

Access Plans Inc  
Form PRER14C  
April 17, 2012  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**SCHEDULE 14C**

**(Rule 14c-101)**

**AMENDMENT NO. 1**

**Information Statement Pursuant to Section 14(c) of  
the Securities Exchange Act of 1934**

Check the appropriate box:

- Preliminary Information Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14c-5(d)(2))**
- Definitive Information Statement

**Access Plans, Inc.**  
(Name of registrant as specified in its charter)

Payment of Filing Fee (Check the appropriate box):

- No fee required
- Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11

- (1) Title of each class of securities to which transaction applies: Common Stock, par value \$0.0001 per share, of Access Plans, Inc.  
( Common Stock )

## Edgar Filing: Access Plans Inc - Form PRER14C

- (2) Aggregate number of securities to which transaction applies: 21,804,088 shares of Common Stock, which consist of: (i) 19,927,204 shares of Common Stock issued and outstanding as of February 23, 2012 and (ii) 1,876,884 shares of Common Stock underlying outstanding options to purchase shares of Common Stock with exercise prices below \$3.30 as of February 23, 2012.
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): The maximum aggregate value of the transaction is \$70,102,000. The filing fee was determined by multiplying \$70,102,000 by 0.00011460.
- (4) Proposed maximum aggregate value of transaction: \$70,102,000
- (5) Total fee paid: \$8,034

x Fee previously paid with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Firm, Schedule or Registration Statement No.:

(3) Filing Party: Access Plans, Inc.

(4) Date Filed:



---

**Table of Contents**

**ACCESS PLANS, INC.**

**900 36<sup>th</sup> Avenue, N.W., Suite 105**

**Norman, Oklahoma 73072**

**INFORMATION STATEMENT**

This Information Statement is furnished by Access Plans, Inc. (Access Plans) to its shareholders as a result of action taken by written consent by holders of a majority of the outstanding shares of common stock of Access Plans. This Information Statement is being sent in lieu of a special meeting of the shareholders of Access Plans.

Access Plans and Affinity Insurance Services, Inc. (Affinity), a subsidiary of Aon Corporation, have entered into an Agreement and Plan of Merger dated as of February 24, 2012 (the Merger Agreement), pursuant to which, subject to the terms and conditions of the Merger Agreement, Atlas Acquisition Corp., a wholly-owned subsidiary of Affinity (Merger Sub), will be merged with and into Access Plans, with Access Plans continuing as the surviving corporation. We refer to such transaction as the Merger. Immediately following the Merger, Access Plans shareholders will not own any shares of Affinity or Merger Sub, and such shares will be converted into the right to receive the Per Share Merger Consideration (as defined in the Merger Agreement and described in this Information Statement). The Merger Agreement and the Merger are described in more detail in this Information Statement.

At a meeting of the board of directors of Access Plans (the Board) held on February 20, 2012, the Board unanimously approved the Merger Agreement and recommended that the shareholders of Access Plans approve and adopt the Merger Agreement and the Merger. Also on February 20, 2012, Access Plans' independent financial advisor, Southwest Securities, Inc., rendered its opinion to the Board that, as of such date and based upon and subject to the qualifications, limitations and assumptions set forth in the opinion, the Per Share Merger Consideration to be paid to the shareholders of Access Plans pursuant to the Merger Agreement is fair, from a financial point of view, to such shareholders. On February 24, 2012, the Board unanimously reaffirmed its approval of the Merger Agreement and the Merger, and Access Plans entered into the Merger Agreement.

As permitted by Access Plans' certificate of incorporation and bylaws and by Section 1073 of the Oklahoma General Corporation Act, on February 25 and February 26, 2012, shareholders of Access Plans who collectively own approximately 54.9% of the issued and outstanding shares of common stock executed written consents approving and adopting the Merger Agreement and the transactions contemplated in the Merger Agreement, including the Merger. Consequently, except as required by law, further Access Plans shareholder vote or approval will not be required to complete the Merger pursuant to the Merger Agreement.

**ACCORDINGLY, WE ARE NOT ASKING YOU FOR A PROXY AND**

**YOU ARE REQUESTED NOT TO SEND US A PROXY. THE MERGER AGREEMENT HAS**

**ALREADY BEEN APPROVED BY SHAREHOLDERS.**

Shareholders who have not consented to the transaction are entitled to appraisal rights under Oklahoma law by following the requirements specified in Section 1091 of the Oklahoma General Corporation Act, as described herein. This Information Statement constitutes notice to you of the availability of appraisal rights.

This Information Statement is being sent to the Access Plans shareholders of record at the close of business on February 26, 2012. This Information Statement is dated \_\_\_\_\_, 2012, and is being mailed to Access Plans shareholders on or about \_\_\_\_\_, 2012. This Information Statement is the notice required by Section 1073 of the Oklahoma General Corporation Act.

**Table of Contents**

**TABLE OF CONTENTS**

	Page
<u>SUMMARY</u>	1
<u>Information About the Companies</u>	1
<u>The Merger</u>	2
<u>Merger Consideration</u>	2
<u>Special Dividend</u>	2
<u>Treatment of Stock Options</u>	2
<u>Recommendation of the Board and Its Reasons for the Merger</u>	3
<u>Opinion of Financial Advisor</u>	3
<u>Shareholder Action by Written Consent in Lieu of Meeting</u>	3
<u>Shareholder Appraisal Rights</u>	4
<u>Conditions to Completion of the Merger</u>	4
<u>Regulatory Approvals</u>	5
<u>No Solicitation by Access Plans</u>	5
<u>Termination of the Merger Agreement</u>	5
<u>Termination Fee and Expenses</u>	6
<u>Material United States Federal Income Tax Consequences</u>	6
<u>Access Plans Common Stock</u>	6
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER AGREEMENT AND MERGER RISK FACTORS</u>	9
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	12
<u>INFORMATION ABOUT THE COMPANIES</u>	13
<u>SHAREHOLDER CONSENTS</u>	14
<u>Record Date: Outstanding Shares</u>	14
<u>Shareholder Action by Written Consent in Lieu of Meeting</u>	15
<u>THE MERGER</u>	15
<u>General</u>	16
<u>Background of the Merger</u>	16
<u>Recommendation of the Board and Its Reasons for the Merger</u>	27
<u>Opinion of Financial Advisor</u>	31
<u>Regulatory Approvals</u>	41
<u>Material United States Federal Income Tax Consequences</u>	42
<u>Appraisal Rights</u>	45
<u>Cessation of Quotation and Deregistration of Access Plans Common Stock</u>	48
<u>Interests of Access Plans Directors and Executive Officers in the Merger</u>	48
<u>Treatment of Stock Options</u>	49
<u>Indemnification of Access Plans Officers and Directors</u>	51
<u>THE MERGER AGREEMENT</u>	51
<u>Structure and Completion of the Merger</u>	52
<u>Merger Consideration</u>	52
<u>Special Dividend</u>	54
<u>Illustrative Calculation</u>	54

**Table of Contents**

<u>Treatment of Stock Options</u>	55
<u>Manner and Procedure for Tendering Shares</u>	55
<u>Termination of Exchange Fund</u>	56
<u>No Liability</u>	56
<u>Appraisal Rights</u>	56
<u>Conditions to Completion of the Merger</u>	57
<u>Definition of Material Adverse Effect, Subsidiary and Knowledge</u>	59
<u>Non-Solicitation of Acquisition Proposals</u>	60
<u>Amendment and Supplement of Information Statement</u>	61
<u>Shareholder Approval and Adoption of the Merger Agreement</u>	61
<u>Efforts to Complete the Merger</u>	61
<u>Restrictions on Conduct of Business Pending the Merger</u>	62
<u>Other Covenants and Agreements</u>	65
<u>Shareholders Representative</u>	67
<u>Termination of the Merger Agreement</u>	68
<u>Effect of Termination</u>	69
<u>Representations and Warranties</u>	70
<u>Expenses</u>	71
<u>Governing Law; Jurisdiction; Specific Enforcement</u>	71
<u>Amendments, Extensions and Waivers</u>	71
<u>SALE OF AMERICA S HEALTH CARE/RX PLAN AGENCY, INC.</u>	72
<u>FINANCIAL FORECASTS</u>	73
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	75
<u>ADDITIONAL INFORMATION</u>	77
<u>Experts</u>	77
<u>Where You Can Find More Information</u>	77
<u>HOUSEHOLDING INFORMATION</u>	78
<u>ANNUAL REPORT ON FORM 10-K</u>	78

Annex A	Agreement and Plan of Merger
Annex B	Opinion of Southwest Securities, Inc.
Annex C	Section 1091 of the Oklahoma General Corporation Act

---

**Table of Contents**

**SUMMARY**

The following is a summary that highlights information contained in this Information Statement. This summary may not contain all of the information that may be important to you. For a more complete description of the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Merger, we encourage you to read carefully this entire Information Statement, including the attached Annexes. In addition, we encourage you to read the information accompanying this Information Statement, which includes important business and financial information about Access Plans that has been filed with the Securities and Exchange Commission (the SEC ).

**Information About the Companies (see page 13)**

*Access Plans, Inc. ( Access Plans )*

Access Plans is a leading provider of consumer membership plans and healthcare savings membership plans. For Access Plans membership plan products, through working with its wholesale and retail clients, Access Plans designs and builds membership plans that contain its benefits and benefits aggregated from Access Plans vendors that appeal to Access Plans clients customers.

*Affinity Insurance Services, Inc. ( Affinity )*

Affinity combines the specialized knowledge of affinity program management with the extensive resources of a global company to help clients achieve their goals. With an innovative approach to program strategy, from the design of products and services to the delivery of the marketing message, Affinity offers full-service capabilities; technical expertise and industry knowledge to deliver value to clients.

Affinity is a wholly-owned subsidiary of Aon Corporation ( Aon ). Aon provides risk management services, insurance and reinsurance brokerage, and human resources solutions and outsourcing services, delivering distinctive client value via innovative and effective risk management and workforce productivity solutions. Aon has approximately 62,000 employees and conducts its operations through various subsidiaries. Aon serves clients through the following operating segments:

**Risk Solutions** acts as an advisor and insurance and reinsurance broker, helping clients manage their risks via consultation, as well as negotiation and placement of insurance risk with insurance carriers through Aon s global distribution network.

**HR Solutions** partners with organizations to solve their most complex benefits, talent and related financial challenges, and improve business performance by designing, implementing, communicating and administering a wide range of human capital, retirement, investment management, health care, compensation and talent management strategies.

Aon s clients are globally diversified and include all segments of the economy (individuals through personal lines, mid-market companies and large globally companies) and every industry in the economy in over 120 countries globally.

Aon common stock is traded on the NYSE under the symbol AON.

*Atlas Acquisition Corp. ( Merger Sub )*

Atlas Acquisition Corp. is a direct, wholly-owned subsidiary of Affinity and was formed solely for the purpose of consummating the Merger. Merger Sub has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the Merger.

**Table of Contents**

**The Merger (see page 15)**

Affinity has agreed to acquire Access Plans under the terms and conditions set forth in the Merger Agreement, which we describe in this Information Statement. Pursuant to the Merger Agreement, at the effective time, Merger Sub will merge with and into Access Plans, with Access Plans continuing as the surviving corporation and a wholly-owned subsidiary of Affinity. We have attached the Merger Agreement as Annex A to this Information Statement. We encourage you to carefully read the Merger Agreement in its entirety.

**Merger Consideration (see page 52)**

The Merger Agreement provides that, at the effective time of the Merger, each share of Access Plans common stock issued and outstanding immediately prior to the effective time (other than treasury shares of Access Plans, shares of Access Plans common stock held by Affinity or any of Access Plans or Affinity's wholly-owned subsidiaries and shares of Access Plans with respect to which appraisal rights are validly exercised) will be converted into the right to receive an amount of cash as described under The Merger Agreement Merger Consideration beginning on page 52. We refer to the amount of cash to be received for each share of Access Plans common stock as the Per Share Merger Consideration.

The Per Share Merger Consideration is subject to downward adjustment as described under The Merger Agreement Merger Consideration Per Share Merger Consideration beginning on page 52.

**Special Dividend (see page 54)**

Prior to the closing of the Merger, subject to certain conditions specified in the Merger Agreement, Access Plans may declare a one-time cash dividend of up to \$0.10 per share of Access Plans common stock then outstanding payable to Access Plans shareholders immediately prior to the closing.

**Treatment of Stock Options (see page 49)**

In connection with the Merger, all outstanding in-the-money options (those stock options exercisable for the purchase of Access Plans common stock having an exercise price less than the Per Share Merger Consideration) will be cancelled immediately prior to the effective time of the Merger and will be converted at the effective time into the right to receive the Per Share Merger Consideration reduced by the respective exercise prices of those options. All outstanding out-of-the-money options (those stock options exercisable for the purchase of Access Plans common stock having an exercise price equal to or greater than the Per Share Merger Consideration) will be cancelled immediately prior to the effective time and no consideration will be exchanged therefor.



**Table of Contents**

**Recommendation of the Board and Its Reasons for the Merger (see page 27)**

After careful consideration, on February 20, 2012, the Board unanimously approved the Merger Agreement and approved the consummation of the transactions contemplated by the Merger Agreement, including the Merger, upon the terms and subject to the conditions set forth in the Merger Agreement. The Board unanimously recommended that Access Plans' shareholders approve and adopt the Merger Agreement. On February 24, 2012, prior to execution of the Merger Agreement, the Board unanimously reaffirmed its approval of the Merger Agreement and the Merger.

For the factors considered by the Board in reaching its decision to approve the Merger Agreement and approve the consummation of the transactions contemplated by the Merger Agreement, including the Merger, as well as the Board's reasons for, and certain risks related to, the Merger, see "The Merger Recommendation of the Board and Its Reasons for the Merger" beginning on page 28.

**Opinion of Financial Advisor (see page 31)**

Southwest Securities, Inc., which we refer to as "Southwest Securities", delivered its written opinion to the Board that, as of February 20, 2012, and based upon and subject to the qualifications, limitations and assumptions set forth therein, the \$3.30 per share of common stock in cash to be paid to the holders of the common stock pursuant to the Merger Agreement was fair, from a financial point of view, to such holders.

The full text of the written opinion of Southwest Securities, dated February 20, 2012, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex B. Southwest Securities provided its opinion for the information and assistance of the Board in connection with its consideration of the Merger. For a further discussion of Southwest Securities' opinion, see "The Merger Opinion of Financial Advisor," beginning on page 31.

**Shareholder Action by Written Consent in Lieu of Meeting (see page 14)**

The adoption of the Merger Agreement by Access Plans' shareholders required the affirmative vote or written consent of the holders of a majority of the outstanding shares of Access Plans common stock. On February 25 and February 26, 2012, shareholders of Access Plans who collectively own approximately 54.9% of the issued and outstanding shares of common stock executed written consents approving and adopting the Merger Agreement and the transactions contemplated in the Merger Agreement, including the Merger. Consequently, except as required by law, further Access Plans shareholder vote or approval will not be required to complete the Merger pursuant to the Merger Agreement.

