

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF OR MERGER
WITH A DOMESTIC INSURER

Of

AMBAC ASSURANCE CORPORATION

NAIC No. 18708

(the “Domestic Insurer”)

By

**American Acorn Corporation
American Acorn Holdings LLC
Oaktree Opportunities Fund XII Holdings (Delaware), L.P.
Oaktree Fund GP, LLC
Oaktree Fund GP I, LP
Oaktree Capital I, LP
Oaktree Capital I GP, LLC
Oaktree Capital Holdings, LLC
Oaktree Capital Group Holdings, LP
Oaktree Capital Group Holdings GP, LLC
Bruce Karsh
Howard Marks
Sheldon Stone**

(each an “Applicant” and collectively, the “Applicants”)

Filed with the Officer of the Commissioner of Insurance,
State of Wisconsin

Dated: June 28, 2024

Name, Title, Address and Telephone Number of Individual to Whom Notices and Correspondence Concerning this Statement Should be Addressed:

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This Form A Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer (this “Statement”) is being submitted to the Wisconsin Office of the Commissioner of Insurance (the “Office”) by American Acorn Corporation (“American Acorn”), American Acorn Holdings LLC, Oaktree Opportunities Fund XII Holdings (Delaware), L.P., Oaktree Fund GP, LLC, Oaktree Fund GP I, LP, Oaktree Capital I, LP, Oaktree Capital I GP, LLC, Oaktree Capital Holdings, LLC, Oaktree Capital Group Holdings, LP, Oaktree Capital Group Holdings GP, LLC, and Oaktree Capital Group Holdings GP, LLC’s direct 10% or more owners, Bruce Karsh, Howard Marks and Sheldon Stone (collectively, the “Individual Applicants”). American Acorn, American Acorn Holdings LLC, Oaktree Opportunities Fund XII Holdings (Delaware), L.P., Oaktree Fund GP, LLC, Oaktree Fund GP I, LP, Oaktree Capital I, LP, Oaktree Capital I GP, LLC, Oaktree Capital Holdings, LLC, Oaktree Capital Group Holdings, LP, and Oaktree Capital Group Holdings GP, LLC are collectively referred to herein as the “Entity Applicants” and, together with the Individual Applicants, the “Applicants.”

The Applicants are submitting this Statement in connection with the proposed acquisition of control of Ambac Assurance Corporation (the “Domestic Insurer”), as more particularly described below (the “Proposed Acquisition”). The Domestic Insurer is a direct, wholly-owned subsidiary of Ambac Financial Group, Inc. (“AFG”), a Delaware corporation that is publicly traded on the New York Stock Exchange (NYSE). The Proposed Acquisition would constitute a direct acquisition of control of the Domestic Insurer.

Confidentiality Legend

This Statement, together with any items that may be submitted separately as amendments or supplements hereto, contains confidential and/or proprietary information, business plans and strategies that are trade secrets and are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicants. Pursuant to Wis. Admin. Code § Ins 40.05, such information is required pursuant to Wis. Stat. § 601.42; therefore, the Commissioner may withhold this information from public disclosure pursuant to Wis. Stat. § 601.465(1m)(a) and Wis. Admin. Code § Ins 6.13(2). Moreover, because the information is not public, it is presumed under Wis. Stat. § 601.465(1n)(a), notwithstanding Wisconsin public records law (Wis. Stat. §§ 19.31-39), that the information is proprietary and confidential and that the potential for harm and competitive disadvantage if it is made public by the Commissioner of the Office (the “Commissioner”) outweighs the public interest in the disclosure of the information.

Accordingly, the Applicants respectfully request that Confidential Supplements 1-4 (and any exhibits or attachments thereto), which are being submitted under separate cover (the “Confidential Supplement”), be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including as specified below. All such information is provided with the express understanding that the confidentiality of such information will be safeguarded.

Confidential Supplements 2 and 3 include “trade secrets” as defined under Wis. Stat. § 134.90(1)(c) because information in these exhibits “derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use [and] is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.” Trade

secrets are exempt from disclosure under the public records law under Wis. Stat. § 19.36(5) and Wis. Admin. Code § INS 6.13(2). Accordingly, the Applicants respectfully request that the Commissioner afford Confidential Supplements 2 and 3 confidential treatment and except them from disclosure pursuant to this authority.

The NAIC biographical affidavits provided as Confidential Supplement 1 and the personal financial statements provided as Confidential Supplement 4 include information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and is presumed confidential and should be afforded confidential treatment pursuant to Wis. Stat. § 601.465(1m)(d). The public value of this personal information is outweighed by the privacy interests of persons submitting these affidavits and by the public interest in encouraging qualified people to serve in these capacities, see the Wisconsin Attorney General's March 2018 Wisconsin Public Records Law Compliance Guide, pp. 36-39, and, in particular, home information and the social security number of an employee provided by an employer are exempt from the public records law. *Id.* at p. 23, citing Wis. Stat. § 19.36(10)(a). Therefore, Confidential Supplements 1 and 4 will be provided with the understanding that the confidentiality of such information contained therein will be safeguarded and such individuals submitting NAIC biographical affidavits will be protected from unwarranted invasions of personal privacy pursuant to all provisions of law including, but not limited to, the referenced authority and any other applicable statutory or regulatory authority available to the Commissioner.

The Applicants also request that they be notified in advance of any requesting party seeking to rebut the presumption of confidentiality for nonpublic documents and information in this Statement under Wis. Stat. § 601.465(1n)(b), or any proposed disclosure of any portion of this Statement designated as confidential, so that they have a reasonable opportunity to seek a protective order or take any other action to prevent or limit such disclosure.

