

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

SUMMIT LIFE CORP
Form 10QSB
May 15, 2001

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the period ended March 31, 2001

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number 000-25253

SUMMIT LIFE CORPORATION

(Exact name of registrant as specified in its charter)

OKLAHOMA

73-1448244

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
identification No.)

3021 Epperly Dr., P.O. Box 15808, Oklahoma City, Oklahoma 73155

(Address of principal executive offices)

(405) 677-0781

(Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No
--- ---

The number of shares outstanding of the Issuer's Common Stock, \$.01 par value, as of May 15, 2001 was 2,267,605.

Transitional Small Business Disclosure Format (check one): Yes No X
--- ---

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

FORM 10-QSB

TABLE OF CONTENTS

	Page
PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	
Consolidated Balance Sheets - March 31, 2001 (unaudited) and December 31, 2000.....	3
Consolidated Statements of Operation - Three months ended March 31, 2001 and 2000 (unaudited).....	5
Consolidated Statement of Stockholders' Equity - Three months ended March 31, 2001 (unaudited).....	6
Condensed Consolidated Statements of Cash Flows - Three months ended March 31, 2001 and 2000 (unaudited).....	7
Notes to Consolidated Financial Statements.....	8
Item 2. Management's Discussion and Analysis or Plan of Operation.....	9
PART II. OTHER INFORMATION	
Item 6. Exhibits and Reports on Form 8-K.....	12
Signatures.....	14

2

Summit Life Corporation and Subsidiaries

Consolidated Balance Sheets

ASSETS

	March 31, 2001	December 31, 2000
	(Unaudited)	
INVESTMENTS		
Debt securities-held to maturity	\$ 328,075	\$ 328,075
Debt securities-available for sale	2,484,986	2,426,607
Equity securities-trading	250,140	113,643
Equity securities-available for sale	5,000	8,915

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

Equity securities-other	63,663	63,663
Mortgages	725,290	734,220
Notes receivable	204,170	207,658
Short-term investments	0	0
Policy loans	32,434	33,382
Investment in limited partnerships	58,122	57,300
	-----	-----
	4,151,880	3,973,463
CASH AND CASH EQUIVALENTS	1,451,034	1,436,338
RECEIVABLES		
Accrued investment income	33,039	41,984
Advances to affiliates	10,000	9,928
	-----	-----
	43,039	51,912
PROPERTY AND EQUIPMENT-AT COST		
Building and improvements	129,419	129,419
Furniture and equipment	116,570	116,570
Automobiles	22,015	22,015
	-----	-----
	268,004	268,004
Less accumulated depreciation	(109,560)	(102,638)
	-----	-----
	158,444	165,366
Land	56,000	56,000
	-----	-----
	214,444	221,366
OTHER ASSETS		
Cost in excess of net assets of businesses acquired, less accumulated amortization	38,750	40,000
Deferred policy acquisition costs	53,527	57,527
Value of purchased insurance business	304,351	321,851
Deferred income taxes	37,241	37,241
Other	22,985	22,984
	-----	-----
	456,854	479,603
	-----	-----
	\$ 6,317,251	\$ 6,162,682
	=====	=====

The accompanying notes are an integral part of these interim financial statements

Summit Life Corporation and Subsidiaries

Consolidated Balance Sheets

LIABILITIES AND STOCKHOLDERS' EQUITY

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

	March 31, 2001	Dece
	-----	-----
	(Unaudited)	
LIABILITIES		
Policy reserves and policyholder funds	\$ 4,662,361	\$
Unpaid claims	78,445	
Accounts payable	13,031	
Accrued liabilities	201,257	
Notes payable	496,777	
Other liabilities	0	
	-----	-----
	5,451,871	
STOCKHOLDERS' EQUITY		
Common stock, \$.01 par value	22,676	
Preferred stock, series A, \$.001 par value, stated at liquidation value	500,000	
Preferred stock, series B, \$.001 par value, stated at liquidation value	350,000	
Preferred stock, series B subscribed	650,000	
Additional paid-in capital	2,923,596	
Common stock of parent held by subsidiary	(95,000)	
Accumulated other comprehensive income (loss)		
Unrealized appreciation (depreciation) of available for sale securities	21,139	
Accumulated deficit	(2,857,031)	
Less preferred stock subscriptions receivable	(650,000)	
	-----	-----
	865,380	
	-----	-----
	\$ 6,317,251	\$
	=====	=====

