

# GENERAL ACCEPTANCE CORP /IN/

Filed by  
**CONSECO INC**

## **FORM SC 13D/A** (Amended Statement of Beneficial Ownership)

Filed 11/14/97

Address	1025 ACUFF ROAD BLOOMINGTON, IN 47404
Telephone	8128763555
CIK	0000937965
SIC Code	6321 - Accident and Health Insurance
Industry	Insurance (Life)
Sector	Financial
Fiscal Year	12/31

# GENERAL ACCEPTANCE CORP /IN/

## FORM SC 13D/A (Amended Statement of Beneficial Ownership)

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Address	1025 ACUFF ROAD BLOOMINGTON, Indiana 47404
Telephone	812-876-3555
CIK	0000937965
Industry	Consumer Financial Services
Sector	Financial
Fiscal Year	12/31

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

## SCHEDULE 13D

Under the Securities Exchange Act of 1934

(AMENDMENT NO. 2)

# GENERAL ACCEPTANCE CORPORATION

(Name of Issuer)

## **Common Stock**

(Title of Class of Securities)

368749107

(CUSIP Number)

John J. Sabl  
11825 N. Pennsylvania Street  
Carmel, Indiana 46032  
(317) 817-6029

(Name, Address, Telephone Number of Persons Authorized to Receive  
Notices and Communications)

November 14, 1997

(Date of Event which requires filing of this Statement)

If the filing person has previously filed a Statement on Schedule 13G to report the acquisition which is the subject of this Statement and is filing this Statement because of Rule 13d-1(b)(3) or (4), check the following box.

This filing contains 9 pages.  
The Exhibit Index appears on page n/a.

CUSIP No.....368749107

1. NAME OF REPORTING PERSON.....Capitol American Life Insurance Company

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON.....34-1083130

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) [ ] (b) [ X ]

3. SEC USE ONLY

4. SOURCE OF FUNDS ..... WC

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) [ ]

6. CITIZENSHIP OR PLACE OF ORGANIZATION ..... Arizona

Number of 7. SOLE VOTING POWER 3,333,333  
Shares

Beneficially 8. SHARED VOTING POWER 0  
Owned By

Each 9. SOLE DISPOSITIVE POWER 3,333,333  
Reporting

Person With 10. SHARED DISPOSITIVE POWER 0

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,333,333

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES SHARES [ ]

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 35.6%

14. TYPE OF REPORTING PERSON ..... IC

1. NAME OF REPORTING PERSON. . . . . Conseco, Inc.

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON. . . . . 35-1468632

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) [ ] (b) [ X ]

3. SEC USE ONLY

4. SOURCE OF FUNDS

NA

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

[ ]

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Indiana

Number of 7. SOLE VOTING POWER

0

Shares

Beneficially 8. SHARED VOTING POWER

3,333,333

Owned By

Each 9. SOLE DISPOSITIVE POWER

0

Reporting

Person With 10. SHARED DISPOSITIVE POWER

3,333,333

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,333,333

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES SHARES

[ ]

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

35.6%

14. TYPE OF REPORTING PERSON

HC

1. NAME OF REPORTING PERSON.....CIHC, Incorporated

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON 51-0356511

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) [ ] (b) [ X ]

3. SEC USE ONLY

4. SOURCE OF FUNDS N/A

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) [ ]

6. CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

Number of Shares 7. SOLE VOTING POWER 0

Beneficially Owned By 8. SHARED VOTING POWER 3,333,333

Each Reporting Person With 9. SOLE DISPOSITIVE POWER 0

10. SHARED DISPOSITIVE POWER 3,333,333

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,333,333

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES SHARES [ ]

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 35.6%

14. TYPE OF REPORTING PERSON HC

**Item 1. Security and Issuer.**

This Amendment No. 2 to Schedule 13D is being filed by Capitol American Life Insurance Company ("Capitol American"), Conseco, Inc. ("Conseco") and CIHC, Incorporated, ("CIHC") relating to the Common Stock, no par value (the "Common Stock"), of General Acceptance Corporation, an Indiana corporation (the "Company"). Capitol American is a wholly-owned subsidiary of CIHC. CIHC is a wholly-owned subsidiary of Conseco.

The Company's principle executive offices are located at 1025 Acuff Road, Bloomington, Indiana 47404.

**Item 2. Identity and Background.**

Except as indicated below, the information previously filed pursuant to Item 2 of this Schedule 13D, as amended, is unchanged: John J. Sabl, whose business address is 11825 N. Pennsylvania Street, Carmel, Indiana 46032, is Executive Vice President and General Counsel of Capitol American and a director of Capitol American. Mr. Sabl is also Executive Vice President, General Counsel and Secretary of Conseco. Mr. Sabl is also a director of CIHC and an executive officer and director of certain other subsidiaries of Conseco.