ITEM 1. METHOD OF ACQUISITION

(a) Domestic Insurer

The Applicants respectfully seek the approval of the Commissioner, pursuant to the requirements of Wis. Stat. § 611.72(2), for the acquisition of control of Ambac Assurance Corporation (FEIN #39-1135174, NAIC #18708) (the "Domestic Insurer"). The statutory home office address of the Domestic Insurer is c/o DeWitt LLP, 25 W. Main Street, Suite 800, Madison, WI 53703, and its main administrative office address is One World Trade Center, 41st Floor, New York, NY 10007. In accordance with Wis. Admin. Code § 40.02, the Applicants will provide the Domestic Insurer with a copy of this Statement promptly following the filing of this Statement with the Office.

(b) Method of Acquisition

As discussed further below, the Proposed Acquisition will be effected pursuant to a Stock Purchase Agreement dated as of June 4, 2024, by and between American Acorn and AFG (the "Purchase Agreement"), a copy of which is attached hereto as Exhibit A. AFG currently directly owns all of the issued and outstanding share of the common stock, par value \$2.50 per share, of

the Domestic Insurer (the “Shares”). In connection with the Proposed Acquisition, AFG will sell to American Acorn all of such Shares for a purchase price (the “Purchase Price”) in an amount equal to \$420,000,000, subject to adjustment as described in the Purchase Agreement. All summaries and descriptions of, and references to, the Purchase Agreement made herein are qualified in their entirety by the terms and conditions of the Purchase Agreement. Capitalized terms used but not defined herein shall have the meaning set forth in the Purchase Agreement.

Concurrently with the execution of the Purchase Agreement, AFG and American Acorn agreed that, at the closing of the Proposed Acquisition (the “Closing”), AFG will issue to American Acorn (or an affiliate of American Acorn) a warrant (the “Warrant”), exercisable, subject to the terms and the conditions set forth in the Warrant, for a number of shares of common stock, par value \$0.01, of AFG (“AFG Common Stock”) representing 9.9% of the fully diluted shares of AFG Common Stock as of March 31, 2024, pro forma for the issuance of the Warrant.

As a result of the Proposed Acquisition, the Applicants will acquire direct control of the Domestic Insurer. Organization charts depicting the current control relationships of the Applicants, of the Domestic Insurer, and of the Applicants and the Domestic Insurer following the consummation of the Proposed Acquisition, are attached as Exhibits B-1, B-2 and B-3, respectively.

The parties desire to close the Proposed Acquisition as expeditiously as possible, subject to receipt of required approvals from, and the making of required filings and notices with, governmental and regulatory authorities and other customary closing conditions. In addition to the filing of this Statement with the Office, the Applicants are filing an application with the United Kingdom Prudential Regulation Authority for the indirect acquisition of control of Ambac Assurance UK Limited, a direct subsidiary of the Domestic Insurer which is domiciled and licensed as an insurance company in the United Kingdom (“AUK”).

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANTS

(a) Name and Address of the Applicants

The names and current business addresses of the Applicants seeking to acquire control of the Domestic Insurer are as follows:

American Acorn Corporation
American Acorn Holdings LLC
Oaktree Opportunities Fund XII Holdings (Delaware), L.P.
Oaktree Fund GP, LLC
Oaktree Fund GP I, LP
Oaktree Capital I, LP
Oaktree Capital I GP, LLC
Oaktree Capital Holdings, LLC
Oaktree Capital Group Holdings, LP
Oaktree Capital Group Holdings GP, LLC
Bruce Karsh

Howard Marks
Sheldon Stone
c/o Oaktree Capital Management, L.P.
333 S. Grand Ave., 28th Floor
Los Angeles, CA 90071

As noted in the Applicants' corporate structure/organizational chart, attached hereto as Exhibit B-1,¹ there are a number of entities that hold voting ownership interests (e.g., voting units or voting shares) and/or non-voting ownership interests (e.g., non-voting units or limited partnership interests) of certain of the entities identified therein or serve as a general partner or managing member with rights of control for certain entities identified therein. For purposes of identifying those entities and/or individuals that would possess control of the Domestic Insurer, whether through the ownership of voting securities or the possession of control rights (i.e., the Applicants), the following describes the ownership structure of such organizations and individual persons:

- **American Acorn Corporation** is a Delaware corporation that will directly and wholly own the Domestic Insurer.
- **American Acorn Holdings LLC** is a Delaware limited liability company that owns 100% of American Acorn and is member managed by Oaktree Opportunities Fund XII Holdings (Delaware), L.P.
- **Oaktree Opportunities Fund XII Holdings (Delaware), L.P.** is a Delaware limited partnership and its general partner is Oaktree Fund GP, LLC.
- **Oaktree Fund GP, LLC** is a Delaware limited liability company and its managing member is Oaktree Fund GP I, L.P. Oaktree Fund GP, LLC is Oaktree Opportunities Fund XII Holdings (Delaware), L.P.'s general partner.
- **Oaktree Fund GP I, L.P.** is a Delaware limited partnership and its general partner is Oaktree Capital I, L.P. Oaktree Fund GP I, L.P. is Oaktree Fund GP, LLC's managing member.
- **Oaktree Capital I, L.P.** is a Delaware limited partnership and its general partner is Oaktree Capital I GP, LLC. Oaktree Capital I, L.P. is Oaktree Fund GP I, L.P.'s general partner.