---

**Table of Contents**

**Shareholder Appraisal Rights (see page 45)**

Under the Oklahoma General Corporation Act of the State of Oklahoma (the OGCA ), Access Plans shareholders of record who have not delivered written consents and, accordingly, have not voted in favor of approval and adoption of the Merger Agreement will be entitled to seek appraisal rights and obtain payment in cash for the judicially determined fair value of their shares of Access Plans common stock in connection with the Merger, if the Merger is completed. This value could be more than, less than or the same as the Per Share Merger Consideration. The relevant provisions of the OGCA are included as Annex C to this Information Statement. We encourage you to read these provisions carefully and in their entirety. Moreover, due to the complexity of the procedures for exercising the right to seek appraisal, Access Plans shareholders who are considering exercising such rights are encouraged to seek the advice of legal counsel. Failure to strictly comply with these provisions will result in a loss of the right of appraisal. Access Plans shareholders who wish to exercise their appraisal rights and hold shares in the name of a broker or other nominee must instruct their nominees to take the steps necessary to enable them to demand appraisal for their shares.

**Conditions to Completion of the Merger (see page 57)**

A number of conditions to the obligations of Access Plans, Affinity and Merger Sub to complete the Merger must be satisfied before the Merger will be completed, including:

the receipt of all authorizations, consents, orders, declarations or approvals of or filings with, or terminations or expirations of waiting periods imposed by, any governmental entity, including under applicable regulatory laws, which the failure to obtain, make or occur would have the effect of making the Merger or any of the other transactions illegal or would, individually or in the aggregate, have a material adverse effect with respect to Access Plans or Affinity;

the absence of any temporary restraining order, preliminary or permanent injunction or other order issued by a court of competent jurisdiction or other legal restraint or prohibition preventing the completion of the Merger;

the absence of any action, suit, claim, demand, labor dispute or other litigation, legal, administrative or alternative dispute resolution proceedings or governmental, regulatory or other investigations relating to the Merger Agreement or the Merger or that would have a material adverse effect on Access Plans or Affinity;

no more than 3% of the outstanding shares of Access Plans common stock electing to exercise appraisal rights as of the completion of the Merger in accordance with the terms of the Merger Agreement;

the accuracy and correctness of representations and warranties of the other party, subject to certain materiality qualifications described in the Merger Agreement, and the receipt of a certificate from the officers of the other party to that effect; and

**Table of Contents**

the other party's having performed its covenants in the Merger Agreement in all material respects at or prior to the completion of the Merger, and the receipt of a certificate from the officers of the other party to that effect.

Some of the conditions set forth in the Merger Agreement may be waived by Affinity or Access Plans, subject to the agreement of the other party in specific cases. For a more detailed discussion of these matters, see "The Merger Agreement - Conditions to Completion of the Merger" beginning on page 57.

**Regulatory Approvals (see page 41)**

Affinity and Access Plans have agreed to use their reasonable best efforts to obtain all regulatory approvals required to complete the transactions contemplated by the Merger Agreement. Affinity and Access Plans are not aware of any material governmental approvals or actions that are required for completion of the Merger.

**No Solicitation by Access Plans (see page 60)**

Subject to certain exceptions, the Merger Agreement precludes Access Plans from soliciting or engaging in discussions or negotiations with a third party with respect to a proposal to acquire a significant interest in Access Plans' equity or assets. Because Access Plans' shareholders have approved the Merger Agreement, Access Plans is no longer permitted to solicit or engage in any such discussions or negotiations.

**Termination of the Merger Agreement (see page 68)**

*Termination by Affinity or Access Plans*

The Merger Agreement may be terminated at any time prior to the completion of the Merger by the mutual written consent of Affinity and Access Plans. Also, subject to certain qualifications and exceptions, either Affinity or Access Plans may terminate the Merger Agreement at any time prior to the completion of the Merger if:

the Merger is not completed on or before May 24, 2012; or

a governmental entity permanently enjoins or otherwise prohibits the completion of the Merger.

*Termination by Access Plans*

Access Plans may terminate the Merger Agreement at any time prior to the completion of the Merger if Affinity breaches or fails to perform in any material respect any of its representations, warranties, covenants or other agreements, which breach or failure to perform would result in a failure of any of the conditions to Access Plans' obligations to complete the Merger.

## **Table of Contents**

### *Termination by Affinity*

Affinity may terminate the Merger Agreement at any time prior to the completion of the Merger if Access Plans breaches or fails to perform in any material respect any of its representations, warranties, covenants or other agreements, which breach or failure to perform would result in a failure of any of the conditions to Affinity's obligation to complete the Merger.

### **Termination Fee and Expenses (see page 68)**

If the Merger Agreement is terminated, Access Plans may be required in specified circumstances to pay a termination fee of \$2.8 million to Affinity. If the Merger Agreement is terminated under certain circumstances, Access Plans may also be required to reimburse Affinity for its out-of-pocket expenses and costs incurred in connection with the Merger in an aggregate amount not to exceed \$750,000. For a more detailed discussion of these matters, see "The Merger Agreement - Termination of Merger Agreement" beginning on page 68.

### **Material United States Federal Income Tax Consequences (see page 42)**

Each Access Plans shareholder generally will recognize any gain and loss realized on the exchange of each share of Access Plans common stock for the Per Share Merger Consideration in an amount by which the Per Share Merger Consideration exceeds or is less than the adjusted tax basis of the share exchanged. Tax matters are complicated, and the tax consequences of the Merger to each holder of Access Plans common stock will depend on the shareholder's particular facts and circumstances. Access Plans shareholders should consult their tax advisors with respect to the federal, state, local, foreign and other tax consequences to them of the Merger.

### **Access Plans Common Stock**

Access Plans common stock is quoted on the OTC Bulletin Board under the symbol "APNC". As of February 26, 2012, there were 151 holders of record of Access Plans common stock. The table below sets forth for the periods indicated the high and low price per share (using the closing average of best bid and best ask price) of Access Plans common stock as reported on the OTC Bulletin Board. These quotations also reflect inter-dealer prices without retail mark-ups, mark-downs or commissions, and may not necessarily represent actual transactions.

**Table of Contents**

	Price Per Common Stock Share	
	High	Low
First Quarter ended December 31, 2011	\$ 2.85	\$ 2.18
Year Ended September 30, 2011:		
First Quarter ended December 31, 2010	\$ 1.20	\$ 0.81
Second Quarter ended March 31, 2011	\$ 2.20	\$ 1.03
Third Quarter ended June 30, 2011	\$ 2.45	\$ 2.00
Fourth Quarter ended September 30, 2011	\$ 2.86	\$ 2.05
Year Ended September 30, 2010:		
First Quarter ended December 31, 2009	\$ 1.18	\$ 0.75
Second Quarter ended March 31, 2010	\$ 1.22	\$ 1.00
Third Quarter ended June 30, 2010	\$ 1.25	\$ 0.83
Fourth Quarter ended September 30, 2010	\$ 0.97	\$ 0.85

On February 24, 2012, the last trading day before announcement of the execution of the Merger Agreement, Access Plans common stock closed at \$2.79 per share. On February 27, 2012, the date of the announcement of the Merger Agreement, the closing sale price of Access Plans common stock was \$3.25 per share.

**QUESTIONS AND ANSWERS ABOUT****THE MERGER AGREEMENT AND THE MERGER**

The following are some questions that you, as a shareholder of Access Plans, may have regarding the Merger Agreement and the Merger. For more detailed information about the matters discussed in these questions and answers, the remainder of this Information Statement should be read carefully because the information in this section does not provide all of the information that may be important to you with respect to the Merger Agreement and the Merger. Additional important information is also contained in the Annexes, which accompany this Information Statement.

**Q: What is the proposed transaction?**

A: The proposed transaction is the acquisition of Access Plans by Affinity pursuant to the Merger Agreement. Upon the terms and subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement, Merger Sub will merge with and into Access Plans, with Access Plans being the surviving corporation and becoming a wholly-owned subsidiary of Affinity.

**Q: What will I be entitled to receive if the transaction is completed?**

A: Upon completion of the Merger, you will be entitled to receive, for each share of common stock that you own, unless you have properly exercised and not withdrawn your appraisal rights, an amount in cash, without interest, less any applicable withholding taxes, equal to the Per Share Merger Consideration. The anticipated Per Share Merger Consideration is subject to downward adjustment as set forth in the Merger Agreement, but is currently expected

**Table of Contents**

to be approximately \$3.30, which is \$0.51 more than the \$2.79 reported closing sale price as reported on the OTC Bulletin Board on February 24, 2012, the last trading day prior to the public announcement of the Merger Agreement.

Additionally, you may receive a contingent special cash dividend of up to \$0.10, without interest and less any applicable withholding taxes, for each share of our common stock you own on the record date of the dividend. Payment of the special dividend is contingent upon our net cash amount being at least \$15,025,000 at the time of the Merger. If we do not have enough cash on hand to pay the contingent special dividend in the amount of \$0.10 per share, we may pay a portion of that amount which would be calculated by dividing the excess, if any, of the net cash amount on hand over \$15,025,000 by the number of shares of common stock outstanding and shares underlying outstanding in-the-money stock options to determine the special dividend per share. There can be no assurance that the contingent special dividend will in fact be declared or paid.

**Q: Did the Board approve and recommend the Merger Agreement?**

A: Yes. The Board determined unanimously that it is in the best interests of Access Plans and its shareholders, and declared it advisable, to enter into the Merger Agreement. Accordingly, the Board approved the Merger Agreement and the transactions contemplated thereby, including the Merger, and recommended that Access Plans shareholders adopt the Merger Agreement.

**Q: Have shareholders adopted the Merger Agreement and approved the Merger?**

A: Yes. Shareholders holding 11,043,017 shares of Access Plans common stock have delivered written consents adopting the Merger Agreement and approving the Merger and those shares represent 54.9% of the issued and outstanding shares of Access Plans common stock. The shareholder consents were received at the offices of Access Plans on February 25 and February 26, 2012. No further action by any shareholder is required to adopt the Merger Agreement or approve the Merger.

**Q: Will there be a meeting of Access Plans shareholders for the purpose of approval and adoption of the Merger Agreement?**

A: No. Because Access Plans shareholders holding at least a majority of the outstanding shares of common stock have approved and adopted the Merger Agreement and the transactions contemplated thereby, including the Merger, a shareholder meeting will not be held for that purpose.

**Q: Why am I receiving this Information Statement?**

A: Applicable laws and securities regulations require us to provide you with notice that action has been taken by written consent, as well as other information regarding the Merger, even though your vote or consent will neither be required nor requested to authorize and adopt the Merger Agreement or complete the Merger. This Information Statement also constitutes notice to you of the availability of appraisal rights under Section 1091 of the Oklahoma General Corporation Act, and provides the notice to you required by Section 1073 of the Oklahoma General Corporation Act.

**Table of Contents**

**Q: Should I send in my stock certificates now?**

A: No. After the Merger is completed, you will be sent a letter of transmittal with related instructions, describing how you may exchange your shares for the Per Share Merger Consideration. If your shares are held in street name by your bank, brokerage firm or other nominee, you will receive instructions from your bank, brokerage firm or other nominee as to how to effect the surrender of your street name shares in exchange for the Per Share Merger Consideration.

**Q. Am I entitled to exercise appraisal rights instead of receiving the Per Share Merger Consideration?**

A. Yes. As a holder of common stock, you are entitled to appraisal rights under Section 1091 of the Oklahoma General Corporation Act, a copy of which is attached to this Information Statement as Annex C. Appraisal rights entitle you to receive the fair value of your shares as determined by the Oklahoma courts, provided that you comply with all applicable requirements and procedures.

**Q: Who can help answer my questions?**

A: If you have any questions about the Merger or how to receive the merger consideration, you should contact Access Plans general counsel:

Bradley W. Denison

Access Plans, Inc.

900 36<sup>th</sup> Avenue, N.W., Suite 105

Norman, Oklahoma 73072

(405) 579-8525

**RISK FACTORS**

The Merger Agreement presents certain material risks for Access Plans and its shareholders. Access Plans shareholders will neither have a continuing interest in Access Plans nor a shareholder interest in Aon, Affinity or Merger Sub upon completion of the merger. In addition to the other information included in this information statement, including the matters addressed in Cautionary Statement Concerning Forward Looking Statements beginning on page 12, the following are risks presented by the Merger Agreement and the Merger and other transactions contemplated in the Merger Agreement. The risk factors associated with the businesses of Access Plans can be found in the Access Plans Annual Report on Form 10-K for the fiscal year ended September 30, 2011, as filed with the SEC, which accompanies this Information Statement. You should also read and consider the other information in this Information Statement.

**Table of Contents**

**Risks Related to the Merger Agreement**

*Two executive officers of Access Plans have interests in the Merger that are different from, or in addition to, the interests of Access Plans shareholders.*

Two of Access Plans' executive officers have financial interests in the Merger that are different from, or in addition to, their interests as Access Plans shareholders. The financial interests relate to the unvested stock option awards held by each of them, which will vest in connection with the Merger and be converted at the effective time into the right to receive the Per Share Merger Consideration, reduced by the respective exercise prices of those options.

*Failure to complete the Merger could negatively impact the stock prices and future businesses and financial results of Access Plans.*

If the Merger is not completed, the ongoing businesses of Access Plans may be adversely affected and Access Plans will be subject to several risks and consequences, including the following:

Access Plans may be required, under certain circumstances, to pay Affinity a termination fee of \$2.8 million under the Merger Agreement;

Access Plans may be required, under certain circumstances, to pay up to \$750,000 of certain out-of-pocket costs and expenses of Affinity relating to the Merger, whether or not the Merger is completed, including legal, accounting, financial advisor fees;

under the Merger Agreement, Access Plans is subject to certain restrictions on the conduct of its business prior to completing the Merger which may adversely affect its ability to execute certain of its business strategies; and

matters relating to the Merger have required substantial commitments of time and resources by Access Plans management, which could otherwise have been devoted to other opportunities that may have been beneficial to Access Plans.

In addition, if the Merger is not completed, Access Plans may experience negative reactions from the financial markets and from its customers and employees. Access Plans also could be subject to litigation related to any failure to complete the Merger or to enforcement proceedings commenced against Affinity or Access Plans to perform their respective obligations under the Merger Agreement. If the Merger is not completed, Access Plans cannot assure shareholders that the risks described above will not materialize and will not materially affect the business, financial results and stock price of Access Plans.

*The financial forecasts included in this Information Statement involve risks, uncertainties and assumptions, many of which are beyond the control of Access Plans. As a result, they may not prove to be accurate and are not necessarily indicative of current values or future performance.*



## **Table of Contents**

The financial forecasts of Access Plans contained in this Information Statement involve risks, uncertainties and assumptions and are not a guarantee of future performance. The future financial results of Access Plans may materially differ from those expressed in the financial forecasts due to factors that are beyond Access Plans' ability to control or predict. Access Plans cannot provide any assurance that Access financial forecasts will be realized or that Access Plans' future financial results will not materially vary from the financial forecasts. The financial forecasts cover multiple years, and the information by its nature becomes subject to greater uncertainty with each successive year. The financial forecasts do not take into account any circumstances or events occurring after the date they were prepared.

More specifically, the financial forecasts:

necessarily make numerous assumptions, many of which are beyond the control of Access Plans and may not prove to be accurate;

do not necessarily reflect revised prospects for Access Plans' businesses, changes in general business or economic conditions, or any other transaction or event that has occurred or that may occur and that was not anticipated at the time the forecasts were prepared;

are not necessarily indicative of current values or future performance, which may be significantly more favorable or less favorable than is reflected in the forecasts; and

should not be regarded as a representation that the financial forecasts will be achieved.

