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STATE OF ILLINOIS



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Eugene "Gene" Moore Fee: \$44.50
Cook County Recorder of Deeds
Date: 01/25/2005 03:42 PM Pg: 1 of 11

Department of Financial and Professional Regulation Division of Insurance CERTIFICATE OF MERGER

Whereas, a Merger Agreement, dated September 26, 2004, by and between **ALLIANCE OF POLES OF AMERICA**, a fraternal benefit society organized and existing under and by virtue of the laws of the State of OHIO, and **POLISH ROMAN CATHOLIC UNION OF AMERICA**, a fraternal benefit society organized and existing under and by virtue of the laws of the State of ILLINOIS, whereby the said **ALLIANCE OF POLES OF AMERICA** is being merged into the said **POLISH ROMAN CATHOLIC UNION OF AMERICA**, the surviving society, has been presented to the Acting Director of Insurance of the State of Illinois for approval;

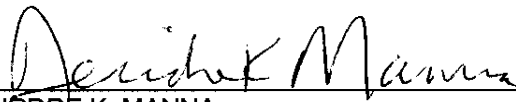
And it appearing from the documents filed with the Acting Director of Insurance of the State of Illinois that the said parties to said Merger Agreement have in all respects complied with the laws of the State of Illinois and with all applicable provisions of an Act of the General Assembly of the State of Illinois, entitled: "Illinois Insurance Code" approved June 29, 1937, as amended, and that said Merger Agreement is in accordance with the provisions of Article X of the said "Illinois Insurance Code" and is not inconsistent with the laws or constitution of the State of Illinois or of the United States, and the undersigned Acting Director of Insurance of the State of Illinois being satisfied that no reasonable objection exists thereto.

IT IS, THEREFORE ORDERED that the said Merger Agreement be and the same is hereby approved, to be effective January 1, 2005.

Date: January 10, 2005

DEPARTMENT OF FINANCIAL AND
PROFESSIONAL REGULATION of the State of
Illinois; FERNANDO E. GRILLO, SECRETARY

DIVISION OF INSURANCE


DEIRDRE K. MANNA
Acting Director of Insurance



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MERGER AGREEMENT

ALLIANCE OF POLES OF AMERICA

AND

POLISH ROMAN CATHOLIC UNION OF AMERICA

THIS AGREEMENT is made and entered into this 26th day of September A.D., 2004 by and between the ALLIANCE OF POLES OF AMERICA, a fraternal benefit society, operating on the group system, organized and existing under the laws of the State of Ohio, with its principal office located in Cleveland, Ohio, hereinafter referred to as "**AofP**" and the POLISH ROMAN CATHOLIC UNION OF AMERICA, a fraternal benefit society organized and existing under the laws of the State of Illinois, with its principal office located in Chicago, Illinois, hereinafter referred to as "**PRCUA**".

RECITALS

WHEREAS, **AofP** and **PRCUA** have both been founded and organized with the common compatible bases and objectives of fraternalism and religion and all of the benefits that flow therefrom for the spiritual, fraternal and economic enhancement of all of their membership; and WHEREAS, in these changing times, those objectives can best be accomplished by the joint efforts of the membership of both organizations through a common effort of a blended, merged and single organization; and

WHEREAS, the fraternal and economic benefits for each and every member of both organizations, as merged into a single society, shall be greatly enhanced through a joining of **AofP** and **PRCUA**, resulting in a stronger and more responsive organization which shall provide increased security for their members for a lesser administrative cost.

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AGREEMENTS

NOW, THEREFORE, it is mutually agreed between the parties hereto, as follows:

ARTICLE ONE

1. On the effective date of this Agreement, the separate existence of **AofP** shall cease and **AofP** shall be merged with and into the **PRCUA**. However, to promote the membership and identity of the **AofP**, it shall retain its name identification and shall, after the execution and formalization of this Agreement, henceforth be known as the ALLIANCE OF POLES OF AMERICA, a Division of the POLISH ROMAN CATHOLIC UNION OF AMERICA. This designation of **AofP** as a Division of **PRCUA** along with **AofP**'s logo shall be utilized on correspondence to **AofP** membership, marketing brochures and advertising material.
2. Upon the effective date of the Agreement, the **AofP** groups shall become chartered societies of the **PRCUA**, such societies and their members to be governed henceforth by the laws applicable to **PRCUA** and by the By-Laws, Rules and Regulations of the **PRCUA**, thereby becoming eligible to receive all the fraternal benefits to which a **PRCUA** member is entitled. Provided, however, that all societies, formerly groups of the **AofP**, shall retain their individual society names and shall be known by such names as being part of the **AofP**, now a society of the **PRCUA**. By example; the White Eagle Group of the **AofP** would henceforth be known as the WHITE EAGLE SOCIETY/**AofP** of the **PRCUA**. Individual group/society assets which are not the property of the **AofP** shall remain the property of such group/societies, if any such assets exist.
3. On the effective date of this Agreement, all members of **AofP** shall cease to be members of **AofP** and shall become members of the societies chartered by the **PRCUA** in compliance with

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the By-Laws and Constitution of the **PRCUA**. Provided further, however, that each society so newly constituted in the **PRCUA** shall be entitled to a minimum of one (1) delegate to the Quadrennial Convention of the **PRCUA**, or more, based upon the number of members in each society, as provided for in the Constitution of the **PRCUA**. Such delegates shall be elected directly by their societies without intervention from any other agency, provided that, compliance has been made with all requirements of the constitution and by- laws of the **PRCUA**.