The accompanying notes are an integral part of these interim financial statements

Summit Life Corporation and Subsidiaries
Consolidated Statements of Operation
(Unaudited)

	Three Months Ended	
	March 31,	
	-----	-----
	2001	2000
	-----	-----
Revenues		
Insurance premiums	\$ 43,815	\$ 40,152
Reinsurance premium ceded	(11,797)	(10,881)
	-----	-----

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

Net premium income	32,018	29,271
Investment activity		
Investment income	80,098	103,505
Net realized gains on sale of available for sale securities	(7,347)	24,723
Net losses on trading securities	(56,431)	--
Other	8,984	5,305
	-----	-----
	57,322	162,804
Benefits, losses and expenses		
Policy benefits	35,689	33,667
Change in policy reserves	38,923	55,881
Interest expense	4,826	8,570
Taxes, licenses and fees	6,768	8,319
Depreciation and amortization	28,957	18,066
General, administrative and other operating expenses	93,100	136,626
	-----	-----
	208,263	261,129
	-----	-----
Earnings (Loss) before income taxes	(150,941)	(98,325)
Income tax provision	--	--
	-----	-----
NET EARNINGS (LOSS)	\$ (150,941)	\$ (98,325)
Preferred Stock Dividend Requirement	12,500	12,500
	-----	-----
NET EARNINGS (LOSS) APPLICABLE TO COMMON SHARES	\$ (163,441)	\$ (110,825)
	=====	=====
Earnings (Loss) per common share		
Basic and diluted	\$ (0.07)	\$ (0.05)
	=====	=====
Weighted average outstanding common shares, basic and diluted	2,248,605	2,248,605
	=====	=====

The accompanying notes are an integral part of these interim financial statements

Summit Life Corporation and Subsidiaries
Consolidated Statement of Stockholders' Equity
Three Months Ended March 31, 2001
(Unaudited)

Common Stock

Preferred Stock

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

	Total	Shares issued	Par value	Shares issued	Liquidity
Balance at January 1, 2001	\$ 975,300	2,267,605	\$ 22,676	5,000	\$
Dividends on preferred stock	--	--	--	--	
Issuance of Series B preferred	--	--	--	--	
Comprehensive income					
Net income (loss)	(150,941)	--	--	--	
Other comprehensive inc. (loss)					
Unrealized gain on investments	41,021	--	--	--	
Comprehensive inc. (loss)	(109,920)				
Balance at March 31, 2001	\$ 865,380	2,267,605	\$ 22,676	5,000	\$
	Additional paid-in capital	Common stock of parent held by subsidiary	Preferred stock "B" subscribed	Accumulated other comprehensive income (loss)	Accumulated other comprehensive income (loss)
Balance at January 1, 2001	\$ 2,923,596	(\$ 95,000)	\$ 650,000	(\$ 19,882)	(\$ 19,882)
Dividends on preferred stock	--	--	--	--	
Issuance of Series B preferred	--	--	--	--	
Comprehensive income					
Net income (loss)	--	--	--	--	
Other comprehensive inc. (loss)					
Unrealized gain on investments	--	--	--	41,021	
Comprehensive inc. (loss)					
Balance at March 31, 2001	\$ 2,923,596	(\$ 95,000)	\$ 650,000	\$ 21,139	(\$ 21,139)

The accompanying notes are an integral part of these interim financial statements

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

(Unaudited)

	Three Months Ended March 31,	
	----- 2001 -----	----- 2000 -----
Increase (Decrease) in Cash and Cash Equivalents		
Net cash provided by (used in) operating activities	\$ (345,268)	\$ (206,069)
Net cash provided by (used in) investing activities	173,838	321,968
Net cash provided by (used in) financing activities	186,126	(105,059)
	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	14,696	10,840
Cash and cash equivalents at the beginning of the period	1,436,338	935,746
	-----	-----
Cash and cash equivalents at the end of the period	\$ 1,451,034	\$ 946,586
	=====	=====

The accompanying notes are an integral part of these interim financial statements

7

Summit Life Corporation and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended March 31, 2001 are not necessarily indicative of the results that may be expected for the year ended December 31, 2001. For further information, refer to the consolidated annual financial statements and footnotes thereto for the year ended December 31, 2000.