The financial forecasts were not prepared with a view toward public disclosure or compliance with published guidelines of the SEC or the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information or applicable generally accepted accounting principles and do not reflect the effect of any proposed or other changes in applicable generally accepted accounting principles that may be made in the future. See "Financial Forecasts" beginning on page 73.

***Some of the conditions to the Merger may be waived by Affinity or Access Plans without soliciting Access Plans shareholder approval.***

Some of the conditions set forth in the Merger Agreement may be waived by Affinity or Access Plans, subject to certain limitations. See "The Merger Agreement - Conditions to Completion of the Merger" beginning on page 57. If any conditions are waived, Affinity and Access Plans will evaluate whether amendment or supplementation of this Information Statement is warranted. If the Access Plans Board and Affinity determine that amendment or supplementation of this Information Statement is not warranted, the Merger may be completed.

---

**Table of Contents**

**Risks Relating to Access Plans**

Access Plans is, and will continue to be in the event the merger is not completed, subject to the risks described in Part I, Item 1A in Access Plans Annual Report on Form 10-K for the fiscal year ended September 30, 2011, which has been filed with the SEC and accompanies this Information Statement.

**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

This Information Statement includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Exchange Act of 1934, as amended (the Exchange Act). These statements may include, but are not limited to, statements addressing the benefits of the Merger respecting the Access Plans shareholders and the associated objectives, expectations and intentions. These statements are subject to a number of risks, uncertainties and other factors that could cause the expected results and benefits to differ materially from those expressed in, or implied by, these statements. You can identify these statements by the fact that they do not relate to matters of a strictly factual or historical nature and generally discuss or relate to forecasts, estimates or other expectations regarding future events. Generally, the words believe, expect, intend, estimate, anticipate, project, may, can, could, might, will and shall identify forward looking statements, including statements related to Access Plans expected operating and performing results, planned transactions, planned objectives of management, future developments or conditions in the industries in which Access Plans participates and other trends, developments and uncertainties that may affect Access Plans business in the future.

These risks, uncertainties and other factors include, among other things:

the possibility that the proposed transaction does not close, including, but not limited to, due to the failure to satisfy the closing conditions;

general economic conditions in the United States and Canada, the countries in which Access Plans does business;

the impact of investigations brought by state attorneys general, state insurance regulators, federal prosecutors, federal regulators, and other regulatory authorities;

the impact of class actions and individual lawsuits including client class actions, securities class actions and derivative actions;

the extent to which Access Plans retains existing clients and attracts new businesses;

the extent to which Access Plans manages certain risks created in connection with its various products and services that Access Plans currently offers or provides, or will offer or provide in the future, to its clients and customers;

**Table of Contents**

the impact of, and potential challenges in complying with, legislation and regulation in the jurisdictions in which Access Plans operates, particularly given Access Plans' businesses and the possibility of conflicting regulatory requirements across states and other jurisdictions in which Access Plans does business; and

the ability of the Access Plans shareholders to realize the anticipated benefits of the Merger.

Additional risks, uncertainties and other factors include those discussed in Access Plans' Annual Report on Form 10-K for the fiscal year ended September 30, 2011 accompanying this Information Statement. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Information Statement or, in the case of the risk factors contained in the Annual Report, as of the date of such report. Access Plans disclaims any intent or obligation to update any forward-looking statements contained in this Information Statement.

**INFORMATION ABOUT THE COMPANIES**

Access Plans, Inc.

900 36<sup>th</sup> Avenue, N.W., Suite 105

Norman, Oklahoma

(405) 579-8525

Access Plans, Inc. (Access Plans) is a leading provider of consumer membership plans and healthcare savings membership plans. For its membership plan products, through working with our wholesale and retail clients, Access Plans designs and build membership plans that contain its benefits and benefits aggregated from Access Plans' vendors that appeal to its clients' customers. A more extensive description of Access Plans is set forth in Access Plans' Annual Report on Form 10-K that accompanies this Information Statement.

Access Plans common stock is reported on the OTC Bulletin Board under the symbol APNC.

Affinity Insurance Services, Inc.

200 East Randolph Street

Chicago, Illinois 60601

(312) 381-1000

Affinity Insurance Services, Inc. (Affinity) combines the specialized knowledge of affinity program management with the extensive resources of a global company to help clients achieve their goals. With an innovative approach to program strategy, from the design of products and services to the delivery of the marketing message, Affinity offers full-service capabilities; technical expertise and industry knowledge to deliver value to clients.

Aon Corporation (Aon) is the parent of Affinity Insurance Services, Inc. Aon provides risk management services, insurance and reinsurance brokerage, and human resources solutions

**Table of Contents**

and outsourcing services, delivering distinctive client value via innovative and effective risk management and workforce productivity solutions. Aon has approximately 62,000 employees and conducts its operations through various subsidiaries in more than 120 countries and sovereignties. Aon serves clients through the following operating segments:

**Risk Solutions** acts as an advisor and insurance and reinsurance broker, helping clients manage their risks via consultation, as well as negotiation and placement of insurance risk with insurance carriers through Aon's global distribution network.

**HR Solutions** partners with organizations to solve their most complex benefits, talent and related financial challenges, and improve business performance by designing, implementing, communicating and administering a wide range of human capital, retirement, investment management, health care, compensation and talent management strategies.

Aon's clients are globally diversified and include all segments of the economy (individuals through personal lines, mid-market companies and large globally companies) and every industry in the economy in over 120 countries globally.

Aon common stock is traded on the NYSE under the symbol AON.

Atlas Acquisition Corp.

c/o Affinity Insurance Services, Inc.

200 East Randolph Street

Chicago, Illinois 60601

(312) 381-1000

Atlas Acquisition Corp. ( Merger Sub ) is a wholly-owned subsidiary of Affinity and was formed solely for the purpose of consummating the Merger. Merger Sub has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the Merger.

**SHAREHOLDER CONSENTS**

**Record Date; Outstanding Shares**

This Information Statement has been distributed only to holders of record of the Access Plans common stock at the close of business on February 26, 2012 (the Record Date ). As of the Record Date, there were 19,927,204 shares of the Access Plans common stock outstanding, held by approximately 151 holders of record. A complete list of Access Plans shareholders will be available for review at the executive offices of Access Plans during regular business hours.

**Table of Contents****Shareholder Action by Written Consent in Lieu of Meeting**

In accordance with the Oklahoma General Corporate Act (the OGCA ), approval and adoption of the Merger Agreement requires the affirmative vote of the holders of a majority of the issued and outstanding shares of Access Plans common stock entitled to vote in approval and adoption of the Merger Agreement.

In lieu of Access Plans convening and holding a meeting of its shareholders to obtain the required shareholder consent, the following Access Plans shareholders have delivered written consents respecting the number of shares of Access Plans common stock indicated in favor of approval and adoption of the Merger Agreement:

<b>Access Plans Shareholders</b>	<b>Position with Access Plans or Its Subsidiary or Division</b>	<b>Shares of Access Plans Common Stock</b>
Danny C. Wright	Chairman of Board of Directors and Chief Executive Officer	3,928,000
Brett Wimberley	Director, President and Chief Financial Officer	3,908,000
Eleanor S. Matthews	President of Benefit Marketing Solutions, LLC	1,949,000
Robert Garces	Advisory Director	765,000
Thomas Kiser	Advisory Director	222,350
Gerdes Huff Investments	Affiliate(1)	166,667
Bradley W. Denison	Chief Operating Officer, General Counsel and Secretary	52,000
Robert F. Hamra	Chief Financial Officer of Benefit Marketing Solutions, LLC	52,000
<b>Total Shares</b>		<b>11,043,017</b>
Percent of outstanding Access Plans common stock		54.9%

(1) Gerdes Huff Investments is an affiliate of Larry Gerdes, a director of Access Plans.

The shareholder consents were delivered to Access Plans by the above-named Access Plans shareholders on February 25 and 26, 2012.

Accordingly, on February 26, 2012, the Merger Agreement was approved by the required majority of the outstanding shares of the Access Plans common stock held of record on that date.

**THE MERGER**

The following is a description of the material aspects of the Merger. While we believe that the following description covers the material terms of the Merger, the description may not contain all of the information that is important to you. We encourage you to read carefully this entire Information Statement, including the Merger Agreement attached to this Information Statement as Annex A, for a more complete understanding of the Merger.

## **Table of Contents**

### **General**

Each board of directors of Access Plans, Affinity and Merger Sub has approved the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Merger. Pursuant to the Merger Agreement, Merger Sub will merge with and into Access Plans at the effective time, with Access Plans continuing as the surviving corporation and a wholly-owned subsidiary of Affinity. Each share of Access Plans common stock outstanding as of the effective time of the Merger (other than treasury shares of Access Plans, shares of Access Plans common stock held by Affinity or any of Affinity's subsidiaries and shares of Access with respect to which appraisal rights are validly exercised), will be converted into the right to receive the Per Share Merger Consideration, upon the terms provided in the Merger Agreement and as described below under "The Merger Agreement - Merger Consideration" beginning on page 52.

### **Background of the Merger**

The following chronology summarizes the key meetings and events that led to Access Plans' signing of the Merger Agreement. In this process, the Board held many meetings, both telephonically and in person, regarding possible strategic alternatives. The chronology below covers only the key events leading up to the Merger Agreement and does not purport to catalogue every meeting held, telephonically or in person, among the Board and its advisors or between Access Plans and other parties.

As part of Access Plans' ongoing evaluation of its business, Access Plans' management meets periodically with members of its Board to discuss and review possible strategic directions. This evaluation includes Access Plans' financial performance, competitive position and strategic focus, as well as short-term and long-term opportunities and challenges of the business and operations of Access Plans and its respective divisions. Beginning in 2010, in light of Access Plans' financial performance and Access Plans' management and the Board's belief that the price of Access Plans common stock was undervalued, Access Plans' management and Board considered engaging an investment banking firm to assist in evaluating various strategic alternatives. These strategic alternatives included assessment of the benefits and merits of a variety of potential transactions including merger, consolidation, securities exchange, acquisition, joint venture, partnership, strategic alliance, and a "go private" transaction, as well as the disposition of one or more subsidiaries and divisions. In the third quarter of 2010, a member of the Board contacted Southwest Securities, and requested that Southwest Securities present a proposal for advising on potential strategic alternatives.

On September 9, 2010, senior management and a director of Access Plans met initially with representatives of Southwest Securities to discuss potential strategic alternatives. Representatives of Southwest Securities made a presentation to Access Plans' senior management and the Access Plans director describing the qualifications of Southwest Securities and its responsibilities and guidance relating to the exploration of potential strategic alternatives and the various potential issues related to a potential transaction involving a publicly held company.

**Table of Contents**

Following the initial meeting, Access Plans' senior management continued discussions with representatives of Southwest Securities. On September 15, 2010, a telephonic meeting was held in which management and representatives of Southwest Securities participated. During the telephonic meeting, Access Plans' senior management expressed an interest in further discussions to determine the appropriate course of action respecting strategic alternatives.

Access Plans' senior management and representatives of Southwest Securities met again on September 23, 2010. During this meeting, representatives of Southwest Securities provided Access Plans' senior management with materials that further addressed possible strategic and restructuring alternatives, including possible acquisitions, a secondary offering, a go-private transaction and a sale of Access Plans to a strategic or financial buyer. The materials outlined the potential favorable and unfavorable aspects of various strategic alternative transactions, and provided an illustrative process and timeline, as well as lists of potential acquisition targets and acquirors.

On October 27, 2010, the Board authorized and approved the engagement of Southwest Securities. Access Plans selected Southwest Securities based on Southwest Securities' qualifications, expertise and reputation. Southwest Securities is a nationally recognized investment banking firm that regularly engages in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements, financial restructuring and other financial services. On November 10, 2010, Access Plans signed an engagement letter agreement with Southwest Securities to serve as Access Plans' exclusive financial advisor. Under the engagement letter, Southwest Securities' duties included the provision of investment banking and financial advisory services in connection with Access Plans' consideration of potential strategic alternatives.

On November 11, 2010, Access Plans publicly announced its intention to explore a broad range of strategic alternatives to enhance shareholder value, including a go-private transaction, securing additional capital resources for acquisition purposes either through the issuance of additional securities or indebtedness, or other transactions. Access Plans also announced it had retained Southwest Securities to serve as Access Plans' exclusive financial advisor to assist in these efforts. The closing sale price of Access Plans' common stock on November 10, 2010, the last trading day prior to such public announcement, was \$0.82 per share.

Over the course of several weeks, Access Plans' senior management and Southwest Securities representatives held several meetings to determine the appropriate course of action. On November 18, 2010, representatives of Southwest Securities met with Access Plans' senior management to discuss the engagement and to become more familiar with the financial and operating performance of Access Plans. Access Plans' senior management requested representatives of Southwest Securities to prepare for a potential auction process, pending approval by the Board, regarding the potential sale of Access Plans to a strategic or financial buyer. In response to Access Plans' request, Southwest Securities began preparation of a confidential information memorandum for that purpose.

**Table of Contents**

On December 14, 2010, representatives of Southwest Securities met with Access Plans' senior management to further develop Access Plans marketing materials and a list of potential acquirors.

On December 22, 2010, Southwest Securities engaged in a brief, introductory telephonic meeting with the principal shareholder of a potential public company acquiror, who we refer to as Company X, through an introduction by Robert Garces, a general business advisor to the Board. Mr. Garces is an employee of Access Plans, general advisor to the Board and has extensive experience in the discount medical card industry. During that meeting, Company X expressed general interest in acquiring Access Plans. On December 29, 2010, representatives of Southwest Securities and Company X had a follow-up telephonic meeting. Representatives of Company X expressed an interest in exploring the acquisition of Access Plans and willingness to execute a non-disclosure agreement in order to review certain non-public materials to be provided by Access Plans including a confidential information memorandum. On January 5, 2011, Access Plans and Company X entered into a non-disclosure agreement addressing Access Plans' provision of confidential and proprietary information to Company X for purposes of exploring the acquisition of Access Plans.

On January 12, 2011, representatives of Company X and representatives of Access Plans, including Danny Wright, Chairman and Chief Executive Officer, and Brett Wimberley, President and Chief Financial Officer, and representatives from Southwest Securities met and discussed Company X's potential interest in acquiring Access Plans. Messrs. Wright and Wimberley provided an overview of Access Plans' business operations and representatives of Company X provided an overview of Company X's business operations. Prior to the meeting, a draft of the confidential information memorandum was delivered to Company X.

On January 19, 2011, Company X submitted two separate due diligence information requests for the purpose of submitting a non-binding acquisition proposal. On January 24 and February 2, 2011, Access Plans provided certain due diligence information in response to Company X's due diligence information requests.

On February 7, 2011, Access Plans received a non-binding proposal letter from Company X, which we refer to as the February 7 letter. The February 7 letter proposed, among other things, (i) an acquisition equity value of approximately \$40.0 million for up to 100% of outstanding common stock of Access Plans, which equaled consideration of approximately \$2.00 per share of Access Plans common stock, (ii) the acquisition equity value would be paid in mixed consideration consisting of 50% in shares of Company X's common stock and 50% in cash and (iii) a closing date of 45 to 60 days from the date the February 7 letter was received by Access Plans.