¹ Oaktree is currently undergoing an internal reorganization, proposed to become effective in advance of the Closing, whereby – subject to obtaining certain regulatory approvals – the General Partner of Oaktree Capital I, LP will be changed from Brookfield OCM Holdings II, LLC to Oaktree Capital I GP, LLC, a newly formed subsidiary of Oaktree Capital Holdings, LLC. Brookfield OCM Holdings II, LLC will remain a limited partner of Oaktree Capital I, LP and retain its economic interest therein, but will have no voting control. Accordingly, the Applicants to this Statement are the entities and individuals that will have control of the Domestic Insurer upon the Closing. For informational purposes, Exhibit B-1 to this Statement also includes the Applicants' current structure, prior to the July reorganization.

- **Oaktree Capital I GP, LLC** is a Delaware limited liability company and its sole managing member is Oaktree Capital Holdings, LLC. Oaktree Capital I GP, LLC will be Oaktree Capital I, L.P.’s general partner.
- **Oaktree Capital Holdings, LLC** is a Delaware limited liability company and is Oaktree Capital I GP, LLC’s sole managing member. Oaktree Capital Holdings, LLC has issued and outstanding two classes of voting units -- “Class A Units” and “Class B Units.” The Class A Units are divided into an equal number of Class A1 Units, Class A2 Units, Class A3 Units, Class A4 Units and Class A5 Units. The Class A1 Units and Class B Units are the only units entitled to vote.
 - 100% of the Class A1 Voting Units, which possess 20.93% of the total voting power of all units entitled to vote, are owned by Oaktree New Holdings LLC. Although Oaktree New Holdings, LLC is statutorily presumed to “control” Oaktree Capital Holdings, LLC because its ownership equals or exceeds the 10% threshold in Wis. Stat. § 600.03(13), Oaktree New Holdings, LLC will not possess actual control of the Domestic Insurer and, accordingly, concurrently herewith, has filed a Disclaimer of Affiliation with respect to its ownership interests in Oaktree Capital Holdings, LLC pursuant to Section 40.03(8) of the Wisconsin Administrative Code.
 - 100% of the Class B Units, which possess 79.07% of the total voting power of all units entitled to vote, are owned by Oaktree Capital Group Holdings, LP, a Delaware limited partnership.
- **Oaktree Capital Group Holdings, L.P.** is a Delaware limited partnership and its general partner is Oaktree Capital Group Holdings GP, LLC. Oaktree Capital Group Holdings, L.P. owns all of Oaktree Capital Holdings, LLC’s Class B Units.
- **Oaktree Capital Group Holdings GP, LLC** is a Delaware limited liability company, owned and managed by members of the executive committee as follows:

| Owner/Member² | Executive Committee Members |
|---------------------------------|------------------------------------|
| Howard Marks | Yes |
| Bruce Karsh | Yes |
| Sheldon Stone | Yes |
| John Frank | Yes |

² Messrs. Marks, Karsh and Stone each hold ownership interests of 10% or more in Oaktree Capital Group Holdings GP, LLC.

- **Howard Marks** is Co-Chairman of Oaktree and one of the firm's co-founders. Prior to the founding of Oaktree in 1995, Mr. Marks led the groups at The TCW Group, Inc. that were responsible for investments in distressed debt, high yield bonds, and convertible securities. He was also Chief Investment Officer for Domestic Fixed Income at TCW. Previously, Mr. Marks was with Citicorp Investment Management for 16 years, where from 1978 to 1985 he was Vice President and senior portfolio manager in charge of convertible and high yield securities. Between 1969 and 1978, he was an equity research analyst and, subsequently, Citicorp's Director of Research. Mr. Marks holds a B.S.Ec. degree cum laude from the Wharton School of the University of Pennsylvania with a major in finance and an M.B.A. in accounting and marketing from the Booth School of Business of the University of Chicago, where he received the George Hay Brown Prize. He is a CFA charter holder. Mr. Marks is an Emeritus Trustee and member of the Investment Committee at the Metropolitan Museum of Art. He is a member of the Investment Committee of the Royal Drawing School and is Professor of Practice at King's Business School (both in London). He serves on the Shanghai International Financial Advisory Council and the Advisory Board of Duke Kunshan University. He is an Emeritus Trustee of the University of Pennsylvania, where from 2000 to 2010 he chaired the Investment Board.
- **Bruce Karsh** is Oaktree's Co-Chairman and one of the firm's co-founders. He also is Chief Investment Officer and serves as portfolio manager for Oaktree's Global Opportunities, Value Opportunities and Global Credit strategies. Prior to co-founding Oaktree, Mr. Karsh was a managing director of TCW Asset Management Company, and the portfolio manager of the Special Credits Funds from 1988 until 1995. Prior to joining TCW, Mr. Karsh worked as Assistant to the Chairman of SunAmerica, Inc. Prior to that, he was an attorney with the law firm of O'Melveny & Myers. Before working at O'Melveny & Myers, Mr. Karsh clerked for the Honorable Anthony M. Kennedy, then of the U.S. Court of Appeals for the Ninth Circuit and retired Associate Justice of the U.S. Supreme Court. Mr. Karsh holds an A.B. degree in economics summa cum laude from Duke University, where he was elected to Phi Beta Kappa. He went on to earn a J.D. from the University of Virginia School of Law, where he served as Notes Editor of the Virginia Law Review and was a member of the Order of the Coif. Mr. Karsh serves on the boards of a number of privately held companies. He is a member of the investment committee of the Broad Foundations. Mr. Karsh is Trustee Emeritus of Duke University, having served as Trustee from 2003 to 2015, and as Chairman of the Board of DUMAC, LLC, the entity that managed Duke's endowment, from 2005 to 2014.
- **Sheldon Stone** is the head of Oaktree's High Yield Bond area. In this capacity, he serves as a co-portfolio manager of Oaktree's U.S. High Yield Bond and Global High Yield Bond strategies. Mr. Stone, a co-founding member of Oaktree in 1995, established TCW's High Yield Bond department with Howard Marks in 1985 and ran the department for ten years. Prior to joining TCW, Mr. Stone worked with Mr. Marks at Citibank for two years where he performed credit analysis and managed high yield bond portfolios. From 1978 to 1983, Mr. Stone worked at The Prudential Insurance Company where he was a director of corporate finance, managing a fixed income portfolio exceeding \$1 billion. Mr. Stone holds a B.A. degree from Bowdoin College and an M.B.A. in accounting and finance from Columbia University. Mr. Stone serves as a Trustee of Colonial Williamsburg Foundation, an Adjunct