8

Item 2. Management's Discussion and Analysis or Plan of Operation.

This Report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"),

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts included in this Report, including, without limitation, statements regarding the Company's future financial position, business strategy, budgets, projected costs and plans and objectives of Management for future operations, are forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate" or "believe" or the negative thereof or variations thereon or similar terminology. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Such statements are based upon numerous assumptions about future conditions which may ultimately prove to be inaccurate and actual events and results may materially differ from anticipated results described in such statements. Important factors that could cause actual results to differ materially from the Company's expectations ("cautionary statements") include the risks inherent generally in the insurance and financial services industries, the impact of competition and product pricing, changing market conditions, the risks disclosed in the Company's Annual Report on Form 10-KSB for the Year Ended December 31, 2000 under "ITEM 6--Management's Discussion and Analysis or Plan of Operation," as well as the risks disclosed in this Report. All subsequent written and oral forward-looking statements attributable to the Company, or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements. The Company assumes no duty to update or revise its forward-looking statements based on changes in internal estimates or expectations or otherwise. As a result, the reader is cautioned not to place reliance on these forward-looking statements.

General

The Company's primary focus is its life insurance operations.

Results of Operations

Three Months Ended March 31, 2001 Compared to Three Months ended March 31, 2000

Revenue. Total revenues decreased 65% from \$162,804 to \$57,322 for the three months ended March 31, 2000 and March 31, 2001, respectively. Revenues attributable to life insurance increased 9% from \$29,271 to \$32,018 for the three months ended March 31, 2001, compared to the same period ended March 31, 2000. The increase was due primarily to implementation of the Company's marketing and sales programs.

Investment income decreased from \$103,505 for the three months ended March 31, 2000 to \$80,098 for the three months ended March 31, 2001, primarily as a result of surrenders during the prior year which decreased the asset base of the Company.

Income from the sale of investments decreased from \$24,723 for the three months ended March 31, 2000 to a loss of \$7,347 for the three months ended March 31, 2001. Net losses on trading securities of \$56,431 were reported for March 31, 2001. The Company began trading securities in the fourth quarter of 2000 and is required to report such unrealized gains and losses in operations. The realized gain or loss for each trading security may differ materially depending on the date of sale, the underlying performance of the represented company and other market conditions.

Other income increased 69% from \$5,305 for the three months ended March 31, 2000 to \$8,984 for the three months ended March 31, 2001, due to the recognition of additional revenues from administrative service contracts.

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

Costs and Expenses. Total expenses decreased 20% from \$261,129 to \$208,263 for the three months ended March 31, 2000 and 2001, respectively. Such decrease was primarily attributable to promotional expenses associated with a change in the Company's investor relations firm, as well as efforts to reduce legal and professional expenses. Management continued its cost containment program in other areas as well.

9

Policy benefits increased slightly from \$33,667 to \$35,689 for the comparable periods. Policy reserves decreased \$16,958 for the comparable periods. Interest expense decreased 44% from \$8,570 to \$4,826 for the comparable periods due to continuing reduction of Company debt. Depreciation and amortization increased from \$18,066 to \$28,957 for the three months ended March 31, 2000 and 2001, respectively, as the Company continued to amortize the block of business acquired with Great Midwest Life Insurance Company ("Great Midwest"). General expenses decreased 32% from \$136,626 to \$93,100 as a result of the reduced promotional, legal and accounting expenses and due to management's cost containment programs.

Losses. The Company reported a net loss for the three months ended March 31, 2001 of \$150,941, compared to a net loss for the three months ended March 31, 2000 of \$98,325. The Company reported trading losses during the quarter which management believes are temporary.

The Company reported a net loss of \$0.07 per share for the three months ended March 31, 2001, compared to a net loss of \$0.05 per share for the three months ended March 31, 2000.

Liquidity and Capital Resources

Total assets were \$6,317,251 at March 31, 2001, compared to \$6,162,682 at December 31, 2000, an increase of 2.5%. The increase was due to the receipt of new annuity deposits during the first quarter.