On February 8, 2011, Access Plans directors, representatives of Southwest Securities and, a representative of Dunn, Swan & Cunningham (Dunn Swan), counsel to Access Plans, and Mr. Garces met. The Board chartered and formed its Corporate Development and Strategic Acquisition Committee, which we refer to as the special committee. Formation of the special committee was determined to be in the best interests of Access Plans and its shareholders,



**Table of Contents**

particularly in the event any proposed acquisition transaction presented a potential conflict of interest with members of Access Plans management serving on the Board. Russell Cleveland, J. French Hill, Mark R. Kidd and Larry Gerdes, each an independent director, agreed to serve on the special committee. The special committee was authorized to review, evaluate, monitor, and advise the Board as the special committee deemed appropriate, and conduct the negotiation of the terms and conditions of any potential acquisition transaction. During the meeting, Messrs. Wright and Wimberley summarized the discussions and activities between Access Plans and Company X, including Company X's February 7 letter. There was significant discussion regarding a combination of Access Plans with Company X and the possibility of other combination transactions with other potential acquirers. Representatives of Southwest Securities identified several prospective companies and the Access Plans directors also contributed information relating to potential acquirers. The Board reviewed the rationale for the proposed transaction contemplated in Company X's February 7 letter, the implied valuation of Access Plans and other strategic alternatives available to the Access Plans. The discussion included consideration of ways to maximize shareholder value and the consequences of engaging in exclusive negotiations with Company X for a reasonable period as requested in the February 7 letter, versus conducting a full marketing process without an exclusivity agreement with Company X. After reviewing all information presented by Southwest Securities, the Board specifically discussed the benefits of a merger transaction with Company X. Based on that discussion, the Board instructed Southwest Securities to continue discussions with Company X to determine whether a higher equity value or purchase price could be obtained.

On February 11, 2011, after a discussion with representatives from Southwest Securities concerning the February 7 letter, Company X submitted a revised non-binding proposal, which we refer to as the February 11 letter. The February 11 letter proposed a potential acquisition of Access Plans by Company X for approximately \$55.0 million, equating to consideration of approximately \$2.66 per share of Access Plans common stock. Company X also assumed that Access Plans would achieve approximately \$8.5 million in earnings before interest, taxes, depreciation and amortization for the latest 12 month period at the time of the closing.

On February 14, 2011, representatives from Southwest Securities spoke with the principal shareholder of Company X concerning the latest non-binding proposal. The principal shareholder signaled flexibility on moving the valuation upward and expressed a desire to set up a meeting between Access Plans management and the chief executive officer and chief financial officer of Company X. The meeting would take place at Access Plans' offices in Irving, Texas. The principal shareholder of Company X also indicated that continued business due diligence would drive the final valuation and would allow Company X to provide a more definitive bid.

On February 23, 2011, Access Plans held a meeting in its Irving, Texas offices that included Access Plans management, a representative for the principal shareholder of Company X, the chief executive officer and chief financial officer of Company X, and representatives from Southwest Securities. Company X discussed why Access Plans was viewed as additive to Company X and discussed Company X's desire to move forward to negotiate a definitive agreement as soon as practicable. Access Plans' management presented historical and projected financial information, perceived growth opportunities and an overview of management to Company X.

## Table of Contents

Access Plans received a revised non-binding proposal dated February 27, 2011 from Company X, which we refer to as the February 27 letter. The February 27 letter proposed a potential acquisition of Access Plans by Company X for approximately \$62.4 million, equating to consideration of approximately \$3.00 per share of Access Plans common stock, without any required minimum amount of earnings before interest, taxes, depreciation and amortization, as required in the February 11 Letter. Among other terms, the non-binding proposal included a 60-day restricted or exclusivity period preventing Access Plans from engaging in any discussions with third parties.

After clarification from Access Plans management concerning the specific number of shares of Access Plans common stock and common stock options outstanding, Company X submitted a third revised non-binding proposal dated March 1, 2011 from Company X, which we refer to as the March 1 letter. The March 1 letter proposed the acquisition of Access Plans by Company X for \$63.2 million, or approximately \$3.00 per share of Access Plans common stock, without any required minimum amount of earnings before interest, taxes, depreciation and amortization, as required in the February 11 Letter. The March 1 letter provided for mixed merger consideration of 50% cash and 50% stock of Company X, and Company X indicated a willingness to provide in the definitive agreement a go-shop period that would permit Access Plans to pursue alternative transactions under certain conditions following execution of definitive agreements. On March 2, 2011, a telephonic meeting of the Board was held to further review the rationale for an acquisition transaction, the implied valuation of Access Plans and the other strategic alternatives available to Access Plans. The directors of Access Plans unanimously approved Access Plans' continued discussions and negotiations with Company X and authorized the execution and delivery to Company X of the 60-day exclusivity period agreement that accompanied the March 1 letter. The exclusivity period agreement was delivered to Company X on March 7, 2011 and the 60-day period commenced on that date.

Over the course of the following three months (i) numerous meetings involving one or more of the Board members and Access Plans' senior management, representatives of Southwest Securities and Dunn Swan, and representatives of Company X occurred, (ii) due diligence information deliveries were made to Access Plans' virtual data room in accordance with Company X's requests, (iii) drafts of the definitive transaction agreements and other related transaction agreements were exchanged, (iv) the terms and conditions were negotiated, and (v) the exclusivity period was extended to May 13, 2011.

On May 26, 2011, a representative of the financial advisor to Company X telephonically informed representatives of Southwest Securities that Company X had determined that it was unlikely that Access Plans and Company X could reach an agreement on the terms and conditions of the proposed merger transaction and that Company X was terminating all further negotiations with Access Plans. The closing price of Access Plans common stock on May 26, 2011 was \$2.26 per share.

On May 27, 2011, the Board authorized Southwest Securities to pursue a broad process involving contact with multiple potential buyers in a two-step solicitation process of indications of interest followed by letters of intent. The Board was also presented an analysis by senior management of the justification for future consideration of the divestiture of Access Plans

**Table of Contents**

subsidiary, America's Health Care/Rx Plan Agency, which conducted Access Plans' insurance marketing operations and which we refer to as the insurance marketing division, to be considered as one of Access Plans' strategic alternatives. Senior management presented the following principal factors supporting the merits of the divestiture of the insurance marketing division:

changes in the insurance regulatory environment;

the insurance marketing division's strategic incompatibility with the other businesses and operations of Access Plans; and

limited or lack of historic profitability of the insurance marketing division.

Following discussion by the Board, no immediate action was taken respecting the insurance marketing division.

Between June 1 and July 20, 2011, Southwest Securities contacted 23 potential strategic buyers, including a subsidiary of Aon, and 94 potential financial buyers. Of these, six strategic buyers and 47 financial buyers signed non-disclosure agreements and requested further detailed information about Access Plans. Of these, Southwest Securities received ten written preliminary indications of interest with all cash acquisition values ranging from \$2.90 to \$4.29 per share of Access Plans common stock. Each indication of interest was subject to various conditions including: (i) further business, financial and legal due diligence; (ii) in the case of potential financial buyers, obtaining third-party debt financing; (iii) in the case of potential financial buyers, the rollover of equity or reinvestment in the acquiring entity of a substantial portion of the cash acquisition consideration to be received by certain executive officers and major shareholders of Access Plans; and (iv) various other financial assumptions, as well as the negotiation of a definitive acquisition agreement. Following receipt of the indications of interest, Southwest Securities, on behalf of the Board, continued to have discussions with three additional strategic buyers, including Affinity, although these strategic buyers had not submitted written indications of interest.

Access Plans directors, representatives of Southwest Securities, Dunn Swan and Mr. Garces met on August 3, 2011. The preliminary indications of interest of each bidder, the indicative share price and key underlying assumptions were reviewed. The Board, in consultation with Southwest Securities, Dunn Swan and Mr. Garces, discussed the potential opportunities and risks associated with each preliminary indication of interest and the relative merits of permitting the related potential buyers to conduct additional due diligence, analysis and investigation. Based on these discussions, the Board decided to invite nine potential financial buyers to participate in second round one-on-one meetings with Access Plans senior management during the period from August 4 through August 16, 2011. The Board also decided to continue discussions with the three strategic buyers, including Affinity. Furthermore, the Board amended and restated the charter of the special committee to delegate additional duties and responsibilities to the special committee. The amendments to the special committee charter were intended to specifically address the potential conflicts of interest presented by the preliminary indications of interest from financial buyers in which Access Plans' senior management serving on the Board would have a continuing equity ownership interest in the acquiring entity.

## **Table of Contents**

During the period from July 21 through September 30, 2011, Southwest Securities and Access Plans' senior management engaged in numerous conversations with the three potential strategic buyers and the nine financial buyers participating in the second round review. On August 31 and September 1, 2011, each potential buyer was requested to confirm its previous indication of interest and to submit a letter of intent preliminarily setting forth the terms and conditions for its proposed acquisition of Access Plans.

During the period between September 14 and September 30, 2011, Access Plans received letters of intent from four potential buyers. Two of the letters of intent were submitted by financial buyers who previously submitted preliminary indications of interest and two of the letters of intent were submitted by strategic buyers, one of which was Affinity. The acquisition values in the letters of intent ranged from approximately \$2.83 to \$3.70 per share of Access Plans common stock and were preliminary and subject to various conditions. These conditions included: (i) continued, customary business and financial due diligence; (ii) in the case of the financial buyers, the ability to obtain a debt financing commitment from one or more financial institutions; (iii) in the case of the financial buyers, the rollover of equity or reinvestment in the acquiring entity of a substantial portion of the consideration to be received by certain Access Plans' senior management; (iv) the contract renewal of Access Plans' largest customer; and (v) the wind down or divestiture of Access Plans' insurance marketing division.

The non-binding letter of intent from Affinity was delivered on September 29, 2011, and set forth the proposed acquisition of the outstanding Access Plans common stock for a purchase price of up to \$59.8 million, equating to a purchase price of up to approximately \$2.83 per share of Access Plans common stock, assuming an Access Plans cash balance of \$14.3 million and no indebtedness at the closing of the proposed acquisition. Affinity also provided Access Plans with an exclusivity agreement providing that Access Plans would exclusively negotiate with Affinity for a period of 30 days from the date of the Affinity letter of intent. Affinity's proposed acquisition of Access Plans set forth in the letter of intent was also subject to various conditions, as outlined above. The closing price of Access Plans' common stock on September 29, 2011 was \$2.63 per share.

On September 30, 2011, after discussions with representatives from Southwest Securities, Affinity provided Southwest Securities with a revised non-binding letter of intent providing for a purchase price of up to \$74.5 million, equating to a purchase price of up to approximately \$3.50 per share of Access Plans common stock, assuming an Access Plans cash balance of \$14.0 million and no indebtedness at closing. Affinity also supplied Access Plans with an exclusivity agreement providing that Access Plans would exclusively negotiate with Affinity for a period of 30 days from the date of the Affinity letter of intent. Affinity's proposed acquisition of Access Plans set forth in the letter of intent was also subject to various conditions, as outlined above.

On October 4, 2011, the Access Plans special committee retained as its independent legal counsel Haynes and Boone LLP ( Haynes and Boone ) to advise the special committee. Haynes and Boone was engaged to advise regarding those acquisition proposals from financial buyers in which potential conflicts of interest arose due to Access Plans' senior management who also served on the Board acquiring an equity ownership interest in the acquiring entity.

**Table of Contents**

On October 6, 2011, the Board, including the members of the special committee, together with representatives of Southwest Securities, Dunn Swan and Haynes and Boone, and Mr. Garces, met to review each of the letters of intent including the identities of each bidder, the per share acquisition price and the key underlying assumptions. The potential opportunities and risks associated with each letter of intent were discussed and considered, including the offered price per share of Access Plans common stock, financing contingencies, estimated period to complete the transaction, and required reinvestment in the acquirer of a substantial portion of the transaction consideration by Access Plans executive officers. Representatives from Southwest Securities provided a detailed overview of the process in the preceding months, including the number of prospective strategic and financial buyers who were contacted, the resulting meetings, the initial bids and the subsequent letters of intent. Thereafter, the Board, including members of the special committee, allowed members of Access Plans management, including Messrs. Wright and Wimberley, who are also significant Access Plans shareholders, the opportunity to express their views on the letters of intent. Messrs. Wright and Wimberley expressed concern over the acquisition proposal provided by each of the financial buyers that was contingent upon (i) the acquiring entity obtaining significant debt financing commitments in order to accomplish the funding of the proposed acquisition transaction and (ii) in each case, requiring a significant rollover of equity or reinvestment in the acquiring entity of a substantial amount of the acquisition consideration to be received by Access Plans senior management, including Messrs. Wright and Wimberley. Messrs. Wright and Wimberley specifically were concerned about the risks presented by the financial buyers proposals related to (i) burdening the acquiring entity with substantial indebtedness, (ii) the ability or inability of the acquiring entity to obtain the required acquisition debt financing, without which a private equity firm could not close the proposed transaction, and (iii) the impact that the acquisition debt might have on the ongoing acquiring entity's financial operating performance. After discussion with Access Plans senior management and the Board, the Board meeting was adjourned. Subsequently, members of the special committee met with, representatives of Southwest Securities, Dunn Swan, and Haynes and Boone and discussed the letters of intent. After further discussion and analysis, the special committee concluded that, based upon the prior discussion with the other members of the Board, the unwillingness, in the case of a transaction with a financial buyer, of Messrs. Wright and Wimberley and Susan Matthews, each of whom is an executive officer and a significant Access Plans shareholder, to rollover or reinvest in the acquirer a substantial portion of the consideration they would receive in the transaction and the estimated period to complete the other proposed transactions, the terms and conditions of Affinity's proposed offer set forth in Affinity's letter of intent were superior to the other letters of intent received by Access Plans and in the best interest of Access Plans and its shareholders. The special committee unanimously approved a motion recommending that the Board authorize Access Plans to enter into a 30-day exclusivity agreement with Affinity providing that Access Plans would exclusively negotiate with Affinity in order to negotiate more definitive terms and conditions of the Affinity proposed acquisition transaction. At the conclusion of the special committee meeting, the Board reconvened and unanimously adopted the recommendation of the special committee and authorized Access Plans to enter into Affinity's proposed 30-day exclusivity agreement, which was delivered to Affinity on October 10, 2011. On October 7, 2011, the closing sale of the Access Plans common stock was \$2.62 per share.

## **Table of Contents**

Commencing October 7, 2011 and continuing over the course of the next few weeks, Affinity and its representatives and advisors were provided access to the Access Plans confidential virtual data room to facilitate Affinity's due diligence requests.

The Access Plans directors, including members of the special committee, representatives of Southwest Securities, Dunn Swan, and Haynes and Boone, and Mr. Garces met on November 3, 2011. The special committee was provided an update on Affinity's due diligence efforts and the likelihood of adhering to the agreed upon timeline. Representatives of Southwest Securities reaffirmed that they believed that Affinity was committed to continued due diligence in order to confirm a purchase price of up to \$3.50 per share of Access Plans common stock. Representatives of Southwest Securities also expressed their belief that a request from Affinity for an extension of the exclusivity period was likely.

On or about November 10, 2011, Access Plans received a letter from Affinity requesting an extension of the exclusivity period until November 23, 2011. The letter stated that an extension of the exclusivity period would allow Affinity to continue with due diligence regarding certain open issues including (i) the insurance marketing division wind-down or divestiture, (ii) the transfer to a third party of Access Plans underwriting activities and (iii) the possible transfer to a third party of certain of Access Plans administrative services. Access Plans did not sign Affinity's letter requesting extension of the exclusivity period, but considered the exclusivity period to have been extended for purposes of ongoing negotiations with Affinity.

