

TEXAS DEPARTMENT OF INSURANCE

MC 106- 1G, P.O. Box 149104
Austin, TX 78714-9104

CONTINUING CARE RETIREMENT COMMUNITY (CCRC)

CHANGE OF CONTROL STATEMENT FOR CCRC

NOTE: CONTENT AND FORMAT OF INFORMATION IN ACQUISITION STATEMENT FOR CCRC, INFORMATION IN THE ACQUISITION STATEMENT SHOULD BE PRESENTED IN A FORMAT THAT STATES THE REQUIREMENTS OF EACH SPECIFIC SECTION AND THE CORRESPONDING ANSWER OR RESPONSE TO THE REQUIREMENT. A RESPONSE MAY BE SUPPLIED BY REFERENCE TO A SPECIFIC NAMED ATTACHMENT. IF ANY ITEM IS INAPPLICABLE OR THE RESPONSE IS IN THE NEGATIVE, AN APPROPRIATE STATEMENT TO THAT EFFECT SHALL BE MADE IN THE PLACE FOR THE RESPONSE.

(a) Statement regarding the acquisition of control of a continuing care facility in possession of a certificate of authority doing business as _____, by _____ (name of applicant). Filed with the Texas Department of Insurance, date: _____, 19____. Name, title, address, and telephone number of individual to whom notices and correspondence concerning this statement should be addressed.

(b) State the name and address of the facility to which this application relates and a brief description of how control is to be acquired.

(c) Identity and background of the applicant.

- (1) State the name and address of the applicant seeking to acquire control over the facility.
- (2) If the applicant is not an individual, state the nature of its business operations for the past five years or such lesser period as such person shall have been in existence.
- (3) Furnish a chart or listing clearly identifying the interrelationships between the applicant and all affiliates of the applicant. If control of any person is maintained other than by the ownership or control of

voting securities, indicate the basis of such control. As to each person specified in such chart or listing, indicate the type of organization (e.g. corporation, trust, partnership).

(d) Identity and background of individuals associated with the applicant. State the following with respect to the applicant if he is an individual, and for all persons who are directors, executive officers or owners of 10% or more of the voting securities of the applicant if the applicant is not an individual:

- (1) full legal name and business address:
- (2) 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.
- (3) material occupations, positions, offices or employments during the last five years, giving 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, if any such occupation, position, office or employment required licensing by or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection therewith: and
- (4) whether or not such person has ever been convicted in a criminal proceeding (excluding minor traffic violation) during the last ten years and, if so, give the date, nature of conviction, name and location of court, and penalty imposed or other dispositions of the case.

(e) Nature, source and amount of consideration.

- (1) Describe the nature, source and amount of funds or other considerations used or to be used in effecting the acquisition of control.

(f) Future plans for the facility. Describe any plans or proposals which the applicant may have to liquidate such facility, to sell its assets to or merge it with any person or persons or to make any other material change in its business operations or corporate structure or management and any financial or employment guarantees given to present and contemplated management.

(g) Effect of transfer of control on current residents. Describe any agreements made or to be made with current residents which will amend the residency contracts at the time of transfer of control. Describe any service or contractual obligation which will be reduced as a

result of a change of control. State whether any residency council or the like has any objection which would cause a material number of residents to vacate their living units and impact the facility in a negative manner.

(h) Financial statements and exhibits.

- (1) Financial statements and exhibits shall be attached to this form as an appendix, but list under this subsection the financial statements and exhibits attached.
- (2) The financial statements shall include the annual financials of the applicant for the preceding five years (or such lesser period as such applicant and its affiliates and predecessors thereof shall have been in existence), and similar information covering the period from the end of the person's last fiscal year, if such information is available. Such statements shall be prepared on an individual basis. Unless exempted by the commissioner, the annual statements of the applicant shall be accompanied by the certificate of an independent public accountant, if available, to the effect that such statements present fairly the financial position of the applicant and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or other accounting principles prescribed or permitted under law or rule.

(i) Information unknown or unavailable. Information required need be given only insofar as it is known or reasonably available to the person filing the statement. If any required information is unknown and not reasonably available to the person filing, either because the obtaining thereof would involve unreasonable effort or expense, or because it rests peculiarly within the knowledge of another person not affiliated with the person filing, the information may be omitted, subject to the following:

- (1) The person filing shall give such information on the subject as he possesses or can acquire without unreasonable effort or expense, together with the sources thereof, and
- (2) The person filing shall include a statement either showing that unreasonable effort or expense would be involved or indicating the absence of any affiliation with the person within whose knowledge the information rests and stating the result of a request made to such person for the information.

(j) The provider shall prepare a written notice sworn to by an officer of the provider for each county where the provider has a facility. The notice must contain the name of the provider, the legal description of each facility of the provider, and a statement that the facility is subject to this chapter and the lien provided by this section. The provider shall file for record the notice in the real property records of each county where the provider has a facility on or before the later of January 1, 1994, or the date of the execution of the first continuing care contract relating to the facility.

(k) Signature and certification. Signature and certification of the following form:

Corporation Certification

The _____ has caused this statement of change of
(name of corporate applicant)
control to be signed on its behalf in the County of _____ and
State of _____, on the _____ day of _____ 19_____.

(Name of Corporate Applicant)

Seal

By: _____
(Name) (Title)

Attest:

(Signature of Officer)

(Title)