Total liabilities (primarily insurance reserves for future policyholder benefits) were \$5,451,871 at March 31, 2001, compared to \$5,187,382 at December 31, 2000, an increase of 5%. The increase was due primarily to new annuity deposits received during the first quarter.

Total stockholders' equity was \$865,380 at March 31, 2001, compared to \$975,300 at December 31, 2000, a decrease of 11.3%. The decrease was attributable to the stock market volatility which impacted the Company's first quarter results.

The principal requirements for liquidity in connection with the Company's operations are its contractual obligations to policyholders and annuitants. The Company's contractual obligations include payments of surrender benefits, contract withdrawals, policy loans and claims under outstanding insurance policies and annuities. Payment of surrender benefits is a function of "persistency," which is the extent to which insurance policies are maintained by the policyholder. Policyholders sometimes do not pay premiums, thus causing their policies to lapse, or policyholders may choose to surrender their policies for their cash surrender value. If actual experience of a policy or block of policies is different from the initial or acquisition date assumptions, a gain or loss could result. Depending on the nature of the underlying policy, a lapse or surrender may result in surrender charge revenue or surrender benefit expense. Such amounts may be less than, or greater than, unamortized acquisition expenses and/or the related policy reserves; accordingly, current period earnings may either increase or decrease. Additionally, policy lapses and

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

surrenders may result in lost future revenues and profits associated with those policies that are lapsed or surrendered.

Although the Company currently has a \$200,000 bank line of credit, it funds most of its activity directly from cash flow from operations and cash flow from financing activities, which includes deposits to policyholders' account balances. The line of credit extends to July 2001, with amounts borrowed thereunder bearing interest at prime plus .5%. At March 31, 2001, \$150,000 was outstanding under the line of credit and, as of March 31, 2001, the Company has drawn the \$50,000 remaining under the credit facility.

10

On January 13, 1999, the Company acquired 100% of the outstanding common stock of Great Midwest, a Texas-chartered life insurance company. The total cost of the acquisition was approximately \$939,000. Of the purchase price, cash of \$607,000 was paid to seven of eight stockholders with the eighth stockholder receiving a promissory note for a principal amount of \$332,000, payable in three equal annual installments at an annual interest rate of 6% on the unpaid principal balance. The Company partially funded the cash portion of the purchase price with a \$350,000 loan from a bank. The loan accrued interest at an index rate plus .5%, payable monthly, and originally matured on July 9, 1999, at which time the Company paid \$100,000 of the principal amount owed and renewed the balance for a six-month term maturing January 9, 2000. The balance of the loan was paid December 31, 1999 using operating cash flow and the proceeds from the sale of Benefit Capital. In addition, the Company has paid two of the three installments on the promissory note held by a former stockholder of Great Midwest.

The Company has made and intends to make substantial expenditures in connection with its subsidiary's acquisition and marketing programs. Historically, the Company has funded these expenditures from cash flow from operations.

The Company believes that the liquidity resulting from the transactions described above, together with anticipated cash from continuing operations, should be sufficient to fund its operations and to make required payments under its credit facility, the required payments of principal and interest under the 6% promissory notes payable to a former stockholder of Great Midwest and the annual 10% dividend on the Series A Preferred Stock, for at least the next 12 months. The Company may not, however, generate sufficient cash flow for these purposes or to repay the notes at maturity. The Company's ability to fund its operations and to make scheduled principal and interest payments will depend on its future performance, which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control.

11

Part II - Other Information

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit Number -----	Name of Exhibit -----
3.1*	First Amended and Restated Certificate of Incorporation (filed as Exhibit 3.1 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
3.2*	First Amended and Restated Bylaws (filed as Exhibit 3.2 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
4.1*	Specimen Certificate of the Common Stock (filed as Exhibit 4.1 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
4.2*	See Articles V and X of the Company's Certificate of Incorporation and Article VI of the Company's Bylaws (filed as Exhibit 4.2 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
4.3*	Form of Promotional Shares Lock-In Agreement (filed as Exhibit 4.3 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
4.4*	Specimen Certificate of the Series A Preferred Stock (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-QSB for the Quarter ended June 30, 1999 and incorporated herein by reference)
4.5*	Certificate of Designation of Series A Preferred Stock (filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10-QSB for the Quarter ended June 30, 1999 and incorporated herein by reference)
4.6*	Specimen Certificate of the Series B Convertible Preferred Stock (filed as Exhibit 4.6 to the Company's Registration Statement on Form SB-2, file number 333-55722 and incorporated herein by reference)
4.7*	Certificate of Designation of Series B Convertible Preferred Stock (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-QSB for the Quarter ended September 30, 2000 and incorporated herein by reference)
10.1*	Employment Agreement by and between the Company and James L. Smith (filed as Exhibit 10.1 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
10.2*	Employment Agreement by and between the Company and Charles L. Smith (filed as Exhibit 10.2 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