On December 2, 2011, Affinity submitted to Access Plans a revised, non-binding letter of intent, which we refer to as the December 2 letter, detailing an offer with a purchase price of up to \$66.6 million, equating to a purchase of up to approximately \$3.14 per share of Access Plans common stock, assuming a cash balance of \$14.1 million and no debt at closing, and included a true up mechanism that would adjust the preliminary offer of \$3.14 per share based on the net cash position of Access Plans at the time of closing. The December 2 letter was subject to various business, financial and due diligence conditions, including the requirement that Access Plans divest its insurance marketing division prior to closing of the merger. The December 2 letter did not mention specific reasons explaining the reduction of the formerly proposed purchase price of up to \$3.50 per share of Access Plans common stock. Following submission of the December 2 letter, Affinity informed representatives of Southwest Securities that Affinity was only willing to negotiate a higher valuation based upon Access Plans justification of its forecasted operating results. A meeting to discuss Access Plans forecast, as well as Affinity's assumptions behind its reduced purchase price, was tentatively scheduled, pending authorization by the Board.

Members of the special committee, together with the other Access Plans directors, representatives of Southwest Securities, Dunn Swan and Haynes and Boone met telephonically on December 6, 2011 for an update and consideration of Affinity's December 2 letter. A due diligence progress report was provided and the parties were advised of a proposed meeting with representatives of Affinity to take place on December 7. The other letters of intent were reviewed and compared to the terms and conditions of Affinity's December 2 letter. Furthermore, there was a discussion comparing Affinity's acquisition offer to the publicly-

---

**Table of Contents**

available financial terms of precedent acquisition transactions generally comparable to Affinity's acquisition offer. The Board approved the meeting between Access Plans and representatives of Affinity to discuss Affinity's reasons for the reduced purchase price offered in the December 2 letter and to negotiate an increase in the offered purchase price. Because Affinity's acquisition offer did not give rise to the potential conflicts of interest that characterized the acquisition offers of the financial buyers, the Board thereafter assumed responsibility for the evaluation and negotiation of Affinity's acquisition offer.

On December 7, 2011, members of Access Plans management, and representatives of Affinity and representatives of Southwest Securities met and discussed Access Plans' financial forecasts, and further negotiated the proposed purchase price of the Access Plans common stock. Affinity orally agreed to an increased purchase price of \$3.26 per share of Access Plans common stock with the requirement of cash in excess of \$13.5 million upon closing of the transaction.

Members of the Board, representatives of Southwest Securities and Haynes and Boone and Mr. Garces met telephonically on December 8, 2011. Senior management and the representatives of Southwest Securities discussed the December 7 meeting with Affinity and the resulting increased offer from Affinity. The Board was presented with an overview of the financial analysis presentation of Affinity at the December 7 meeting, which included financial forecasts that were lower than those presented earlier to Affinity by Access Plans. A representative of Southwest Securities informed the Board that, during the December 7 meeting, Affinity stated that, based on its analysis, it was not able to validate the financial forecasts provided by Access Plans. The Board discussed Access Plans' financial forecast and the difficulties with substantiating the future opportunities that were part of Access Plans' financial forecast.

The Board once again reviewed the other letters of intent from strategic and financial buyers received in September 2011 and the relative strengths of those bids. The two letters of intent received from financial buyers proposed a purchase price ranging from \$3.30 to \$3.70 per share. Although the high end of the range for financial buyers was higher than Affinity's proposed purchase price, both of these letters of intent required key Access Plans management to rollover equity or reinvest a substantial portion of the transaction proceeds to be received. In addition, these letters of intent from financial buyers also required Access Plans to assume significant debt levels in order to complete the transaction. Messrs. Wright and Wimberley informed the Board that after having participated in the process with all the financial buyers and learning more about how each would structure Access Plans' future operations, in contrast with a strategic buyer such as Affinity, they and Ms. Matthews were not interested in pursuing a transaction that required them to rollover or reinvest a substantial amount of their transaction proceeds in a business that would be significantly leveraged. They indicated that based on discussions with the financial buyers making bids and representatives of Southwest Securities, Messrs. Wright and Wimberley did not believe that those potential financial buyers would be willing to reduce the required rollover of equity or reinvestment or reduce the projected debt level. Of the two strategic buyers that submitted letters of intent, the Board concluded that Affinity's offer, as set forth in its letter of intent, was the best offer received, as the offer provided for a firm cash amount per share of Access Plans common stock and was not subject to any extraordinary contingency, such as the need to obtain capital resources. Affinity had also substantially completed its due diligence. Conversely, while the other strategic buyer's offer was for a purchase price of \$3.25 to \$3.50 per share, the price was subject to final determination based upon further due diligence, which the Board was concerned could potentially result in a lowering of the purchase price. The other strategic buyer's offer was also contingent upon that buyer successfully completing an initial public offering of its securities prior to closing the proposed acquisition of Access Plans. This contingency, in the judgment of the Board, presented a significant risk that the proposed acquisition transaction by that buyer would not be completed or, if completed, a substantial period of time would pass before the acquisition of Access Plans could be completed.

**Table of Contents**

Based on the foregoing and after further discussion and analysis, the Board concluded that the Affinity offer remained preferable to the offers from the other potential buyers as it represented the highest all cash offer per share with, the Board believed, the highest likelihood of closing the transaction. The Board authorized further discussions with Affinity to determine whether Affinity would increase its price from the December 7 offer of \$3.26 per share to at least \$3.30 per share of Access Plans common stock. In addition, as an incentive for the increase in the per share price, the Board authorized Access Plans to agree to having cash in excess of \$15.0 million upon closing of the transaction, which was higher than the projected \$13.5 million cash amount previously projected by management and orally agreed by Affinity at the December 7 meeting. A representative of Southwest Securities then contacted Affinity to negotiate a higher price, consistent with the Board's authorization.

On December 13, 2011 Affinity delivered to Access Plans a revised letter of intent, which increased the purchase price to up to \$70.102 million, equating to a purchase price of up to \$3.30 per share of Access Plans common stock, assuming a cash balance of \$15.0 million and no debt at closing of the Merger, and included a true up mechanism that would adjust the purchase price based on the net cash position of the Access Plans at the time of closing. The revised letter of intent also provided for an exclusivity period that extended to March 31, 2012. On December 14, 2011, Access Plans executed and delivered to Affinity the revised letter of intent.

From December 14, 2011 until the execution of the Merger Agreement on February 24, 2012, Access Plans and Affinity and their respective representatives and legal and financial advisors regularly met telephonically, exchanged numerous drafts of the Merger Agreement and other transaction documents, and engaged in negotiations concerning the terms of the Merger Agreement and other transaction documents. Also, Affinity continued to conduct its due diligence during that period.

On February 7, 2012, Access Plans held its regularly scheduled Board meeting, which was attended by a representative of Dunn Swan, and two advisory directors, Robert Garces and Thomas Kiser. Mr. Kiser is an employee of Access Plans, general advisor to the Board, and has extensive experience in the discount medical card industry. Each of Messrs. Garces and Kiser has served in the capacity as an advisory director since 2007. Mr. Denison, Access Plans Executive Vice President and General Counsel, briefly reviewed with the Board the terms of the January 27, 2012 draft of the proposed Merger Agreement and the other related transaction documents. A representative of Southwest Securities, who had joined the Board meeting following discussion of agenda items that did not relate to the proposed transaction with Affinity, indicated that negotiation of the terms of the Merger Agreement was satisfactorily progressing. The Board discussed a number of the provisions of the Merger Agreement. The Board indicated that it was satisfied with the negotiation progress and instructed Access Plans management to continue negotiation of the definitive terms of the Merger Agreement. The Board requested that Southwest Securities be in a position to render its fairness opinion at the next Board meeting scheduled for February 20, 2012.

Furthermore, the Board was updated regarding negotiation of the terms and conditions of the proposed stock purchase agreement related to the sale of Access Plans subsidiary, America's Health Care/Rx Plan Agency, Inc., to Reliant Financial Group LLC and the financial impact of the sale.



---

**Table of Contents**

On February 20, 2012, Access Plans held a telephonic Board meeting, which was attended by representatives of Southwest Securities and Dunn Swan, and the two advisory directors. The representatives and Mr. Denison reviewed with the Board the terms of the February 16, 2012 draft of the proposed Merger Agreement and the other related transaction documents. Senior management and the representatives of Southwest Securities updated the directors on the status of the Merger Agreement and the other transaction agreements and the related negotiations. Representatives of Southwest Securities then delivered to the Board the oral opinion of Southwest Securities (which was subsequently confirmed in writing) that the proposed Per Share Merger Consideration payable pursuant to the Merger Agreement was fair, from a financial point of view, to the holders of Access Plans common stock (other than the shares of Access Plans common stock owned by Affinity, Merger Sub or Access Plans, or any wholly-owned subsidiary of Affinity or Access Plans, and other than shares as to which any appraisal rights are properly exercised). Following the delivery of Southwest Securities' oral opinion, the Access Plans executive officers and directors expressed a willingness to execute and deliver to Access Plans written consents representing majority shareholder approval and adoption of the Merger Agreement as a shareholder approval alternative as contemplated in the Merger Agreement. Thereafter, the Board unanimously determined that the Merger Agreement and Merger and other the transactions contemplated in the Merger Agreement were advisable and fair to, and in the best interests of, Access Plans and its shareholders, approved the Merger Agreement and the Merger and the other transactions contemplated in the Merger Agreement, and resolved to recommend that the Access Plans shareholders vote in favor of approval and the adoption of the Merger Agreement and the Merger contemplated in the Merger Agreement. The Board's approval and recommendation of the Merger Agreement and the Merger was supported by the \$3.30 proposed Per Share Merger Consideration being within the value reference ranges of the historical stock trading analysis, comparable company analysis, selected precedent transaction analysis, and premium paid analysis of Southwest Securities. However, the Board's approval and recommendation was not supported by Southwest Securities' discounted cash flow analysis for the five years ending September 30, 2016, as the proposed Per Share Merger Consideration was below the implied per share equity value reference range. However, the estimated future cash flow was based on Access Plans' management forecast estimates that included risks and uncertainties of achievement as described in the section below entitled "Financial Forecasts" beginning on page 73. Because of these risks and uncertainties, the Board concluded that its approval and recommendation of the Merger Agreement and the Merger was sufficiently supported by the other analyses of Southwest Securities.

During the period from February 20, 2012 to February 24, 2012, Access Plans and Affinity continued to negotiate the terms of the Merger Agreement.

On February 24, 2012, a special telephonic meeting of the Board (including members of the special committee) was held and attended by a representative of Dunn Swan. The representative and Mr. Denison reviewed with the Board the terms of the proposed Merger Agreement and the other related transaction agreements and documents, as modified since the February 16, 2012 draft. Thereafter, the Board (including members of the special committee) unanimously approved, ratified and adopted the Merger Agreement and Merger and other the transactions contemplated in the Merger Agreement on the basis that the Merger Agreement was advisable and fair to, and in the best interests of, the Access Plans and its shareholders, subject to certain modifications that were believed to be not material.

Later in the evening of February 24, 2012, Access Plans and Affinity executed the Merger Agreement.

**Recommendation of the Board and Its Reasons for the Merger**

The Board believes that the Merger Agreement and the transactions contemplated in the Merger Agreement, including the Merger, are advisable and in the best interests of Access Plans and its shareholders. Accordingly, the Board unanimously approved, ratified and adopted the

**Table of Contents**

Merger Agreement and the transactions contemplated in the Merger Agreement and unanimously recommended that Access Plans shareholders approve and adopt the Merger Agreement and the transactions contemplated in the Merger Agreement, including the Merger.

As described above under "The Merger Background of the Merger," the Board, prior to and in reaching its decision at a meeting on February 20, 2012 to approve the Merger Agreement and the transactions contemplated thereby, including the Merger, which approval was reaffirmed on February 24, 2012, consulted with Access Plans' senior management, directors and financial and legal advisors, reviewed publicly available information relating to Affinity and its business and operations, and considered a variety of factors weighing positively in favor of the Merger, including the following:

the value to be received by holders of Access Plans common stock in the Merger, including the fact that, based on the closing price of Access Plans common stock on February 23, 2012 (the last trading day preceding the meeting of the Board), the Per Share Merger Consideration of up to \$3.30 represented a premium of 18.3% based on the closing stock price of \$2.79 per share of common stock on February 23, 2012, a premium of approximately 23.3% based on the \$2.65 average price of Access Plans common stock for the 30-trading-day period ended February 23, 2012, and a premium of approximately 302.4% to the closing price of \$0.82 on November 10, 2010, the last trading day preceding our public announcement of our intention to explore strategic alternatives;

the fact that the Per Share Merger Consideration is payable in cash and thus provides immediate liquidity that cannot be easily obtained given the current limited trading market of the Access Plans common stock;

the Board's analysis, with the assistance of Southwest Securities, of other strategic alternatives for Access Plans, including continued growth as an independent company and the potential to acquire, be acquired or combine with other third parties;

the risk-adjusted probabilities associated with achieving Access Plans' long-term strategic plan as a standalone company in light of current economic and market conditions generally and the concentration of revenues (accentuated by the sale of Access Plans insurance marketing division) in a single client, the slowing of revenue growth as certain legacy business has begun a run-off phase, the potential increased competition in its core businesses, and their potential impact on Access Plans' market value, as compared to the relative certainty afforded to Access Plans shareholders by the opportunity to receive the Per Share Merger Consideration;

the Board's belief that entering into the Merger Agreement affords the best opportunity to maximize value for Access Plans shareholders compared to other acquisition alternatives previously considered by the Board;

**Table of Contents**

the Board's belief that the terms of the Merger Agreement, including the parties' representations, warranties and covenants and the conditions to their respective obligations, are fair and reasonable;

the Board's belief that the terms of the Merger Agreement, taken as a whole, provide a significant degree of certainty that the Merger will be completed, including (i) the conditions required to be satisfied prior to completion of the Merger, (ii) no financing condition, and (iii) the limited circumstances in which Affinity may terminate the Merger Agreement;

the fact that Access Plans' executive officers and directors had prior to signing the Merger Agreement, indicated a willingness to execute and deliver to Access Plans written consents representing majority shareholder approval and adoption of the Merger Agreement;

the fact that those Access Plans shareholders who did not execute and deliver the written consents will have the right to demand appraisal of the fair value of their share of Access Plans common stock under the OGCA, subject to the provisions of the Merger Agreement; and

the written opinion of Southwest Securities, dated February 20, 2012, to the effect that, as of that date and based on and subject to the matters described in the opinion, the Per Share Merger Consideration was fair, from a financial point of view, to holders of shares of Access Plans common stock (other than shares of Access Plans common stock owned by Affinity or Access Plans or Merger Sub, or any wholly-owned subsidiary of Affinity or Access Plans; or as to which the holder properly exercises appraisal rights). The full text of the written opinion of Southwest, which describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached as Annex B hereto and is incorporated by reference in its entirety into this Information Statement. A discussion of the presentation and opinion of Southwest Securities appears in the section below entitled "Opinion of Financial Advisor."

In addition to these factors, the Board also considered the potential adverse impact of other factors weighing negatively against the Merger, including, without limitation, the following:

the fact that the Merger might not be completed in a timely manner or at all in the event of a failure of any conditions to closing;

the risks and substantial costs to Access Plans if the Merger is not completed, including the diversion of management and employee attention, and the potential adverse effect on Access Plans' customer and other commercial relationships, including the continued development of those relationships;

**Table of Contents**

the fact that some of Access Plans' directors and executive officers may have interests in the Merger that are different from, or in addition to, those of other Access Plans shareholders generally, including certain interests arising from the employment and compensation arrangements of Access Plans' executive officers, and the manner in which they would be affected by the Merger, as described more fully in the section below entitled "Interests of Access Plans' Directors and Executive Officers in the Merger" beginning on page 48;

the requirement that Access Plans pay to Affinity a termination fee in the amount of \$2.8 million and reimburse Affinity for its transaction expenses up to a total of \$750,000, in certain circumstances specified in the Merger Agreement, which the Board understood, while potentially having the effect of discouraging third parties from proposing a competing business combination transaction, were conditions to Affinity's willingness to enter into the Merger Agreement and were reasonable in light of, among other things, the anticipated benefits of the Merger to Access Plans shareholders; and

the fact that the receipt of the Per Share Merger Consideration would be a taxable transaction to Access Plans shareholders for U.S. federal income tax purposes.

The foregoing discussion of the factors considered by the Board is not intended to be exhaustive, but, rather, includes the material factors considered by the Board. In reaching its decision that the Merger Agreement and the Merger and other transactions contemplated thereby were advisable and in the best interests of Access Plans shareholders, and in approving the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement, the Board did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The Board considered all these factors as a whole, including discussions with, and questioning of, Access Plans management, members of the special committee and Access Plans' financial and legal advisors, and overall considered the factors to be favorable to, and to support, its decision.

For the reasons set forth above, the Board unanimously determined that it was advisable and in the best interests of Access Plans shareholders for Access Plans to enter into the Merger Agreement and to consummate the Merger and other transactions contemplated thereby, approved the Merger Agreement, directed that in the absence of the ability to deliver to Affinity the shareholder consents constituting majority shareholder approval and adoption of Merger Agreement, the proposal to adopt the Merger Agreement be submitted to the Access Plans shareholders for approval and adoption in accordance with applicable law, and recommended that the Access Plans shareholders approve and adopt the Merger Agreement.

This explanation of Access Plans' reasons for the Merger and other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors described under "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 12.

## **Table of Contents**

### **Opinion of Financial Advisor**

Southwest Securities was retained to act as financial advisor to Access Plans in connection with the transactions described in this Information Statement. In connection with this engagement, Access Plans requested Southwest Securities to evaluate the fairness, from a financial point of view, to the holders of the common stock of Access Plans of the Per Share Merger Consideration payable pursuant to the Merger Agreement. On February 20, 2012, at a meeting of the Board, Southwest Securities rendered to the Board its oral opinion, which was confirmed by delivery of its written opinion dated as of February 20, 2012, to the effect that, as of that date and based on and subject to the matters described in its opinion, the Per Share Merger Consideration payable pursuant to the Merger Agreement was fair, from a financial point of view, to the holders of the Access Plans common stock (other than shares of Access Plans common stock owned by Affinity, Merger Sub or Access Plans, or any wholly-owned subsidiary of Affinity or Access Plans, and other than shares as to which any appraisal rights are properly exercised). In rendering its opinion, Southwest Securities did not assign any value to, or otherwise take account of, the Special Dividend that may be paid to Access Plans shareholders in accordance with the terms of the Merger Agreement.

The full text of Southwest Securities' written opinion, dated as of February 20, 2012, which describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached to this Information Statement as [Annex B](#) and is incorporated by reference in its entirety into this Information Statement. You are urged to read the opinion carefully and in its entirety. Southwest Securities' opinion was directed to the Board in connection with its evaluation of the Per Share Merger Consideration from a financial point of view and does not address any other aspects or implications of the Merger. Southwest Securities' opinion is not intended to be and does not constitute a recommendation to any shareholder as to any action that should be taken with respect to the proposed Merger. Southwest Securities' opinion does not address the relative merits of the Merger as compared to any alternative business strategies that might exist for Access Plans or the underlying business decision of Access Plans to effect the Merger. The following is a summary of Southwest Securities' opinion and the methodology that Southwest Securities used to render its opinion.

In the course of performing its review and analysis for rendering the opinion, Southwest Securities among other things:

reviewed a draft of the Merger Agreement dated February 16, 2012 and certain related documents;

reviewed and analyzed certain publicly available financial and other data with respect to Access Plans, including without limitation Access Plans' Annual Report on Form 10-K for the year ended September 30, 2011 and Quarterly Report on Form 10-Q for the quarter ended December 31, 2011, as well as and certain other historical operating data relating to Access Plans made available to it from published sources and from the internal records of Access Plans;

conducted discussions with members of the senior management of Access Plans with respect to the business prospects and financial outlook of Access Plans;

**Table of Contents**

visited the business offices of Access Plans;

reviewed current and historical market prices and trading activity of the common stock of Access Plans;

compared certain financial information for Access Plans with similar information for certain other companies, the securities of which are publicly traded;

reviewed the financial terms, to the extent publicly available, of selected precedent transactions that it deemed generally comparable to Access Plans and the Merger; and

conducted such other financial studies, analyses and investigations and considered such other information as it deemed appropriate. In rendering its opinion, Southwest Securities relied upon and assumed, without independent verification, the accuracy and completeness of all data, material, and other information furnished or otherwise made available to it, discussed with it or reviewed by it, or that was publicly available, and did not assume responsibility for or with respect to such data, material, or other information. Southwest Securities did not perform an independent evaluation, physical inspection or appraisal of any of the assets or liabilities (contingent or otherwise) of Access Plans, and has not been furnished with any such evaluations, inspections or appraisals. Southwest Securities did not undertake an independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims or other contingent liabilities, to which Access Plans is or may be a party or is or may be subject, or of any governmental investigation of any possible unasserted claims or other contingent liabilities to which Access Plans is or may be a party or is or may be subject. Southwest Securities assumed that the financial analyses and forecasts provided to it were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Access Plans as to the future financial performance of Access Plans, and it assumed no responsibility for and expressed no view as to such analyses and forecasts or the assumptions on which they were based. Southwest Securities further relied on the assurances of management of Access Plans that they are unaware of any facts that would make such business prospects and financial outlook incomplete or misleading. Southwest Securities has assumed the accuracy of the representations and warranties contained in the Merger Agreement and all related agreements. Southwest Securities also assumed, upon the advice of Access Plans, that all material governmental, regulatory and third party approvals, consents and releases for the Merger will be obtained within the constraints contemplated by the Merger Agreement and that the Merger will be consummated in accordance with the terms of the Merger Agreement without waiver, modification or amendment of any material term, condition or agreement of the Merger Agreement.

The opinion was necessarily based on economic, market and other conditions as in effect on, and information available to it, as of February 20, 2012. Southwest Securities assumed no responsibility for updating or revising its opinion based on events or circumstances that may occur after the date of the opinion. In addition, Southwest Securities expressed no opinion as to

**Table of Contents**

the price at which shares of the Access Plans common stock will trade at any time following the announcement of the Merger. The opinion addresses solely the fairness of the financial terms of the proposed Per Share Merger Consideration and does not address any other terms or agreement relating to the Merger or any other matters pertaining to Access Plans.

The opinion was addressed and directed to the Board in connection with its consideration of the Merger and is not intended to be, and does not constitute, a recommendation to any shareholder as to any action that should be taken with respect to the Merger. The opinion should not be construed as creating any fiduciary duty on the part of Southwest Securities to any party. Southwest Securities has consented to the inclusion of its opinion, and all references to its opinion, in this Information Statement.

Southwest Securities' opinion does not constitute legal, regulatory, accounting, insurance, tax or other similar professional advice, and does not address or express an opinion regarding:

the underlying business decision of the Board or Access Plans shareholders to proceed with or effect the Merger;

the fairness of any portion or aspect of the Merger not expressly addressed in the opinion;

the fairness of any portion or aspect of the Merger to the creditors or other constituencies of Access Plans other than those set forth in the opinion;

the relative merits of the Merger as compared to any alternative business strategies that might exist for Access Plans or the effect of any other transaction in which Access Plans might engage;

the tax or legal consequences of the Merger to either Access Plans or its security holders;

how any security holder should act or vote, as the case may be, with respect to the Merger;

the solvency, creditworthiness or fair value of Access Plans or any other participant in the Merger under any applicable laws relating to bankruptcy, insolvency or similar matters; or

consideration paid, or not paid, with respect to any Access Plans common stock owned by Affinity, Merger Sub or Access Plans, or any wholly-owned subsidiary of Affinity or Access Plans, or any of the Access Plans common stock with respect to which the holder properly exercises appraisal rights.

**Table of Contents**

The opinion was approved by the fairness opinion committee of Southwest Securities.

*Summary of Southwest Securities' Analyses*

In preparing its opinion, Southwest Securities performed a variety of financial and comparative analyses. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant quantitative and qualitative methods of financial analysis and the applications of those methods to the particular circumstances and, therefore, is not necessarily susceptible to partial analysis or summary description. Southwest Securities believes that its analyses must be considered as a whole. Considering any portion of Southwest Securities' analyses or the factors considered by Southwest Securities, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying the conclusion expressed in Southwest Securities' opinion. In addition, Southwest Securities did not attribute any particular weight to any analysis, but instead made qualitative judgments about the significance and relevance of each such analysis so that the range of valuations resulting from any particular analysis described below should not be taken to be Southwest Securities' view of Access Plans' actual value. Accordingly, the conclusions reached by Southwest Securities are based on all analyses and factors taken as a whole and also on the application of Southwest Securities' own experience and judgment.

In performing the analyses, Southwest Securities necessarily took into consideration factors related to industry performance, general business, economic and regulatory conditions and other matters, many of which are beyond Access Plans' and Southwest Securities' control. The analyses performed by Southwest Securities are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses. In addition, analyses relating to the per share value of the Access Plans common stock do not purport to be appraisals or to reflect the prices at which the Access Plans common stock may actually be sold. The analyses performed were prepared solely as part of Southwest Securities' analysis of the fairness, from a financial point of view, of the proposed Per Share Merger Consideration to be received by holders of the Access Plans common stock pursuant to the Merger Agreement, and were provided to the Board in connection with the delivery of Southwest Securities' opinion.

The following is a summary of the material financial and comparative analyses performed by Southwest Securities in connection with Southwest Securities' delivery of its opinion. The financial analyses summarized below include information presented in tabular format. In order to fully understand Southwest Securities' financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data described below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Southwest Securities' financial analyses.



**Table of Contents**

*Historical Stock Trading Analysis*

Southwest Securities analyzed the up to \$3.30 cash per share of the Access Plans common stock to be paid to the holders of shares of Access Plans common stock pursuant to the Merger Agreement in relation to the closing price of shares of Access Plans common stock on February 16, 2012, the intraday high and low prices of shares of Access Plans common stock for the 52-week period ended February 16, 2012, and the average price of shares of Access Plans common stock during the 30-day, 60-day, 90-day and one-year periods ended February 16, 2012. This analysis was undertaken to assist the Board in understanding the Per Share Merger Consideration compared to recent historical market prices of the common stock.

This analysis indicated that the up to \$3.30 cash per share of common stock to be paid to the holders of the Access Plans shares of common stock pursuant to the Merger Agreement represented:

a premium of 22.2% based on the closing stock price of \$2.70 per share of common stock on February 16, 2012;

a premium of 25.9% based on the average closing price of \$2.62 per share of common stock during the 30-day period ended February 16, 2012;

a premium of 29.6% based on the average closing price of \$2.55 per share of common stock during the 60-day period ended February 16, 2012;

a premium of 28.9% based on the average closing price of \$2.56 per share of common stock during the 90-day period ended February 16, 2012;

a premium of 38.2% based on the average closing price of \$2.39 per share of common stock during the one-year period ended February 16, 2012;

a premium of 112.9% based on the intraday low market price of \$1.55 per share of common stock on March 22, 2011 for the 52-week period ended February 16, 2012; and

a premium of 13.8% based on the intraday high market price of \$2.90 per share of common stock on October 21, 2011 for the 52-week period ended February 16, 2012.

Southwest Securities also analyzed the up to \$3.30 per share consideration in relation to the range of closing prices of Access Plans common stock for the one-year, three-year and five-year periods ending February 16, 2012 and noted the Per Share Merger Consideration exceeded all closing prices during each such period. Southwest Securities also presented a stock price histogram for the one-year and three-year periods ended February 16, 2012, illustrating that 100% of the trading activity in the Access Plans common stock occurred at prices below \$3.30 per share.

**Table of Contents**

*Comparable Company Analysis*

Southwest Securities reviewed and analyzed certain financial information, public market valuation multiples and market trading data relating to six selected comparable publicly-traded customer loyalty/membership rewards or protection product providers. Southwest Securities then compared such information to the corresponding information for Access Plans. No company used in this analysis is identical to Access Plans. The selected group of comparable companies was as follows:

Groupe Aeroplan Inc. (d/b/a Aimia)

Assurant, Inc.

Interval Leisure Group, Inc.

Intersections Inc.

United Online, Inc.

**World Acceptance Corporation**

Although none of the selected customer loyalty/membership rewards providers or protection product providers is directly comparable to Access Plans, the companies included were chosen because they are publicly-traded companies in the customer loyalty/membership rewards or protection product industries with operations and/or business drivers that for the purposes of this analysis may be considered similar to the operations and business drivers of Access Plans. Criteria for selecting comparable companies included similar lines of business, markets of operation, customers and other business and financial considerations (*e.g.*, business drivers, business risk and financial performance).

In the analysis, Southwest Securities reviewed, among other things, enterprise values of the selected publicly-traded companies, calculated as equity values based on closing stock prices as of February 16, 2012, plus debt, minority interest and preferred stock, less cash, as a multiple of estimated revenues and EBITDA for the calendar years 2011 and 2012 (unless otherwise noted). Southwest Securities utilized revenues and EBITDA because the metrics are commonly used when evaluating companies in the customer loyalty/membership rewards and protection product industries. The estimated financial data of the selected publicly-traded companies were based on publicly available research analysts estimates, public filings and other publicly available information. Estimated financial data of Access Plans were based on actual results for calendar year 2011 and based on management's forecast estimate for the calendar year 2012 (excluding Access Plans' insurance marketing division, AHCP). The analysis yielded the following mean and median enterprise value/revenues and enterprise value/EBITDA multiples for the six selected customer loyalty/membership rewards providers and protection product providers, as compared to those of Access Plans based on both the closing price of the Access Plans common stock at February 16, 2012 and the Per Share Merger Consideration.

**Table of Contents**

	Enterprise Value/Revenues	
	2011E	2012E
Comparable Companies:		
Mean	1.3x	1.2x
Median	0.9x	0.9x
Access Plans:		
February 16, 2012 closing price (\$2.70 per share)	1.2x	1.0x
Based on the maximum merger consideration (\$3.30 per share)	1.6x	1.3x

	Enterprise Value/EBITDA	
	2011E	2012E
Comparable Companies:		
Mean	5.7x	5.5x
Median	5.9x	5.9x
Access Plans:		
February 16, 2012 closing price (\$2.70 per share)	3.6x	2.9x
Based on the maximum merger consideration (\$3.30 per share)	4.7x	3.8x

Based on the foregoing, this analysis indicated the following implied per share equity value reference range for Access Plans (exclusive of its insurance marketing division (AHCP)), as compared to the Per Share Merger Consideration of \$3.30:

**Implied Per Share Equity**

**Value Reference Range**

\$2.25 \$4.72

Southwest Securities also noted that the enterprise value/EBITDA multiple of Access Plans from January 1, 2007 to September 30, 2011 averaged 2.1x less than the average enterprise value/EBITDA multiple of the group of comparable companies used in the analysis.

