

The Mid Year meeting of the USA Alliance was called to order on February 27, 2012 at the offices of Scottsdale Insurance Company.

Those present were Dick and Mark Thomas, Kerry Dillard, Greg Murrey, John Griffin, Rich Distel, Jennifer Larsen, Ron and Michael Gabor, Mike Johnson, Francis Johnson, Jenny Wood, Peter Scobie, Jack Miller, Wes Duesenberg, Bob Katz, Dan Braude, Paul Davis, Rob Tuscano and John and Matthew Mundelius.

Our usual Roundtable discussion started off the meeting with all members reporting of the market conditions in their territory.

Next we discussed what additional Company President we wanted to invite to our annual meeting as only Robert Hill of American Reliable and Anthony Washington of Western Heritage were able to accept from our original list of five. After much discussion, it was voted that, in order, we would invite Occidental, Capital Indemnity and AmTrust. Rob will contact Steve Hartman of Occidental as our number one choice.

John Mundelius gave an update on our meeting in Napa Valley which is September 9-12 at the Solage in Calistoga.

All of us have previously given a commitment of the number of rooms we wanted to be reserved for this meeting and now is the time that we must give a final count to them.

Please contact the Solage at 866-942-7442 and make your reservations no later than March 16, 2012. Please let them know that you are with the USA Alliance group.

The tentative meeting schedule at this point is:

Sunday—Cocktails and Buffet Dinner at Solage

Monday--- Meeting with Company Presidents in the morning, wine tours in the afternoon, dinner offsite

Tuesday----Meeting in the morning, open in the afternoon, dinner at Solage

You can fly into San Francisco, Sacramento or Oakland.

Kerry Dillard reported on the 2013 meeting and is working to get room rates and the budget together for our meeting at the Homestead. The budget for the 2013 meeting remains at \$32,500.

Rob Tuscano presented the Profit and Loss and Balance Sheets for the Alliance current through 1/31/12. A motion was made by Rob Tuscano and seconded by John Griffin that we will no longer on an annual basis pay to have the books audited by an outside firm as this will save us over \$4000 per year and that we would only do this periodically. All those present voted in favor of.

Wes Duesenberg reported on the ad we have been running in the AAMGA WIN magazine. There are four editions at a cost of \$1600 per. There was discussion as to whether we stay with the existing ad, do away with it, reduce the number of times we run it. It was agreed that we would stay with the existing ad for the four editions for 2012 and then setup a committee to decide what we want to do and why/what is our purpose in continuing to advertise ourselves. A motion was made by Rob Tuscano and seconded by Bob Katz to accept the nominations of Dan Braude, Jenny Wood, Wes Duesenberg and Francis Johnson for this committee.

It was noted that we need to write Scottsdale a thank you letter for the use of their facilities and Rob Tuscano will do that.

Prospective members were discussed and Rob Tuscano advised we had received an unsolicited inquiry from Glenda Dowe of Rising Star in Missouri. None of us know her. It was suggested that Rob contact former member Joe Timmons to see if he knows her before proceeding any further.

Greg Murrey reported on New England Excess as Merwyn Larsen (not present) advised that he did contact Goober and expressed that they need to seek our members out at various meeting in order to get to know us better before we would consider their membership further.

Merwyn is seeing Shawn Urbansky tomorrow as an application was sent to him but we have had no reply to date.

Health Care was discussed. Peter Scobie advised that until ObamaCare is resolved, most carriers are not prepared to consider a group of our type. Wes suggested we have a conference call with his healthcare administrator to discuss our questions and concerns and then at that point if there is a reason for us to pursue a census on the group we will do so at that time.

We then discussed the various topics that were laid out in our agenda for several hours.

At 3:45 a motion was made by Dick Thomas and seconded by Kerry Dillard that our meeting be adjourned.