Professor at the University of Southern California and serves on the investment committee of Bowdoin College.

(b) Nature of the Applicants' Business

Oaktree

Oaktree is a leader among global investment managers specializing in alternative investments, with \$192 billion in assets under management as of March 31, 2024. The firm emphasizes an opportunistic, value-oriented and risk-controlled approach to investments in credit, private equity, real assets and listed equities. A copy of Brookfield Oaktree Holdings, LLC's Annual Report on Form 10-K filed with the SEC is attached hereto as Exhibit E.

Experience in Corporate Growth: Oaktree has a long track record of creating value in its partner businesses through active engagement with their management teams, including assisting them in evaluating the next phase of their corporate life cycle, whether it is going public via a traditional IPO, or a sale to a strategic or financial sponsor.

Experience in Insurance: Oaktree has significant experience investing in the insurance sector over the last 25 years, most recently through its control equity investments in Velocity Risk Underwriters, LLC, a catastrophe-focused property and specialty insurance risks managing general agent, and Velocity Claims, LLC, its claims management affiliate, Velocity Specialty Insurance Company (f/k/a Independent Specialty Insurance Company), a Delaware-domiciled property & casualty insurance company, and Acacia Holdings Ltd., a Bermudan collateralized reinsurer targeting the retrocessional market.

(c) Organization Charts

Organization charts presenting the identities of and the interrelationships among the Applicants that are proposed to be in the chain of control of the Domestic Insurer prior to and following the Proposed Acquisition are attached hereto as Exhibit B-1 and Exhibit B-3, respectively. The organization charts indicate the NAIC numbers for all insurers, the percentage of voting securities owned or controlled by the Applicants or any other such persons, the basis of control if control of any person is maintained other than by the ownership or control of voting securities, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Statement, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities.

There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organization chart attached hereto as Exhibit B-1.

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANTS

(a) Directors and Executive Officers of the Applicants

A list of the directors and executive officers of the Entity Applicants is attached hereto as Exhibit C. NAIC biographical affidavits of the individuals listed in Exhibit C, including the Individual Applicants, have been submitted separately to the Office as Confidential Supplement 1 to this Statement. The Applicants will submit the NAIC biographical affidavits included in Confidential Supplement 1 to a third-party background check service provider.

(b) Present Principal Business Activity, Occupation or Employment

The name, business address, present principal business activity, occupation or employment (including position and office held and the name, principal business and address of any corporation or other organization in which such employment is carried on) of the individuals listed in Exhibit C, including the Individual Applicants, are stated in the biographical affidavits of such persons.

(c) Past Material Occupations, Positions, Offices or Employment

The material occupations, positions, offices or employment during the last five (5) years, including the starting and ending dates of each and the name, principal business and address of any business, corporation or other organization in which each such occupation, position, office or employment was carried on, with respect to the individuals listed in Exhibit C, including the Individual Applicants, are stated in the biographical affidavits of such persons. Except as set forth in such biographical affidavits, no such occupation, position, office or employment required licensing by or registration with any federal, state or municipal governmental agency. The current status of any such licensing or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection therewith, are stated in such biographical affidavits.

(d) Criminal Proceedings

None of the individuals with respect to whom biographical affidavits are provided, including the Individual Applicants, have in the last ten (10) years been convicted in a criminal proceeding, excluding traffic violations or as otherwise provided in the biographical affidavits.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Nature, Source and Amount of Funds or Other Consideration

As described in Item 1 above, pursuant to the terms of the Purchase Agreement, upon the Closing, American Acorn will acquire all of the Shares of the Domestic Insurer, for the Purchase Price, subject to adjustment as described in the Purchase Agreement. American Acorn will pay the Purchase Price by drawing down on a capital commitment from Oaktree Opportunities Fund XII Holdings (Delaware), L.P., which is a holding company that is wholly owned by Oaktree managed investment funds. These Oaktree funds are expected to provide equity financing in respect of the Proposed Acquisition but will have no management rights in respect of the Domestic

Insurer or any of the Applicants. A copy of the equity commitment letter provided by the Oaktree funds is attached hereto as Exhibit D. No third-party debt financing will be used by the Applicants to finance the Proposed Acquisition.

(b) Criteria Used in Determining Nature and Amount of Consideration

The nature and amount of the consideration to be paid in connection with the Proposed Acquisition was determined by arm's-length negotiations among the parties to the Purchase Agreement. The Applicants performed due diligence and reviewed, among other things, the financial statements, operations and material legal documents of the Domestic Insurer and its subsidiaries. The Applicants utilized widely accepted valuation techniques to obtain an indication of value for determining the amount of the consideration and also considered such additional factors and information as the Applicants deemed relevant under the circumstances including, but not limited to, the financial position and results of operations of the Domestic Insurer and its subsidiaries, their past and current business operations, historical and potential earnings, financial prospects, and assets and liabilities. The Applicants utilized financial advisors, consultants and legal counsel to assist them in their due diligence.

