant to a Stock Offering of 3,250,000 shares of Saucon Holding common stock at a price of \$1.00 per share. Each of the other Applicants will be acquiring the stock from personal funds.

B. Criteria Used in Determining the Nature and Amount of the Consideration. The nature and amount of consideration to be paid for by the Investors for the purchase of the Saucon Holding stock were determined so that the aggregate amount of consideration to be paid for the Saucon Holding stock would exceed the sum of the cash payments to be made to Saucon Mutual's eligible members, the amount of the charitable contribution to be made at closing by Saucon Mutual, and the estimated costs and expenses of the Conversion transactions, with the result that, after closing of the Conversion transactions, the total assets of Saucon Holding on a consolidated basis would be greater than the total assets of Saucon Mutual before the closing.

C. Source of Consideration – Disclosure of Loan or Borrowed Funds. N/A

Item 5. Future Plans of Insurer

Applicants have no plans or proposals to cause the Converted Insurance Company to declare an extraordinary dividend, to liquidate the Converted Insurance Company, to sell its assets to or merge it with any person or persons, or to make material changes to its business operations, management or corporate structure (with the exception of the Conversion). As set forth in more detail in the Business Plan (Exhibit C), the Converted Insurance Company does intend to explore revenue generating opportunities, initially via reinsurance.

Item 6. Voting Securities to be Acquired

As set forth in the Plan and above, on the effective date of the Conversion, Saucon Holding will purchase from the Converted Insurance Company 1,000 shares of capital stock of

the Converted Insurance Company, constituting all of its issued and outstanding shares of capital stock.

Each of the other Applicants will be acquiring control of the Converted Insurance Company through the purchase of Saucon Holding stock, as follows:

Brian T. Regan	1,485,250 shares [45.70 %]
Michael G. Crofton	594,100 shares [18.28 %]
Martin C. Gilchrist	891,150 shares [27.42%]

The nature and amount of consideration for the Saucon Holding stock were determined as described in Item 4.B, above.

Item 7. Ownership of Voting Securities

As set forth in the Plan, on the effective date of the Conversion, Saucon Holding will hold 100% of the capital stock of the Converted Insurance Company, and each of the other Applicants intends to subscribe to and acquire their respective shares of capital stock of Saucon Holding as described in Item 6, above.

Item 8. Contracts, Arrangements, or Understandings with Respect to Voting Securities of the Insurer

None with respect to Saucon Holding, other than the provisions of the Plan.

Each of the other Applicants must enter a Shareholders Agreement in the form filed as an exhibit to the Plan.

Item 9. Recent Purchases of Voting Securities

None.

Item 10. Recent Recommendations to Purchase

None.

Item 11. Agreements with Broker-Dealers

None.

Item 12. Financial Statements and Exhibits

The following is a list of the financial statements and exhibits filed with this Statement or under separate cover as set forth below:

- Exhibit A Pre-Transaction Organization Chart (Incorporated by reference from the Original Application)
- Exhibit B Post-Transaction Organization Chart (Incorporated by reference from the Original Application)
- Exhibit C Amended and Restated Business Plan for the Converted Insurance Company, including 3-year financial projections. *The Applicants are requesting confidential treatment with respect to this information and will be filing under separate cover.*
- Exhibit D 5-Year Tax Returns for Individual Applicants (Incorporated by reference from the Original Application). *The Applicants are requesting confidential treatment with respect to this information and have filed under separate cover.*
- Exhibit E Form E, Pre-Acquisition Notification Statement of the Potential Competitive Impact (Incorporated by reference from the Original Application). *The Applicants are requesting confidential treatment with respect to this information and have filed under separate cover.*

Item 13. Agreement Requirements for Enterprise Risk Management

The Applicants that shall be ultimate controlling persons of the Converted Insurance Company agree to provide, to the best of their knowledge and belief, the information required by Form F within thirty (30) days after the end of the month in which the acquisition of control occurs and annually thereafter as long as control exists or upon request as necessary for the Commissioner to evaluate enterprise risk of the insurer unless otherwise ordered by the Commissioner.

Item 14. Signature and Certification.

Pursuant to the requirements of Section 1402 of the Act, Brian T. Regan has caused this application to be duly signed in the City of Allentown and the Commonwealth of Pennsylvania on the 5th day of February, 2015.

(SEAL)

BRIAN T. REGAN

Signed: Brian T. Regan

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated February 5th, 2015. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By: Brian T. Regan
Name: Brian T. Regan

Subscribed and sworn before me this 5th day of Feb, 2015.

By: Teal Eye Nester

(SEAL)

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Teal Eye Nester, Notary Public
City of Allentown, Lehigh County
My Commission Expires Nov. 3, 2015
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

Item 14. Signature and Certification.

Pursuant to the requirements of Section 1402 of the Act, Michael G. Crofton has caused this application to be duly signed in the City of PHILADELPHIA and the Commonwealth of Pennsylvania on the 5 day of FEBRUARY, 2015.

MICHAEL G. CROFTON

Signed: 

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated FEB. 5, 2015. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

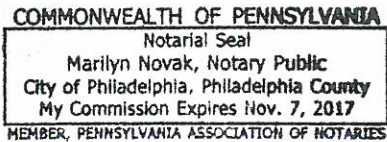
By: 

Name: Michael G. Crofton

Subscribed and sworn before me this 5th day of February, 2015.

By: 

(SEAL)



Item 14. Signature and Certification.

Pursuant to the requirements of Section 1402 of the Act, Martin C. Gilchrist has caused this application to be duly signed in the City of BETHLEHEM and the Commonwealth of Pennsylvania on the 5th day of FEB, 2015.

MARTIN C. GILCHRIST

Signed: Martin C. Gilchrist

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated FEB 5, 2015. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By: Martin C. Gilchrist
Name: Martin C. Gilchrist

Subscribed and sworn before me this 5th day of FEB 2015.

By: Susan Lynn Bertsch
(SEAL) Notary Public

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Susan Lynn Bertsch, Notary Public
City of Bethlehem, Northampton County
My Commission Expires Feb. 29, 2016
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES