

June 28, 1965



Honorable Robert D. Scharz  
Superintendent, Division of Insurance  
Jefferson Building  
Jefferson City, Missouri

Dear Mr. Scharz:

Reference is made to the submission by your office for examination by this office of documents executed by Old American Insurance Company in regard to proposed amendments of the Articles of Association which would authorize the company to issue nonvoting "Class A" stock. These documents consist of certified copies of the minutes of the meeting of the Board of Directors held on November 3, 1964, recommending the adoption of the amendments, minutes of the special meeting of stockholders held on November 3, 1964, adopting the amendments, and the Affidavit of Publication of the Declaration of Amendment of the Articles of Association.

It is noted that at the special meeting of the stockholders referred to above, holders of all the shares of outstanding capital stock were present either in person or by written proxy and that the amendments were adopted by an affirmative vote of all shares of stock entitled to vote. Issuance of the nonvoting "Class A" stock authorized by the amendments will result in a capital increase of \$2,000,000.00. The newly authorized stock will be issued to existing stockholders as a stock dividend by transferring \$2,000,000.00 from earned surplus to capital. The result of the stock dividend will be to retain the earned surplus as permanent capital, thus, substantially adding to the capital integrity of the company with resulting substantial increased protection to its policy holders.

Upon an examination of the documents referred to above and with reference to the comments made in regard thereto

above, it is the opinion of this office that the documents are in accordance with the provisions of Chapters 375 and 376 RSMo 1959, and are not inconsistent with the constitution and laws of this state and the United States.

Very truly yours,

NORMAN H. ANDERSON  
Attorney General