

**AMOUNT AND SOURCE OF FUNDS AVAILABLE
FOR ORGANIZATION AND INITIAL OPERATING EXPENSES**

(Wis. Stat. § 644.07(4)(b)3)

As proposed, CM MHC will hold directly all of the stock of each of the CM Group's insurance companies (CMIC, S.I., CM Vantage Specialty Insurance Company, CM Regent Insurance Company, CM Select Insurance Company and American Sterling Insurance Company) and the stock of CM Companies, Inc. CM Companies, Inc. will hold the stock of CM Regent, LLC and CM Specialty Services, Inc. CM MHC will conduct no business operations other than those associated with its role as the sole shareholder of the above-named insurance companies and CM Companies, Inc. It is therefore anticipated that CM MHC will incur only minimal expenses that will be related primarily to organizational, corporate governance, and legal/regulatory purposes. Both CM MHC and CM Holdings, Inc. will enter into an Amended and Restated Services Agreement and an Amended and Restated Tax Sharing Agreement with the other companies in the CM Group. The Amended and Restated Services Agreement and the Amended and Restated Tax Sharing Agreement are submitted with this filing for the OCI's review and approval. CM MHC's expenses will be paid in accordance with the provisions of the Services Agreement.