ITEM 5. FUTURE PLANS OF INSURER

(a) Introduction

Except as may arise in the ordinary course of business or as otherwise described in this Statement, the Applicants have no present plans or proposals to cause the Domestic Insurer to declare an extraordinary dividend, to liquidate the Domestic Insurer, to sell the Domestic Insurer's assets to or merge it with any person or persons or to make any other material change in the Domestic Insurer's business operations or corporate structure or management.

A list of the proposed directors and executive officers of the Domestic Insurer upon completion of the Proposed Acquisition is set forth on Exhibit C-2. After the consummation of the Proposed Acquisition, the remaining senior executives of the Domestic Insurer will continue to control the day-to-day operations and management decisions of the Domestic Insurer, subject to the oversight of the Board of Directors. Following the Closing, the Domestic Insurer will continue to maintain its separate corporate existence and substantially continue its operations as currently conducted, except as otherwise set forth in this Statement. Such operations are described in greater detail in the narrative Plan of Operations of the Domestic Insurer, which is being submitted confidentially as Confidential Supplement 2 and three-year financial projections for the Domestic Insurer, which are being submitted confidentially as Confidential Supplement 3. The Applicants expect to reduce the Domestic Insurer's expense load such that it will become healthier and better capitalized over time, for the benefit of policyholders and all relevant constituents.

(b) Transactions Proposed to Occur Immediately Prior to or at the Closing of the Proposed Acquisition

Termination of Existing Affiliate Agreements

The Domestic Insurer is currently party to a number of intercompany relationships and agreements, including an Expense-Sharing and Cost-Allocation Agreement and an Amended and

Restated Master Framework Services Agreement. It is intended that these affiliate agreements will be terminated with respect to the Domestic Insurer effective as of the Closing and replaced with the new affiliate agreements described below.

Transition Services Agreement

For an interim period following the Closing, AFG will provide or cause to be provided certain services to the Domestic Insurer and its subsidiaries pursuant to a transition services agreement to be entered into by and between AFG and the Domestic Insurer, the term sheet for which is attached as Exhibit B of the Purchase Agreement (the “Transition Services Agreement”). Pursuant to the Transition Services Agreement, AFG will, among other things, provide to the Domestic Insurer certain transitional information technology and operational support services.

New Affiliate Arrangements

The Plan of Operations assumes that the Domestic Insurer will enter into four proposed agreements with affiliates of the Applicants upon Closing: (i) an Investment Management Agreement, (ii) an Administrative Services Agreement, (iii) a Risk Management Advisory Agreement, and (iv) a Repurchase Agreement, drafts of which are attached to the Plan of Operation (collectively, the “Affiliate Agreements”). Each of the Affiliate Agreements are included as exhibits to Confidential Supplement 2. Additionally, Form D (Prior Notice of a Transaction) filings in respect of the Affiliate Agreements will be filed with the OCI under separate cover. On behalf of the Domestic Insurer, the Applicants respectfully request that the Office approve the Domestic Insurer’s entry in the Affiliate Agreements in connection with the Office’s approval of the Proposed Acquisition.

During the pendency of this Statement, the Applicants will keep the Office apprised of any material changes to the Applicants’ present plans or proposals with respect to the Domestic Insurer, as described herein. From time to time following the Closing, in the ordinary course of business, the Applicants and the management of the Domestic Insurer may evaluate the business and operations of the Domestic Insurer and make any necessary or desirable changes to such business and operations, subject in each case to obtaining any required regulatory approvals.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

The Domestic Insurer is authorized to issue 40,000,000 shares of common stock, par value \$2.50 per share, and 285,000 shares of serial auction rate preferred stock, par value \$1,000 per share. Issued and outstanding common stock shares were 32,800,000 at December 31, 2023. Issued and outstanding preferred shares were 4,596 at December 31, 2023. All of the shares of the Domestic Insurer’s common stock are issued to its direct parent AFG. Pursuant to the Purchase Agreement, subject to the terms and conditions thereunder, American Acorn would acquire 100% of the Shares of the Domestic Insurer as a result of the Proposed Acquisition and, thereby, beneficially acquire greater than 10% of the issued and outstanding voting securities of the Domestic Insurer. The terms of the Purchase Agreement are as described in Item 1(b). A statement as to the method by which the fairness of the proposal was determined is included in Item 4(b).

ITEM 7. OWNERSHIP OF VOTING SECURITIES

To the knowledge of the Applicants, except pursuant to the Purchase Agreement and as described in this Statement, there are no voting securities of the Domestic Insurer that are beneficially owned or concerning which there is a right to acquire beneficial ownership by the Applicants, their affiliates or any person listed in Item 3.

ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER

The Proposed Acquisition will be effected pursuant to the terms of the Purchase Agreement. To the knowledge of the Applicants, other than as described in the Purchase Agreement and this Statement, there is no contract, arrangement or understanding between any of the Applicants, any entity within the Entity Applicants' holding company structure or any other person with respect to any securities of the Domestic Insurer, including, without limitation, to transfer any of the securities of the Domestic Insurer, or involving any joint venture, loan or option arrangement, put or call, guarantee of any loan, guarantee against any loss or guarantee of any profit, division of any loss or profit, or the giving or withholding of any proxy.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

To the knowledge of the Applicants, except as set forth herein, there has been no acquisition, direct or indirect, during the twelve (12) calendar months preceding the filing of this Statement, of any security of the Domestic Insurer that was effected by any of the Applicants or any of the entities within the Entity Applicants' holding company structure, or their respective directors or executive officers.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Other than the Purchase Agreement or as set forth in this Statement, none of the Applicants, their affiliates or any person listed in Item 3 has made any recommendations to purchase any voting security of the Domestic Insurer, and no such recommendations have been made by anyone based upon interviews or at the suggestion of the Applicants, its affiliates or any person listed in Item 3, in each case, during the twelve (12) calendar months preceding the filing of this Statement.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

None of the Applicants, their affiliates or any person listed in Item 3 is a party to any agreement, contract, or understanding with any broker-dealer as to solicitation of voting securities of the Domestic Insurer for tender, and no amount of any fees, commissions or other compensation has been or will be paid by the Applicants, their affiliates or any person listed in Item 3 to broker-dealers with regard thereto.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) Exhibits

All exhibits referenced in this Statement are itemized below:

| | |
|--------------------|--|
| <u>Exhibit A</u> | Stock Purchase Agreement |
| <u>Exhibit B-1</u> | Abbreviated Pre-Closing Organization Chart of the Applicants |
| <u>Exhibit B-2</u> | Pre-Closing Organization Chart of the Domestic Insurer |
| <u>Exhibit B-3</u> | Abbreviated Post-Closing Organization Chart of the Applicants and the Domestic Insurer |
| <u>Exhibit C-1</u> | Executive Officers and Directors of the Entity Applicants |
| <u>Exhibit C-2</u> | Proposed Executive Officers and Directors of the Domestic Insurer |
| <u>Exhibit D</u> | Equity Commitment Letter |
| <u>Exhibit E</u> | Audited annual financial statements and annual reports of Brookfield Oaktree Holdings, LLC in Form 10K filed with the SEC for the 2019, 2020, 2021, 2022 and 2023 fiscal years |
| <u>Exhibit F</u> | Unaudited quarterly financial statements of Brookfield Oaktree Holdings, LLC in Form 10Q filed with the SEC for the fiscal quarter ending March 31, 2024 |
| <u>Exhibit G</u> | Competitive Impact Statement |
| <u>Exhibit H</u> | Form AA – Consents to Jurisdiction |

Additionally, the Applicants respectfully request confidential treatment of Confidential Supplements 1-4 to this Statement, which will be filed under separate cover:

| | |
|----------------------------------|---|
| <u>Confidential Supplement 1</u> | NAIC Biographical Affidavits |
| <u>Confidential Supplement 2</u> | Plan of Operations of the Domestic Insurer |
| <u>Confidential Supplement 3</u> | Financial Projections of the Domestic Insurer |
| <u>Confidential Supplement 4</u> | Statements of Net Worth for the years 2022 and 2023 with respect to Howard Marks, Bruce Karsh and Sheldon Stone |

(b) Financial Statements

The financial statements and financial projections attached to this Statement are:

1. Audited annual financial statements and annual reports of Brookfield Oaktree Holdings, LLC on Form 10K filed with the SEC for the 2019, 2020, 2021, 2022 and 2023 fiscal years are attached as part of Exhibit E.
2. Unaudited annual financial statements of Brookfield Oaktree Holdings, LLC on Form 10Q filed with the SEC for the fiscal quarter ending March 31, 2024 are attached as part of Exhibit F.
3. Confidential Supplement 4 hereof consists of Statements of Net Worth for Howard Marks, Bruce Karsh and Sheldon Stone for the years 2022 and 2023.

Other than as noted above, none of the Applicants prepare or are required to prepare financial statements.

(c) Tender Offers

To the knowledge of the Applicants, there have been no (i) tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic Insurer or additional soliciting material related thereto, or (ii) proposed employment, consultation, advisory or management contracts concerning the Domestic Insurer.

(d) Competitive Impact

Applying the criteria set forth in Wis. Admin. Code § 40.025(2)(d), the Proposed Acquisition will not create a monopoly or substantially lessen competition in insurance in the State of Wisconsin. As illustrated and further discussed in Exhibit G, the Proposed Transaction meets the pre-acquisition notification exemption standards set forth in Wis. Admin. Code § 40.025(2)(d)(2). Accordingly, the Applicants respectfully requests that the Office deem the information provided in this Item 12(d) and Exhibit G to satisfy the requirements of Wis. Admin. Code § 40.02(1)(b)(1).

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

The Applicants agree to provide, to the best of their knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the Proposed Acquisition occurs and annually thereafter as long as control exists. The Applicants also acknowledge that the Applicants and all subsidiaries within their control in the insurance holding company system will provide information to the Commissioner upon request as necessary to evaluate enterprise risk to the Domestic Insurer.


[Remainder of page intentionally blank. Signature page follows.]

ITEM 14. SIGNATURE AND CERTIFICATION


SIGNATURE

Pursuant to the requirements of ch. Ins. 40, Wisc. Admin. Code, American Acorn Corporation has caused this application to be duly signed on its behalf in the City of Los Angeles and State of California on the 28th day of June, 2024.

AMERICAN ACORN CORPORATION

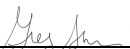
By: 
Name: Greg Share
Title: President and Director

Attest:


Name: Patrick George
Title: Vice President, Secretary and Director

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated June 28, 2024, for and on behalf of American Acorn Corporation, that he is the President and Director of such company, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Greg Share
Title: President and Director

SIGNATURE

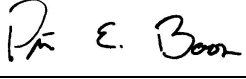
Pursuant to the requirements of ch. Ins. 40, Wisc. Admin. Code, American Acorn Holdings LLC has caused this application to be duly signed on its behalf in the City of Los Angeles and State of California on the 21st day of June, 2024.