Southwest Securities selected the companies reviewed in this analysis because, among other things, such companies operate similar businesses to Access Plans. However, no selected company is identical to Access Plans. Accordingly, Southwest Securities believes that purely quantitative analyses are not, in isolation, determinative in the context of the Merger and that qualitative judgments concerning differences between the business, financial and operating characteristics and prospects of Access Plans and the selected companies that could affect the public trading values of each also are relevant.

Additionally, Southwest Securities noted that in the course of Access Plans valuation discussion with Affinity, Affinity took the position that Access Plans fiscal year 2011 EBITDA should be reduced to reflect the elimination of EBITDA generated from certain legacy customers that are no longer actively marketing Access Plans products. Accordingly, Affinity took the

**Table of Contents**

position that Access Plans' fiscal year 2011 EBITDA should be reduced from \$11.3 million (exclusive of its insurance marketing division (AHCP)) to \$9.8 million. Southwest Securities noted that on this basis, the Per Share Merger Consideration represented an enterprise value/EBITDA multiple of approximately 5.6x.

*Selected Precedent Transactions Analysis*

Using publicly available information, Southwest Securities examined financial information relating to the following 10 transactions of various transaction sizes, announced over the last seven years involving customer loyalty/membership rewards providers. These transactions were selected generally because they involve target companies with similar industry focus and business drivers to Access Plans. The announcement dates and transactions were as follows:

Date	Acquirer	Target
04/25/11	Epsilon Data Management, LLC	Aspen Marketing Service, Inc.
01/31/11	MidOcean Partners	Pre-Paid Legal Services, Inc.
01/18/11	Affinion Group, Inc.	webloyalty.com, Inc.
08/11/10	Fortress Investment Group, LLC	American General Finance, Inc.
07/09/10	Equity Group Investments, LLC	Rewards Network, Inc.
05/21/10	Affinion Group, Inc.	Connexions Loyalty Travel, LLC
03/22/07	Investor Consortium	Vertrue, Inc.
06/09/06	Intersections, Inc.	Chartered Marketing Services, Inc.
03/20/06	Vista Group Holdings, LLC	Outlook Group Corporation
07/26/05	Apollo Management, L.P.	Affinion Group, Inc.

Southwest Securities reviewed transaction values, calculated as the enterprise value implied for the target company based on the consideration payable in the selected transaction, as a multiple of the target company's latest 12 months revenues and EBITDA. Financial data of the selected transactions were based on publicly available information at the time of announcement of the transaction. This analysis indicated the following multiple ranges:

	Enterprise Value/ LTM Revenues	Enterprise Value/ LTM EBITDA
Low	0.6x	5.1x
Mean	1.3x	7.4x
Median	1.3x	7.4x
High	2.8x	8.8x

Based on the foregoing, this analysis indicated the following implied per share equity value reference range for Access Plans (exclusive of its insurance marketing division (AHCP)), as compared to the Per Share Merger Consideration of \$3.30:

---

**Table of Contents**

**Implied Per Share Equity**

**Value Reference Range**

\$1.73 \$5.54

No company, business or transaction used in this analysis is identical to Access Plans or the Merger. In addition, an evaluation of the results of this analysis is not entirely mathematical. This analysis involves considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the acquisition or other values of the companies, business segments or transactions to which Access Plans and the Merger were compared.

*Discounted Cash Flow Analysis*

Southwest Securities performed a discounted cash flow analysis of Access Plans, which is a valuation methodology used to derive a valuation of a company or asset by calculating the present value of estimated future cash flows of the company or asset. Future cash flows refers to projected unlevered free cash flows of the business. Southwest Securities analysis did not take into account possible synergies that may be realized as a result of the Merger as part of this analysis. Present value refers to the current value of future cash flows or amounts and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macroeconomic assumptions and estimates of risk, the opportunity cost of capital, capital structure, income taxes, expected returns and other appropriate factors. Southwest Securities calculated the discounted cash flow value for Access Plans as the sum of the net present value of:

the estimated future cash flow that Access Plans (exclusive of its insurance marketing division) is annually projected to generate for the period of September 30, 2012 through September 30, 2016, and

the estimated value of Access Plans (exclusive of its insurance marketing division) at the end of such period, or terminal value.

The estimated future cash flow was based on management forecast estimates, which are set forth in more detail in the section below entitled Financial Forecasts beginning on page 73. For its calculations, Southwest Securities used discount rates ranging from 15.0% to 19.0%, reflecting an estimate of the weighted average cost of capital of Access Plans. The terminal value was calculated using various exit EBITDA multiples ranging from 3.5x to 5.5x. The exit EBITDA multiples for Access Plans were selected by Southwest Securities by reference to historical enterprise value/EBITDA trading multiples calculated for Access Plans, as well as the enterprise value/EBITDA trading multiples of the selected comparable publicly-traded customer loyalty/membership rewards providers and protection product providers that Southwest Securities, based on its professional judgment, deemed comparable to Access Plans for purposes of this analysis. The exit EBITDA multiples were then applied to estimated EBITDA for the projected fiscal year ended September 30, 2016.

Based on the foregoing, this analysis indicated the following implied per share equity value reference range for Access Plans (exclusive of its insurance marketing division (AHCP)) compared to the Per Share Merger Consideration of \$3.30:

**Table of Contents****Implied Per Share Equity****Value Reference Range**

\$3.61 \$4.90

*Premiums Paid Analysis*

Using publicly available information, Southwest Securities analyzed the premiums offered in (i) selected publicly-traded merger and acquisition transactions since January 1, 2005, having a transaction value in the range of \$25 million to \$500 million and (ii) transactions of various transaction sizes, announced since January 1, 2005, involving customer loyalty/membership rewards providers. For each of these transactions, Southwest Securities calculated the premium represented by the offer price over the target company's closing share price one day, one week and one month prior to the transaction's announcement. This analysis indicated the following premiums for those time periods prior to announcement:

	<b>Share Price Premium During Indicated Period Prior to Offer Date</b>		
	<b>1 Day</b>	<b>1 Week</b>	<b>1 Month</b>
<b>All Transactions in \$25 million \$500 million Range:</b>			
Low (1)	9.5%	12.1%	13.1%
Mean	48.9%	50.3%	56.5%
Median	33.1%	34.4%	36.6%
High (2)	76.4%	80.6%	85.0%

- (1) Represents the 15<sup>th</sup> percentile.  
(2) Represents the 85<sup>th</sup> percentile.

	<b>Share Price Premium During Indicated Period Prior to Offer Date</b>		
	<b>1 Day</b>	<b>1 Week</b>	<b>1 Month</b>
<b>Customer Loyalty/Membership Rewards Transactions:</b>			
Low (1)	6.5%	10.2%	9.2%
Mean	29.4%	32.2%	37.8%
Median	20.8%	22.2%	24.9%
High (2)	51.2%	56.8%	39.1%

- (1) Represents the 15<sup>th</sup> percentile.  
(2) Represents the 85<sup>th</sup> percentile.

Based on the foregoing, this analysis indicated the following implied equity value reference ranges for Access Plans (exclusive of its insurance marketing division (AHCP)), as compared to the Per Share Merger Consideration of \$3.30:

**Table of Contents**

**M&A \$25 million \$500 million**

**Implied Per Share Equity**

**Value Reference Range**

\$2.97 \$4.90

**Customer Loyalty/Membership Rewards**

**Implied Per Share Equity**

**Value Reference Range**

\$2.89 \$4.20

*General*

The Per Share Merger Consideration was determined through negotiations between Access Plans and Affinity, and was approved by the Board. Southwest Securities' opinion was one of many factors taken into consideration by the Board in making its determination to approve the Merger and should not be considered determinative of the views of the Board or management with respect to the Merger or the Per Share Merger Consideration. Southwest Securities was selected by the Board based on Southwest Securities' qualifications, expertise and reputation. Southwest Securities is a nationally recognized investment banking and advisory firm. Southwest Securities, as part of its investment banking business, is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements, financial restructurings and other financial services. In the ordinary course of business, Southwest Securities may, for its own account and the accounts of its customers, actively trade the securities of Access Plans and Affinity and, accordingly, may hold a long or short position in such securities. During the last two years, Southwest Securities has not provided investment banking services to Access Plans, Affinity, or their respective affiliates for which it received compensation.

Southwest Securities acted as financial advisor to the Board in connection with the Merger. Access Plans agreed to pay Southwest Securities an aggregate fee estimated to be approximately \$2.1 million primarily based on the transaction value, a portion of which was paid in connection with Southwest Securities rendering its opinion and a significant portion of which is contingent upon the completion of the Merger. In addition, Access Plans agreed to reimburse Southwest Securities' expenses and to indemnify it for certain liabilities that may arise out of the engagement.

**Regulatory Approvals**

Affinity and Access Plans have each agreed to use their reasonable best efforts to obtain all regulatory approvals required to complete the transactions contemplated by the Merger Agreement. Affinity and Access Plans are not aware of any material governmental approvals or actions that are required for completion of the Merger. It is presently contemplated that if any governmental approvals or actions are required, those approvals or actions will be sought. There can be no assurance, however, that any additionally required approvals or actions will be obtained.

## **Table of Contents**

### **Material United States Federal Income Tax Consequences**

The following discussion is a summary of certain material U.S. federal income tax consequences of the Merger and the Special Dividend to U.S. holders (as defined below) of Access Plans common stock. This discussion is based on the Internal Revenue Code of 1986, as amended (the Code ), applicable Treasury regulations promulgated thereunder, administrative rulings and judicial authorities, each as in effect as of the date of this Information Statement and all of which are subject to change at any time, possibly with retroactive effect. In addition, this discussion does not address any state, local or foreign tax consequences of the Merger or the Special Dividend.

This discussion addresses only U.S. holders of Access Plans common stock who hold their Access Plans common stock as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). It does not address all aspects of U.S. federal income taxation that might be relevant to a particular U.S. holder of Access Plans common stock in light of the U.S. holder's individual circumstances or to a U.S. holder of Access Plans common stock that is subject to special treatment under U.S. federal income tax law, including, without limitation:

a bank, insurance company or other financial institution;

a tax-exempt organization;

a mutual fund;

a U.S. expatriate;

an entity or arrangement treated as a partnership or other pass-through entity for U.S. federal income tax purposes or an investor in such an entity;

a dealer in securities;

a person who holds Access Plans common stock as part of a hedge, straddle, constructive sale or conversion transaction;

a person who acquired its shares of Access Plans common stock pursuant to the exercise of employee stock options or otherwise in connection with the performance of services;

a person who has a functional currency other than the United States dollar;

a person liable for the alternative minimum tax;

a person who exercised dissenters' rights; and

a trader in securities who elects to apply a mark-to-market method of accounting.



## Edgar Filing: Access Plans Inc - Form PRER14C

For purposes of this discussion a U.S. holder is a beneficial holder of Access Plans common stock that, for U.S. federal income tax purposes, is: (i) an individual who is a citizen or resident of the United States, (ii) a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source or (iv) a trust if (x) a court within the United States is able to exercise primary supervision over administration of the trust and one or more U.S. persons have the authority to control all of its substantial decisions or (y) in the case of a trust that was treated as a domestic trust under the law in effect before 1997, a valid election is in place under applicable U.S. Treasury regulations.

## **Table of Contents**

This discussion does not address other U.S. federal tax consequences (including gift or estate taxes or alternative minimum taxes), or consequences under state, local or foreign tax laws, nor does it address certain tax reporting requirements that may be applicable with respect to the Merger or the Special Dividend.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Access Plans common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A partner in a partnership holding Access Plans common stock should consult its own tax advisors with respect to the consequences of the Merger and the Special Dividend.

U.S. holders should consult their tax advisors as to the specific tax consequences to them of the Merger and the Special Dividend in light of their particular circumstances, including the applicability and effect of U.S. federal, state, local and foreign income and other tax laws.

### *Tax Consequences of the Merger Generally*

Based on facts, representations and assumptions set forth in its opinion, all of which must be consistent with the state of facts existing as of the effective time, it is the opinion of Dunn Swan & Cunningham, P.C., counsel to Access Plans, that the material U.S. federal income tax consequences to a U.S. holder of Access Plans common stock whose shares are exchanged in the Merger for the Per Share Merger Consideration generally will be as follows:

with respect to each share of Access Plans common stock exchanged in the Merger, a U.S. holder generally will recognize gain in the amount by which the Per Share Merger Consideration received by the U.S. holder exceeds the U.S. holder's tax basis in such share of Access Plans common stock owned by the U.S. holder; or

with respect to each share of Access Plans common stock exchanged in the Merger, a U.S. holder generally will recognize loss in the amount by which the U.S. holder's tax basis in such share of Access Plans common stock owned by the U.S. holder exceeds the Per Share Merger Consideration received by the U.S. holder.

Dunn Swan & Cunningham, P.C. will provide to Access Plans an additional written opinion, dated the date on which the effective time occurs, confirming its opinion as described above. Although not anticipated, as of the effective time of the Merger, the tax consequences to U.S. holders of Access Plans common stock could differ materially from those described herein. No ruling has been or will be sought from the Internal Revenue Service as to the U.S. federal income tax consequences of the Merger and an opinion of counsel is not binding on the Internal Revenue Service or any court. Accordingly, there can be no assurances that the Internal Revenue Service or a court would not disagree with or challenge any of the conclusions described herein.

## **Table of Contents**

### *Taxation of Capital Gain or Loss*

Any gain or loss recognized in respect of shares of Access Plans common stock held by a U.S. holder in connection with the Merger will be long-term capital gain or long-term capital loss, as may be applicable, if, as of the effective time, such shares of Access Plans common stock were held for more than one year. Otherwise, any gain or loss recognized in connection with the Merger will be short-term capital gain or short-term capital loss.

The excess of net long-term capital gains over net short-term capital losses is taxed at a lower rate than ordinary income for certain non-corporate taxpayers. The distinction between capital gain and loss and ordinary income or loss is also relevant for purposes of, among other things, limitations on the deductibility of capital losses. Net long-term capital gains of U.S. holders that are not corporations are eligible for preferential rates of taxation. The ability of U.S. holders to offset capital losses against ordinary income is limited.

### *Tax Consequences of the Special Dividend.*

Although the tax treatment of the Special Dividend is not entirely clear, Access Plans intends to report the Special Dividend as a distribution with respect to its common stock for United States federal income tax purposes. The Internal Revenue Service may take the position that the Special Dividend is additional cash received in connection with the Merger, and to the extent it were to prevail, the amount of the Special Dividend would not be treated as a distribution as described in the succeeding paragraphs and would instead be treated as additional cash in exchange for the Access Plan's common stock, the tax treatment of which is discussed above in the section titled "Tax Consequences of the Merger Generally".

If the Special Dividend is treated as a distribution with respect to the Access Plan's common stock, the amount paid to U.S. holders will be characterized as dividend income to the extent paid out of Access Plan's current or accumulated earnings and profits (as determined for United States federal income tax purposes). Access Plans does not expect that the amount of the Special Dividend will exceed its current and accumulated earnings and profits.