4. **PRCUA** will establish an Advisory Board consisting of the Officers and Board Members of the **AofP**, they shall meet at least quarterly in the **AofP** offices, now to be designated as a satellite office of the **PRCUA**, for the purpose of promoting the welfare and advancement of all members, said office to remain open and operational for five (5) years from the effective date of the Merger. The **PRCUA** and Advisory Board shall meet, not less than six (6) months prior to the expiration of said five (5) year period to discuss whether or not said offices shall remain open for a period longer than five (5) years.

Criteria to the continuation of the utilization of the office as a satellite office of the **PRCUA** shall take into the consideration of the retention of the membership and premium income to offset expenses of the satellite office. If membership falls below 50% of members as of the date of this merger agreement, the office would be required to close.

Said Advisory Board members shall serve without replacements until the end of five (5) years, or until membership of **AofP** falls below 50% of the membership as of the date of this agreement. If the Advisory Board membership falls below 50% in members, this would result in

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the Advisory Board not being whole. The Advisory Board will be compensated according with the following annual schedule:

President	\$16,000	Chaplain	\$1,000
Vice-President	\$3,500	Public Relations	\$1,000
Treasurer	\$3,500	Board Members	\$100 per meeting plus mileage
Secretary	\$3,500	General Secretary	\$9,000
Editor	\$3,500		

The General Counsel will be retained to deal with current pending legal matters. Thereafter will be retained on a as needed basis.

Such Advisory Board shall undertake and assure the continuation of all current fraternal functions, which include, youth and religious activities, such as, but not limited to the following:

- A. Debutante Presentations;
- B. Easter Egg Hunt Programs;
- C. Language/Dance Schools;
- D. Scholarship Programs;
- E. Preparation of Newspaper Insert in the Narod Polski the official publication of the **PRCUA**.

With regard to all such functions, the **AofP** shall receive required financial and consulting services from the **PRCUA** as it shall be needed to successfully accomplish the purposes of these functions.

Further, in support of the satellite office to be housed in the building currently owned by the **AofP**, **PRCUA** shall retain the services of at least three (3) of the current employees of the **AofP** for at least 5 years to assist in the operation thereof. All office expenses shall become the responsibility of the **PRCUA**.

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5. The current president of **AofP** before the merger will be the person designated to attend all meetings of the National Board of Directors of the **PRCUA** as an ex officio Advisory Member of said Board, who shall have an advisory vote on all matters upon which votes of the Board Members are taken. Such Advisory Board member shall be compensated at the per diem rate established by the Quadrennial Convention of the **PRCUA** held in 2002. This position shall terminate on September 10, 2006, or sooner, in the event that any **AofP** member is appointed or elevated to the National Board of the **PRCUA** in compliance with the Constitution and By-Laws of the **PRCUA**.

ARTICLE TWO

1. On the effective date of this Agreement, all known obligations of the **AofP** relating to the certificates and contracts of insurance issued by **AofP** and in force or subject to reinstatement of the effective date of this Agreement shall be assumed by and become obligations of the **PRCUA**, subject to all defenses and setoffs that would have been available to **AofP** had this Agreement not been made. **PRCUA** will administer the certificates and contracts to which such obligations relate according to their terms which, to the extent applicable, are agreed to including the terms of the Articles of Incorporation, Constitution and Rules and Regulations of **AofP** in effect on the effective date of this Agreement and attached hereto as "Exhibit No.1". Such certificates and contracts shall participate in future distributions of surplus by **PRCUA** to the same extent as all other members of the **PRCUA**, to the extent determined by the Board of Directors of **PRCUA**, in force at the time of such distributions.

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2. On and after the effective date of this Agreement, premiums and other payments required by such certificates and contracts shall not be due or paid to **AofP** but, instead, shall be due to **PRCUA** and paid to the **PRCUA** through its established systems.

3. On and after the effective date of this Agreement, those persons constituted as deputies or any title commensurate to those authorized to sell the life insurance products of the **PRCUA** shall be compensated at the higher rates paid to **PRCUA** deputies at the time of the effective date of this Agreement for new business produced by them subsequent to the effective date of this Agreement. Such persons shall receive all the benefits of the special training given to **PRCUA** deputies.

4. As soon after the effective date of this Agreement as practicable, **PRCUA**, will issue, in the name of the member insured under and deliver to the person having control of each certificate and contract a CERTIFICATE OF ASSUMPTION in the form marked "Exhibit No.2" and attached thereto. **PRCUA** will advise known assignees of such certificates or contracts by letter addressed and mailed to the last known address of each.

5. In the event surplus is not adequate to absolve the amount of liens, upon merger, **PRCUA** will remove the liens within 12 months after the date of this merger.