AMERICAN ACORN HOLDINGS LLC


By: OAKTREE FUND GP, LLC, *its General Partner*

By: OAKTREE FUND GP I, L.P., *its Managing Member*

By: 
Name: Henry Orren
Title: Authorized Signatory


By: 
Name: Peter Boos
Title: Authorized Signatory

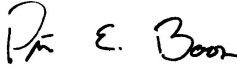
Attest:


Name: Lizbeth Marquez Torres

CERTIFICATION

The undersigned depose and say that they have duly executed the attached application dated June 21, 2024, for and on behalf of American Acorn Holdings LLC, that each is an Authorized Signatory of such company, and that they are authorized to execute and file such instrument. Deponents further says that they are familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of their knowledge, information and belief.


Name: Henry Orren
Title: Authorized Signatory


Name: Peter Boos
Title: Authorized Signatory


SIGNATURE

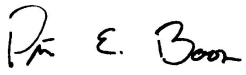
Pursuant to the requirements of ch. Ins. 40, Wisc. Admin. Code, Oaktree Opportunities Fund XII Holdings (Delaware), L.P. has caused this application to be duly signed on its behalf in the City of Los Angeles and State of California on the 21st day of June, 2024.

OAKTREE OPPORTUNITIES FUND XII HOLDINGS (Delaware), L.P.

By: OAKTREE FUND GP, LLC, *its General Partner*

By: OAKTREE FUND GP I, L.P., *its Managing Member*

By: 
Name: Henry Orren
Title: Authorized Signatory



By: _____
Name: Peter Boos
Title: Authorized Signatory


Attest: *Lizbeth Marquez Torres*

Name: Lizbeth Marquez Torres

CERTIFICATION

The undersigned depose and say that they have duly executed the attached application dated June 21, 2024, for and on behalf of Oaktree Opportunities Fund XII Holdings (Delaware), L.P., that each is an Authorized Signatory of such company, and that they are authorized to execute and file such instrument. Deponents further says that they are familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of their knowledge, information and belief.


Name: Henry Orren
Title: Authorized Signatory


Name: Peter Boos
Title: Authorized Signatory

SIGNATURE

Pursuant to the requirements of ch. Ins. 40, Wisc. Admin. Code, Oaktree Fund GP, LLC has caused this application to be duly signed on its behalf in the City of Los Angeles and State of California on the 21st day of June, 2024.

OAKTREE FUND GP, LLC

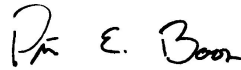
By: OAKTREE FUND GP I, L.P., *its Managing Member*



By: _____

Name: Henry Orren

Title: Authorized Signatory



By: _____

Name: Peter Boos

Title: Authorized Signatory

Attest:



Name: Lizbeth Marquez Torres

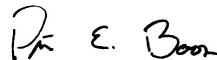
CERTIFICATION

The undersigned depose and say that they have duly executed the attached application dated June 21, 2024, for and on behalf of Oaktree Fund GP, LLC, that each is an Authorized Signatory of such company, and that they are authorized to execute and file such instrument. Deponents further says that they are familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of their knowledge, information and belief.



Name: Henry Orren

Title: Authorized Signatory




Name: Peter Boos

Title: Authorized Signatory

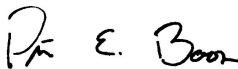
SIGNATURE

Pursuant to the requirements of ch. Ins. 40, Wisc. Admin. Code, Oaktree Fund GP I, L.P. has caused this application to be duly signed on its behalf in the City of Los Angeles and State of California on the 21st day of June, 2024.

OAKTREE FUND GP I, L.P.

By: 

Name: Henry Orren
Title: Authorized Signatory

By: 

Name: Peter Boos
Title: Authorized Signatory

Attest:




Name: Lizbeth Marquez Torres

CERTIFICATION

The undersigned depose and say that they have duly executed the attached application dated June 21, 2024, for and on behalf of Oaktree Fund GP I, L.P., that each is an Authorized Signatory of such company, and that they are authorized to execute and file such instrument. Deponents further says that they are familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of their knowledge, information and belief.



Name: Henry Orren
Title: Authorized Signatory




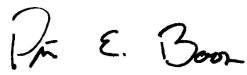
Name: Peter Boos
Title: Authorized Signatory

SIGNATURE


Pursuant to the requirements of ch. Ins. 40, Wisc. Admin. Code, Oaktree Fund GP I, L.P. has caused this application to be duly signed on its behalf in the City of Los Angeles and State of California on the 21st day of June, 2024.

OAKTREE CAPITAL I, L.P.

By: 
Name: Henry Orren
Title: Senior Vice President


By: 
Name: Peter Boos
Title: Vice President

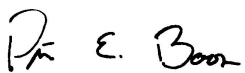
Attest:


Name: Lizbeth Marquez Torres

CERTIFICATION

The undersigned depose and say that they have duly executed the attached application dated June 21, 2024, for and on behalf of Oaktree Capital I, L.P., that each is a Senior Vice President and Vice President of such company, and that they are authorized to execute and file such instrument. Deponents further says that they are familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of their knowledge, information and belief.


Name: Henry Orren
Title: Senior Vice President


Name: Peter Boos
Title: Vice President

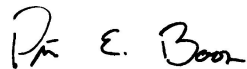
SIGNATURE

Pursuant to the requirements of ch. Ins. 40, Wisc. Admin. Code, Oaktree Capital I GP, LLC has caused this application to be duly signed on its behalf in the City of Los Angeles and State of California on the 21st day of June, 2024.