Dividend income will be includible in each U.S. holder's gross income on the day received by such stockholder. This income generally will be taxed for U.S. federal income tax purposes to U.S. holders that are non-corporate taxpayers at the rates applicable to long-term capital gains, provided that a minimum holding period and other requirements are satisfied. Corporate U.S. holders of the Company's common stock may be entitled to a dividends-received deduction with respect to distributions treated as dividend income for United States federal income tax purposes, subject to limitations and conditions. In addition, U.S. holders of Access Plan's common stock should consult their tax advisors regarding the potential applicability of the extraordinary dividend provisions of the Code in light of their particular circumstances. If the Special Dividend were to exceed the Company's current and accumulated earnings and profits, the excess will be treated first as a return of capital that reduces a U.S. holder's tax basis in its common stock, and then as gain from the sale or exchange of Access Plan's common stock, the tax treatment of which is discussed above in the section titled "Tax Consequences of the Merger Generally".

**Table of Contents**

*Information Reporting and Backup Withholding*

A non-corporate U.S. holder of Access Plans common stock may be subject to information reporting and backup withholding at a rate of 28% on payment of the Per Share Merger Consideration, unless the U.S. holder properly establishes an exemption or provides a correct taxpayer identification number, and otherwise complies with backup withholding rules. Any amounts withheld under the backup withholding rules are not an additional tax and may be allowed as a refund or credit against the U.S. holder's U.S. federal income tax liability, provided that the required information is timely furnished to the Internal Revenue Service.

**Appraisal Rights**

In connection with the Merger, record holders of Access Plans common stock who comply with the procedures summarized below will be entitled to appraisal rights if the Merger is completed. Under Section 1091 of the OGCA, which we refer to as Section 1091, holders of shares of Access Plans common stock with respect to which appraisal rights are properly demanded and perfected and not withdrawn or lost are entitled, in lieu of receiving the Per Share Merger Consideration, to have the fair value of their shares at the effective time of the Merger (exclusive of any element of value arising from the accomplishment or expectation of the Merger) judicially determined and paid to them in cash. Access Plans is required to send a notice to that effect to each shareholder not less than ten days prior to the effective date of the Merger. This Information Statement constitutes that notice to you.

The following is a brief summary of Section 1091, which sets forth the procedures for demanding statutory appraisal rights. This summary is qualified in its entirety by reference to Section 1091, the text of which is attached to this Information Statement as Annex C.

Shareholders of record who desire to exercise their appraisal rights must satisfy all of the following conditions:

A shareholder who desires to exercise appraisal rights must deliver a written demand for appraisal of the shareholder's shares to the offices of Access Plans within 20 days of the mailing of this Information Statement to you.

Access Plans shareholders who wish to exercise their appraisal rights and hold shares in the name of a broker or other nominee must instruct their nominees to take the steps necessary to enable them to demand appraisal for their shares.

A demand for appraisal must be executed by or for the shareholder of record, fully and correctly, as the shareholder's name appears on the certificates representing Access Plans shares. If shares are owned of record in a fiduciary capacity, including by a trustee, guardian or custodian, the demand must be executed by the fiduciary. If shares are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand must be executed by all joint owners. An authorized agent, including an agent of two or more joint owners, may execute the demand for appraisal for a shareholder of record; however, the agent must identify the record owner and expressly disclose that, in exercising the demand, the agent is acting as agent for the record owner. In addition, the shareholder must continuously hold the shares of record from the date of making the demand through the effective time of the Merger because appraisal rights will be lost if the shares are transferred prior to the effective time of the Merger.

**Table of Contents**

A record owner, like a broker, who holds shares as a nominee for others may exercise appraisal rights with respect to the shares held for all or less than all beneficial owners of shares as to which the holder is the record owner. In that case, the written demand must set forth the number of shares covered by the demand. Where the number of shares is not expressly stated, the demand will be presumed to cover all shares outstanding in the name of the record owner.

Beneficial owners who are not record owners and who intend to exercise appraisal rights should instruct the record owner to comply strictly with the statutory requirements with respect to the exercise of appraisal rights within 20 days of the mailing of this Information Statement. A beneficial owner of shares held in street name who desires appraisal rights with respect to those shares should take the actions as may be necessary to ensure that a timely and proper demand for appraisal is made by the record owner of the shares. Shares held through brokerage firms, banks and other financial institutions are frequently deposited with and held of record in the name of a nominee of a central security depository, including Cede & Co., The Depository Trust Company's nominee. Any beneficial owner of shares desiring appraisal rights with respect to those shares should instruct the firm, bank or institution that the demand for appraisal must be made by the record holder of the shares, which might be the nominee of a central security depository if the shares have been so deposited.

As required by Section 1091, a demand for appraisal must be in writing and must reasonably inform Access Plans of the identity of the record holder (which might be a nominee as described above) and of the holder's intention to seek appraisal of shares.

Shareholders of record who elect to demand appraisal of their shares must mail or deliver their written demand by mail to Access Plans, Inc., 900 36<sup>th</sup> Avenue, N.W., Suite 105, Norman, Oklahoma 73072, Attention: Corporate Secretary or by facsimile at (405) 928-2766. The written demand for appraisal should specify the shareholder's name and mailing address, the number of shares owned, and that the shareholder is demanding appraisal of his, her or its shares. The written demand must be received by Access Plans within 20 days of the mailing of this Information Statement.

Access Plans will notify each shareholder who has demanded appraisal in accordance with Section 1091 of the effective time of the Merger.

Within 120 days after the effective time of the Merger, either the surviving corporation in the Merger or any shareholder who has timely and properly demanded appraisal of the shareholder's shares and who has complied with the required conditions of Section 1091 and is otherwise entitled to appraisal rights may file a petition in district court demanding a determination of the fair value of the shares of all shareholders who have properly demanded appraisal. Within 120 days after the effective time, any shareholder who has complied with the requirements for exercise of appraisal rights will be entitled, upon written request, to receive from the surviving corporation a statement setting forth the aggregate number of shares with respect to which demands for appraisal have been received and the aggregate number of holders

**Table of Contents**

of those shares. The statement must be mailed within ten days after a written request therefor has been received by the surviving corporation or within ten days after the expiration of the period for delivery of demands for appraisal, whichever is later. Notwithstanding the foregoing, a person who is the beneficial owner of shares held either in a voting trust or by a nominee on behalf of such person may, in such person's own name, file a petition or request from the surviving corporation the statement described in this paragraph.

If a petition for an appraisal is timely filed by a shareholder and a copy thereof is served upon the surviving corporation, the surviving corporation will then be obligated within 20 days to file with the district court a duly verified list containing the names and addresses of all shareholders who have demanded an appraisal of their shares and with whom agreements as to the value of their shares have not been reached. After notice to the shareholders as required by the court, the district court is empowered to conduct a hearing on the petition to determine those shareholders who have complied with Section 1091 and who have become entitled to appraisal rights thereunder. The district court may require the shareholders who demanded appraisal for their shares to submit their stock certificates, if any, to the court clerk for notation thereon of the pendency of the appraisal proceeding; and if any shareholder fails to comply with the direction, the district court may dismiss the proceedings as to the shareholder.

If a petition for an appraisal is timely filed, after a hearing on the petition, the district court will determine which shareholders are entitled to appraisal rights and thereafter will appraise the shares owned by those shareholders, determining the fair value of the shares exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with a fair rate of interest to be paid, if any, upon the amount determined to be the fair value. In determining fair value, the district court is to take into account all relevant factors.

Shareholders considering seeking appraisal should bear in mind that the fair value of their shares determined under Section 1091 could be more than, the same as, or less than the Per Share Merger Consideration they are entitled to receive pursuant to the Merger Agreement if they do not seek appraisal of their shares, and that opinions of investment banking firms as to fairness from a financial point of view are not necessarily opinions as to fair value under Section 1091.

The cost of the appraisal proceeding may be determined by the district court and imposed upon the parties as the district court deems equitable in the circumstances. Upon application of a shareholder seeking appraisal rights, the district court may order that all or a portion of the expenses incurred by a shareholder in connection with the appraisal proceeding, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts, be charged pro rata against the value of all shares entitled to appraisal. In the absence of this determination of assessment, each party bears its own expenses.

From and after the effective time, no shareholder who has demanded appraisal rights shall be entitled to vote any shares subject thereto for any purpose or receive dividends or other distributions thereon (except dividends or other distributions payable to the shareholders of record at a date prior to the effective time of the Merger).

**Table of Contents**

Except as explained in the second to last sentence of this paragraph, at any time within 60 days after the effective time of the Merger, any shareholder who has demanded appraisal will have the right to withdraw the shareholder's demand for appraisal and to accept the Per Share Merger Consideration to which the shareholder is entitled pursuant to the Merger Agreement by delivering to the surviving corporation a written withdrawal of the demand for appraisal. After this period, the shareholder may withdraw the shareholder's demand for appraisal only with the written consent of the surviving corporation in the Merger. If no petition for appraisal is filed with the district court within 120 days after the effective time, shareholders' rights to appraisal will cease and all shareholders will be entitled only to receive the Per Share Merger Consideration as provided for in the Merger Agreement. Because the surviving corporation, as well as Affinity, has no obligation to file the petition, and have no present intention to do so, any shareholder who desires that a petition be filed is advised to file it on a timely basis. No petition timely filed in the district court demanding appraisal will be dismissed as to any shareholders without the approval of the district court, and that approval may be conditioned upon terms that the district court deems just. If the surviving corporation in the Merger does not approve a request to withdraw a demand for appraisal when that approval is required, or, except with respect to any shareholder who withdraws the shareholder's right to appraisal in accordance with the first sentence of this paragraph, if the district court does not approve the dismissal of an appraisal proceeding, the shareholder will be entitled to receive only the appraised value determined in the appraisal proceeding, which value could be less than, equal to or more than the Per Share Merger Consideration being paid pursuant to the Merger Agreement.

The foregoing is a brief summary of Section 1091 that sets forth the procedures for demanding statutory appraisal rights. This summary is qualified in its entirety by reference to Section 1091, the text of which is attached to this Information Statement as Annex C. Failure to comply with all the procedures set forth in Section 1091 will result in the loss of a shareholder's statutory appraisal rights.

**Cessation of Quotation and Deregistration of Access Plans Common Stock**

If the Merger is completed, Access Plans common stock will no longer be quoted on the OTC Bulletin Board and will be deregistered under the Exchange Act and Access Plans will no longer file periodic reports with the SEC.

**Interests of Access Plans Directors and Executive Officers in the Merger**

The directors and executive officers of Access Plans have interests in the transaction that are in addition to their interests as shareholders of Access Plans generally. The Board was aware of these interests and considered them, among other matters, in approving the Merger and in determining to recommend that Access Plans shareholders approve and adopt the Merger Agreement.

The following lists the each person who serves as an executive officer of Access Plans and the position that such person holds.

**Table of Contents**

<b>Name</b>	<b>Position Held</b>
Danny C. Wright	Chairman of the Board of Directors and Chief Executive Officer
Brett Wimberley	Director, President, Chief Financial Officer and Chief Operating Officer
Rita W. McKeown	Chief Accounting Officer and Treasurer
Eleanor S. Matthews	President, Benefit Marketing Solutions, LLC (a subsidiary)
Bradley W. Denison	Chief Operating Officer, General Counsel, and Secretary
David Huguelet	President, Retail Plans Division

The executive officers of Access Plans are entitled to receive additional payments and benefits upon the consummation of the Merger, other than in their capacities as Access Plans shareholders, as described in the section captioned "Treatment of Stock Options". As the holders of outstanding stock options exercisable for the purchase of Access Plans common stock for a purchase price, less than the Per Share Merger Consideration (the "in-the-money options"), Rita McKeown, David Huguelet and Bradley W. Denison will be entitled to receive the Per Share Merger Consideration, less the exercise price of each option. Messrs. Huguelet and Denison hold unvested in-the-money options of 40,000 and 375,000, respectively. Those unvested in-the-money options will become fully vested at the effective time of the Merger. Other than Ms. McKeown and Messrs. Huguelet and Denison, the Access Plans executive officers will not receive any additional payments or benefits upon consummation of the Merger.

**Treatment of Stock Options**

In connection with the Merger, all outstanding options to purchase Access Plans common stock for a purchase price less than the Per Share Merger Consideration (the "in-the-money options"), will be cancelled immediately prior to the effective time under the terms of the equity compensation plan governing such option, the applicable stock option award agreement, or the related award documents or other related agreements. Under the Merger Agreement, each stock option will be converted into the right to receive the Per Share Merger Consideration, less the exercise price of the stock option, and the Special Dividend. Affinity will make a capital contribution to the surviving corporation of an amount sufficient to pay the amounts payable to holders of the in-the-money options. The stock option awards that have an exercise price equal to or greater than the Per Share Merger Consideration will be cancelled.

Access Plans anticipates that, as of the effective time of the Merger, and taking into account the assumptions set forth in footnote 1 to the table below, Access Plans executive officers, in the aggregate, will hold 415,000 unvested and 313,999 vested Access Plans in-the-money options with an aggregate Per Share Merger Consideration value of up to \$983,550 and \$630,847, respectively, as set forth in the table below:

<b>Name</b>	<b>In-The-Money Options</b>			
	<b>Estimated Number(1)</b>		<b>Estimated Value(1)</b>	
	<b>Unvested</b>	<b>Vested</b>	<b>Unvested</b>	<b>Vested</b>
Rita W. McKeown		76,999	\$	\$ 165,247
David Huguelet	40,000	64,500	\$ 94,800	\$ 152,100
Bradley W. Denison	375,000	132,500	\$ 888,750	\$ 313,500
All executive officers as a group of six individuals	415,000	313,999	\$ 983,550	\$ 630,847



**Table of Contents**

- (1) The estimated value of the in-the-money options was calculated based on (a) the number of unvested and vested in-the-money options that are expected to be outstanding as of the effective time of the Merger, (b) the exercise prices of the in-the-money options and (c) the estimated Per Share Merger Consideration of \$3.30 per share of Access Plans common stock. The actual value of the in-the-money options will differ based on the number of in-the-money options outstanding and the adjustments to the aggregate merger consideration as of the effective time of the Merger as described in the section captioned *The Merger Agreement Merger Consideration* beginning on page 52. Depending on when the Merger is completed, certain unvested in-the-money options shown as in the table may become vested in accordance with their terms without regard to the Merger.

For more information regarding the treatment of Access Plans stock options, see *The Merger Agreement Treatment of Stock Option* beginning on page 55.

*Non-Executive Officer Directors of Access Plans*

Non-executive officer members of the Board hold in-the-money options. At the effective time of the Merger, each outstanding in-the-money option awarded to non-executive officer members of the Board will be converted in the Merger into the right to receive the Per Share Merger Consideration, less the exercise price of each share of Access Plans common stock for which the in-the-money option is exercisable, and the Special Dividend.

Access Plans anticipates that at the effective time of the Merger, the non-executive members of the Board, in the aggregate, will hold 203,387 vested in-the-money options. The non-executive members of the Board do not hold any unvested stock options. On the effective time of the Merger, taking into account the assumptions set forth in footnote 1 to the table below, it is currently estimated that these vested in-the-money options held by the non-executive members of the Board will convert, at the effective time, into the right to receive, in the aggregate sum of \$685,327, as set forth in the following table:

Name of Non-Executive Director	In-The-Money Options		Aggregate Estimated Intrinsic Value
	Unvested	Estimated Number Vested	
Russell Cleveland		15,000	\$ 36,350
Larry G. Gerdes		150,000	\$ 346,250
John Simonelli		95,000	\$ 223,850
J. French Hill		23,387	\$ 37,527