**Item 3. Source and Amount of Funds or Other Consideration.**

The information previously filed pursuant to Item 3 of this Schedule 13D, as amended, is unchanged.

**Item 4. Purpose of Transaction.**

As previously reported in Item 4 to this Schedule 13D, as amended, the purpose of Capitol American, Conseco and CIHC in having Capitol American and Conseco make their respective investments in the Company was for investment purposes. Capitol American and Conseco continue to monitor their respective investments in the Company with a view to assisting the Company in such manner as Capitol American and Conseco deem appropriate in order to preserve and increase the value of such investments.

Accordingly, in response to a proposal by Conseco and after detailed consideration by a Special Committee of the Board of Directors of the Company convened for that purpose and by the Board of Directors of the Company, on November 4, 1997:

(a) Malvin L. Algood resigned as the Chairman of the Board of Directors and Chief Executive Officer of the Company and Russell Algood, the President and Chief Operating Officer of the Company, resigned from his position as the Chief Operating Officer of the Company. Mr. Malvin L. Algood will remain an employee of the Company and Mr. Russell Algood will continue as the President of the Company.

(b) The Board of Directors of the Company elected James J. Larkin, a Director of the Company and an officer and employee of Conseco Services, LLC, a subsidiary of Conseco, as the Chairman of the Board of Directors and Chief Executive Officer of the Company and James Terrell, an employee of Conseco Services, LLC, as the Chief Operating Officer of the Company. Messrs. Larkin and Terrell will both retain their positions with Conseco Services LLC, but will be required to spend 75% and 100% of their time, respectively on the Company's business operations.

(c) In connection with the services to be rendered to the Company by Messrs. Larkin and Terrell, the Board of Directors of the Company authorized the Company to enter into an agreement or agreements with Conseco Services, LLC pursuant to which the Company would reimburse Conseco Services, LLC for a portion of the compensation and employee benefits of Messrs. Larkin and Terrell not to exceed an amount equal to \$27,000 per month plus out-of-pocket expenses.

(d) The Board of Directors of the Company authorized the establishment of a Management Committee of the Company, consisting of the Chief Executive Officer, as Chairman, the President, the Chief Operating Officer and the Chief Financial Officer, to determine, by majority vote of the members of such committee, all significant management decisions with respect to the operation of the Company's business.

It is contemplated that appropriate amendments to the bylaws of the Company, (the "Bylaw Amendments") will be adopted to effect the foregoing.



It is also contemplated that in connection with the foregoing, the Stockholders' Agreement among the Company, Conseco, Capitol American and certain individual stockholders of the Company (the "Algood Stockholders") referred to in Item 6 of this Schedule 13D will be further amended (the "November 1997 Stockholders' Agreement Amendment"), among other things:

(a) To confirm that, effective September 16, 1997, the Board of Directors of the Company would consist of eight members, three of which would be designated by Conseco and three of which would be individuals unaffiliated with Conseco or the Algood Stockholders and approved by a majority of the directors designated by Conseco and a majority of the directors designated by the Algood Stockholders.

(b) To modify the restrictions on the transfer of Common Stock of the Company by the Algood Stockholders prior to April 11, 1998, to provide, with certain exceptions, to require the Algood Stockholders in the aggregate to continue to own at least 51% of the Common Stock of the Company until April 11, 2000.

In addition, in connection with the foregoing and consistent with the Company's intention to discontinue its operation of the used car lots operated by the Company, the Board of Directors of the Company, acting on the recommendation of the Special Committee referred to above, authorized the sale of certain used car lots owned by the Company to an entity controlled by Mr. Russell Algood.

**Item 5. Interest in Securities of the Issuer.**

The information previously filed pursuant to Item 5 of this Schedule 13D, as amended, is unchanged.

**Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.**

The information previously filed pursuant to Item 6 of this Schedule 13D, as amended, is unchanged except that it is contemplated the Bylaw Amendments referred to in Item 4 above will be effected and that the November 1997 Stockholders' Agreement Amendment referred to Item 4 above will be entered into.

**Item 7. Material to Be Filed as Exhibits.**

The information previously filed pursuant to Item 7 of this Schedule 13D, as amended, is unchanged.

## SIGNATURES

After reasonable Inquiry and to the best of our knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Date: November 14, 1997

### Capitol American Life Insurance Company

By: /s/ DONALD F. GONGAWARE

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Name: Donald F. Gongaware  
Title: President

### Conseco, Inc.

By: /s/ DONALD F. GONGAWARE

-----  
Name: Donald F. Gongaware  
Title: Executive Vice President

### CIHC, Inc.

By: /s/ WILLIAM T. DEVANNEY, JR.

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Name: William T. Devanney, Jr.  
Title: Vice President

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**End of Filing**

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