OAKTREE CAPITAL I GP, LLC

By: 

Name: Henry Orren
Title: Senior Vice President

By: 

Name: Peter Boos
Title: Vice President

Attest:



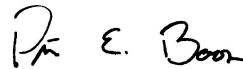
Name: Lizbeth Marquez Torres

CERTIFICATION

The undersigned depose and say that they have duly executed the attached application dated June 21, 2024, for and on behalf of Oaktree Capital I GP, LLC, that each is a Senior Vice President and Vice President of such company, and that they are authorized to execute and file such instrument. Deponents further says that they are familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of their knowledge, information and belief.



Name: Henry Orren
Title: Senior Vice President



Name: Peter Boos
Title: Vice President


SIGNATURE

Pursuant to the requirements of ch. Ins. 40, Wisc. Admin. Code, Oaktree Capital Holdings, LLC has caused this application to be duly signed on its behalf in the City of Los Angeles and State of California on the 21st day of June, 2024.

OAKTREE CAPITAL HOLDINGS, LLC

By: 

Name: Henry Orren
Title: Senior Vice President

By: 

Name: Peter Boos
Title: Vice President

Attest:



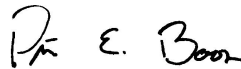
Name: Lizbeth Marquez Torres

CERTIFICATION

The undersigned depose and say that they have duly executed the attached application dated June 21, 2024, for and on behalf of Oaktree Capital Holdings, LLC, that each is an Authorized Signatory of such company, and that they are authorized to execute and file such instrument. Deponents further says that they are familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of their knowledge, information and belief.



Name: Henry Orren
Title: Senior Vice President



Name: Peter Boos
Title: Vice President

SIGNATURE

Pursuant to the requirements of ch. Ins. 40, Wisc. Admin. Code, Oaktree Capital Group Holdings, L.P. has caused this application to be duly signed on its behalf in the City of Los Angeles and State of California on the 21st day of June, 2024.

**OAKTREE CAPITAL GROUP HOLDINGS,
L.P.**

By: OAKTREE CAPITAL GROUP HOLDINGS
GP, LLC, *its General Partner*

By: 

Name: Henry Orren

Title: Senior Vice President

By: 

Name: Peter Boos

Title: Senior Vice President

Attest:



Name: Lizbeth Marquez Torres


CERTIFICATION

The undersigned depose and say that they have duly executed the attached application dated June 21, 2024, for and on behalf of Oaktree Capital Group Holdings, L.P., that each is a Senior Vice President and Vice President of such company, and that they are authorized to execute and file such instrument. Deponents further says that they are familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of their knowledge, information and belief.



Name: Henry Orren

Title: Senior Vice President




Name: Peter Boos

Title: Senior Vice President

SIGNATURE

Pursuant to the requirements of ch. Ins. 40, Wisc. Admin. Code, Oaktree Capital Group Holdings GP, LLC has caused this application to be duly signed on its behalf in the City of Los Angeles and State of California on the 21st day of June, 2024.

**OAKTREE CAPITAL GROUP HOLDINGS
GP, LLC**

By: 

Name: Henry Orren
Title: Senior Vice President

By: 

Name: Peter Boos
Title: Vice President

Attest:



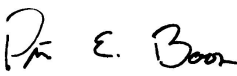
Name: Lizbeth Marquez Torres

CERTIFICATION

The undersigned depose and say that they have duly executed the attached application dated June 21, 2024, for and on behalf of Oaktree Capital Group Holdings GP, LLC, that each is a Senior Vice President of such company, and that they are authorized to execute and file such instrument. Deponents further says that they are familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of their knowledge, information and belief.



Name: Henry Orren
Title: Senior Vice President



Name: Peter Boos
Title: Vice President

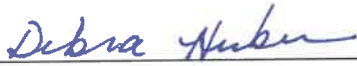
SIGNATURE

Pursuant to the requirements of ch. Ins. 40, Wisc. Admin. Code, Bruce Karsh has caused this application to be duly signed in the City of Los Angeles, State of CALIFORNIA on the 21st day of June, 2024.

BRUCE KARSH

By: 
Name: Bruce Karsh

Attest:


Name: DEBRA HUBER

CERTIFICATION

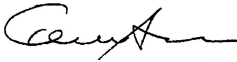
The undersigned deposes and says that he has duly executed the attached application dated June 21, 2024, for and on behalf of Bruce Karsh, that he is an individual, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Bruce Karsh

SIGNATURE

Pursuant to the requirements of ch. Ins. 40, Wisc. Admin. Code, Howard Marks has caused this application to be duly signed in the City of Los Angeles and State of California on the 24th day of June, 2024.

HOWARD MARKS

By: 
Name: Howard Marks

Attest:

Lizbeth Marquez Torres

Name:

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated June 24, 2024, for and on behalf of Howard Marks, that he is an individual, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Howard Marks

SIGNATURE

Pursuant to the requirements of ch. Ins. 40, Wisc. Admin. Code, Sheldon Stone has caused this application to be duly signed in the City of Los Angeles and State of California on the 24th day of June, 2024.

SHELDON STONE

By: Sheldon Stone
Name: Sheldon Stone

Attest:
Lorenca Cayabo
Name: Lorenca Cayabo

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated June 24th, 2024, for and on behalf of Sheldon Stone, that he is an individual, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

Sheldon Stone
Name: Sheldon Stone