6. On the effective date of the Agreement, all other obligations of **AofP** of whatever nature shall be assumed by and become obligations of the **PRCUA**, subject, however, to all defenses and set-offs that would have been available to **AofP** had this Agreement not be made.

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7. The certificate records, journals, ledgers and files of the **AofP** shall be retained and utilized by **PRCUA** for use in servicing the business assumed under this Agreement. The officers and board members of **AofP**, jointly and individually, agree that after the effective date of the merger, all such records shall be the exclusive property of the **PRCUA**.

8. On the effective date of this Agreement, **AofP** shall deliver to **PRCUA**, assembled in such form as shall be required by **PRCUA**, all information in its possession or control relating to its (i) certificates and contracts of insurance then in force or subject to reinstatement, (ii) members, (iii) groups, and (iv) obligations other than those relating to certificates and contracts of insurance then in force or subject to reinstatement.

9. On the effective date of this Agreement, **AofP** shall, by proper acts and instruments, transfer and convey to the **PRCUA** all property of whatever nature then belonging to **AofP**, such property to be commingled with and become part of the assets of the Insurance Fund of **PRCUA**. Nothing contained in this paragraph shall affect the separate property of subordinate satellites, such as societies or groups.

10. After the execution of this Agreement neither **AofP** nor **PRCUA** will incur any liability or expend or exchange any assets except in the regular and customary course of business.

ARTICLE THREE

1. The effective date of this Agreement shall be the date of the final approval by the Illinois Department of Insurance, provided that: (A) on or before such date, this Agreement has been

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approved by the supreme legislative and governing bodies of the **AofP** and **PRCUA** at any regular or special meeting thereof, provided, a copy or summary of such agreement shall have been included in or enclosed with the notice of such meeting. The notice to persons entitled to vote shall be given as provided in the By-Laws of the **PRCUA**; (B) that the Agreement has been approved by an affirmative vote of two-thirds (2/3) of all members of such supreme legislative and governing bodies of the **AofP** and **PRCUA**; (C) the Agreement of Merger has been approved by the Commissioners of Insurance of the State of Illinois and the State of Ohio.

2. If not all the approvals required in (A), (B) and (C) have been granted on or before said effective date or on a mutually agreed later date, on said effective or extended date, this Agreement shall terminate.

3. This Agreement may be terminated and the merger provided for herein may be abandoned at any time prior to the issuance of the approvals by the Directors of Insurance of the State of Illinois and the Director of Insurance of the State of Ohio upon the happening of any of the following events:

A. By mutual consent of the board of directors of the constituent fraternal benefit societies;

B. At the election of the board of directors of either fraternal benefit society if:

i. Any material litigation or proceedings shall be instituted or threatened against either constituent society, or any of their assets, which, in the opinion of either such board of directors, rendered the merger inadvisable or undesirable.

ii. Between the date of this Agreement and the effective date of the merger, there shall have been, in the opinion of either board of directors, any material adverse change in the business or condition, financial or otherwise, of either constituent fraternal benefit society.

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iii. The Insurance Commissioner of either the State of Illinois or the State of Ohio shall, after due consideration, fail to approve the proposed merger.

ARTICLE FOUR

1. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Illinois, although compliance with the State of Ohio shall be attained for the purposes of accomplishing the merger.

2. This Agreement sets forth the entire understanding of the parties with respect to the transaction completed hereby. Any additions, deletions, amendments or changes must be in writing and executed by the parties hereto.

3. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall together constitute one (1) Agreement.

4. If any part of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity and enforceability of the remaining portions. Changes in form which may be required by a Department of Insurance shall not require re-submission of this Agreement to the Supreme legislative bodies of the merging societies.

5. **AofP** and **PRCUA** shall bear their own expenses until the date of merger approval by the Insurance Departments of the State of Illinois and the State of Ohio. After the date of merger approval by said Departments, all expenses will be the responsibility of **PRCUA**. No brokerage fees or commissions will be paid to any person or party in connection with the merger of **AofP** and **PRCUA**.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective Presidents, attested by their respective Secretaries and their respective corporate seals to be hereunto affixed, for submission to those entitled to vote thereon, on the day and year first above written.

ALLIANCE OF POLES OF AMERICA

**POLISH ROMAN CATHOLIC UNION
OF AMERICA**

BY: *John Borkowski*
John Borkowski, President

BY: *Wallace M. Ozog*
Wallace M. Ozog, President

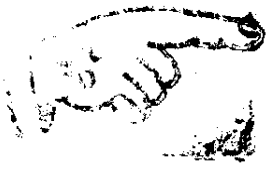
ATTEST:

ATTEST:

Francis A. Rutkowski
Francis A. Rutkowski, Secretary

Josephine Szarowicz
Josephine Szarowicz, Secretary-Treasurer

Approved 1/10/05
To be effective January 1, 2005
State of Illinois/IDFPR
Division of Insurance
By *Derrishe K. Mamm*
Acting DIRECTOR OF INSURANCE



GENERAL COUNSEL
POLISH ROMAN CATHOLIC UNION
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CHICAGO, IL 60622-4101