- 10.3* Stock Purchase Agreement by and between the Company and BCLIC (filed as Exhibit 10.3 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
- 10.4* Stock Purchase Agreement between the Company and Orville Homer Miller et al. (filed as Exhibit 10.4 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)

12

- 10.5* Escrow Agreement between the Company and UMB Bank (filed as Exhibit 10.5 to the Company's Registration Statement on Form SB-2, file number 333-55722 and incorporated herein by reference)
- 10.6* Stock Purchase Agreement between the Company and CLS Enterprises, Inc. (filed as Exhibit 10.6 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
- 10.7* Designated Agency Officer Agreement (filed as Exhibit 10.7 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
- 10.8* Stock Purchase Agreement between Summit Life Corporation, Seller, and First Alliance Insurance Company, Buyer, dated November 10, 1999 (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed November 24, 1999 and incorporated herein by reference)
- * Previously filed.
- (b) Reports on Form 8-K

The Company filed no reports on Form 8-K during the quarter ended March 31, 2001.

13

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SUMMIT LIFE CORPORATION
an Oklahoma corporation

Date: May 15, 2001

/s/Charles L. Smith

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

Charles L. Smith
President and Chief Operating Officer

Date: May 15, 2001

/s/Quinton L. Hiebert

Quinton L. Hiebert
Vice-President and Chief Financial Officer

14

INDEX TO EXHIBITS

Exhibit Number -----	Name of Exhibit -----
3.1*	First Amended and Restated Certificate of Incorporation (filed as Exhibit 3.1 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
3.2*	First Amended and Restated Bylaws (filed as Exhibit 3.2 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
4.1*	Specimen Certificate of the Common Stock (filed as Exhibit 4.1 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
4.2*	See Articles V and X of the Company's Certificate of Incorporation and Article VI of the Company's Bylaws (filed as Exhibit 4.2 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
4.3*	Form of Promotional Shares Lock-In Agreement (filed as Exhibit 4.3 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
4.4*	Specimen Certificate of the Series A Preferred Stock (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-QSB for the Quarter ended June 30, 1999 and incorporated herein by reference)
4.5*	Certificate of Designation of Series A Preferred Stock (filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10-QSB for the Quarter ended June 30, 1999 and incorporated herein by reference)

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

- 4.6* Specimen Certificate of the Series B Convertible Preferred Stock (filed as Exhibit 4.6 to the Company's Registration Statement on Form SB-2, file number 333-55722 and incorporated herein by reference)
- 4.7* Certificate of Designation of Series B Convertible Preferred Stock (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-QSB for the Quarter ended September 30, 2000 and incorporated herein by reference)
- 10.1* Employment Agreement by and between the Company and James L. Smith (filed as Exhibit 10.1 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
- 10.2* Employment Agreement by and between the Company and Charles L. Smith (filed as Exhibit 10.2 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
- 10.3* Stock Purchase Agreement by and between the Company and BCLIC (filed as Exhibit 10.3 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
- 10.4* Stock Purchase Agreement between the Company and Orville Homer Miller et al. (filed as Exhibit 10.4 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)

15

- 10.5* Escrow Agreement between the Company and UMB Bank (filed as Exhibit 10.5 to the Company's Registration Statement on Form SB-2, file number 333-55722 and incorporated herein by reference)
- 10.6* Stock Purchase Agreement between the Company and CLS Enterprises, Inc. (filed as Exhibit 10.6 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
- 10.7* Designated Agency Officer Agreement (filed as Exhibit 10.7 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
- 10.8* Stock Purchase Agreement between Summit Life Corporation, Seller, and First Alliance Insurance Company, Buyer, dated November 10, 1999 (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed November 24, 1999 and incorporated herein by reference)
- * Previously filed.

16