

Anthony Clark International Insurance Brokers Ltd

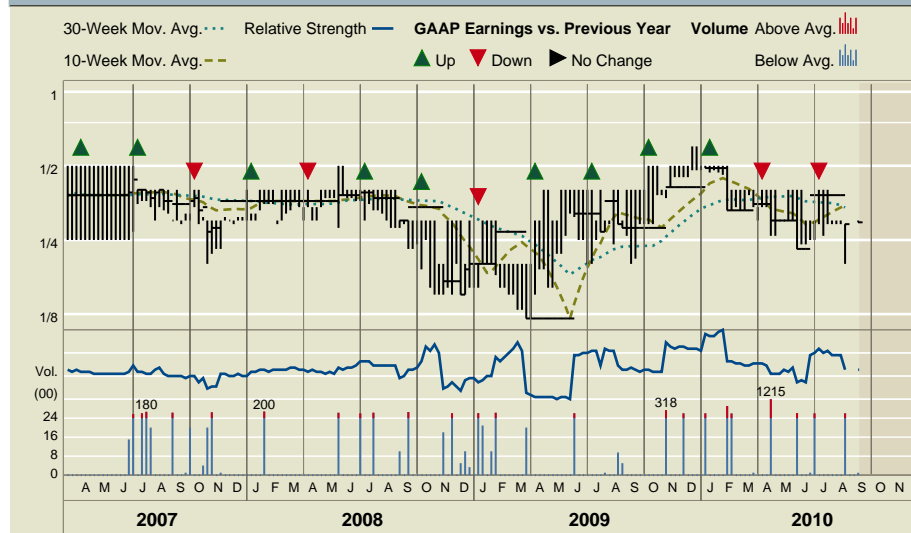
GICS Sector Financials
Sub-Industry Insurance Brokers

Summary Anthony Clark International Insurance Brokers Ltd. (TSX-V:ACL; OTCQX: ACKBF) engages in the operation of general insurance brokerages in Canada and the United States.

Key Stock Statistics (Source S&P, company reports, Vickers)

Price as of Aug 31, 2010	\$0.29	Dividend Rate/Share	Nil	\$10K Invested 5 Yrs Ago	\$6,413	Total Shares Outstg. (M)	9.8
52-Wk Range	\$0.62-0.21	Trailing 12-Month P/E	NM	Beta	-0.83	Market Capitalization(B)	NA
Trailing 12-Month EPS	\$-0.62	Tangible Book Val/Share	NM	Yield (%)	Nil	Institutional Ownership (%)	NA

Price Performance



Quantitative Evaluations

S&P Quality Ranking	NR							
	D	C	B-	B	B+	A-	A	A+
S&P Fair Value Rank	NR							
	1	2	3	4	5			
	LOWEST			HIGHEST				
Fair Value Calculation	NA							
Volatility	NA							
Technical Evaluation	NA							
Relative Strength Rank	WEAK							
	17							
	LOWEST = 1			HIGHEST = 99				

S&P Financial Writer **Mark Schwiebert**

Operational Review August 31, 2010

Income Statement Analysis & Financial Review

In the first quarter ended June 30, 2010, revenues were C\$4.3 million vs. C\$4.7 million in the prior year, declining 9% year to year. Total expenses were C\$3.4 million, as opposed to C\$3.8 million for the same period in 2009, falling 11%. Earnings before interest, income taxes, depreciation and amortization (EBITDA) for the quarter, were C\$0.98 million, vs. C\$0.96 million in the prior-year period. Income before taxes & non-controlling interest was C\$0.15 million vs. C\$6.8 million. Income taxes were C\$0.14 million, against C\$0.6 million for last year, and net loss was C\$0.26 million (C\$0.03 a share), vs. net income of C\$6.1 million (C\$0.64 a share) in the first quarter of 2009.

Results for the quarter ended June 30, 2009 include pre tax gains of C\$3.9 million from sale of interest in a subsidiary and C\$2.8 million from settlement of debt.

Key Operating Information

The decrease in revenues for the quarter ended June 30, 2010, was primarily due to the effect of the exchange rate and reduced commissions in the U.S. Salaries and wages expense decreased primarily due to the reduction in the number of employees in the U.S. locations to address the decrease in premiums in the U.S. divisions and the

effect of the exchange rate.

Recent Developments

In August the company said the insurance industry continued to experience a soft market characterized by reduced premium rates. ACKBF expects premiums to go up with the exception of auto insurance in Alberta, Canada, as the Alberta Rate Board announced a 5% premium decrease effective November 1, 2009. In Canada, the company has been able to successfully offset the decrease in premiums with writing more premiums through its marketing efforts and customer service. The California Workmen's Compensation Rate Board has recommended a 30% increase effective January 2011, which is subject to approval by the Department of Insurance of California. However, Management believes that an increase, if approved, could be more in the range of 10% - 15%. Economic recovery, aided by monetary and fiscal stimulus, has yet to show any significant impact on the economy and jobs and in particular on its clientele base in the US. Despite this difficult market environment, ACKBF has managed to maintain its EBITDA levels and will continue to look for quality accretive acquisitions, seek capital injection to reduce debt, streamline costs and review divestiture of underperforming assets to increase shareholder value.

Revenue/Earnings Data

Revenue (Million Can. \$)					
	1Q	2Q	3Q	4Q	Year
2011	4.33	--	--	--	--
2010	4.74	4.35	4.26	5.31	18.66
2009	3.92	3.64	4.10	5.20	16.87
2008	2.38	4.15	4.01	4.74	15.29
2007	2.49	2.46	2.62	3.60	11.17
2006	3.43	2.73	3.09	4.04	13.30

Earnings Per Share (Can. \$)					
	1Q	2Q	3Q	4Q	Year
2011	-0.03	--	--	--	--
2010	0.64	0.01	-0.04	-0.20	0.41
2009	-0.04	-0.05	-0.48	0.66	0.09
2008	-0.08	-0.15	-0.13	-0.05	-0.41
2007	-0.12	-0.09	-0.28	0.02	-0.47
2006	-0.13	-0.12	-0.07	-0.03	-0.35

Fiscal year ended Mar. 31. Next earnings report expected: Late November

Dividend Data

No Dividend Data Available

All of the views expressed in this research report accurately reflect our quantitative research models regarding any and all of the subject securities or issuers. No part of our compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report. This report is for information purposes and should not be considered a solicitation to buy or sell any security. Neither S&P nor any other party guarantees its accuracy or makes warranties regarding results from its usage. S&P receives compensation from the issuer or an agent thereof for initiating coverage, and for distribution including licensed redistribution of this report, and/or for inclusion in other S&P publications, generally in amounts up to U.S. \$14,175 per year. Redistribution is prohibited without written permission.

Anthony Clark International Insurance Brokers Ltd**Business Summary** August 31, 2010

Anthony Clark International Insurance Brokers Ltd. (TSX-V:ACL; OTCQX: ACKBF) engages in the operation of general insurance brokerages in Canada and the United States. The company operates out of 23 locations, including six in Alberta, Canada; five in California; one in Arizona; and 11 in Virginia.

Anthony Clark has recurring revenues that are principally derived from commissions earned from placing general insurance with insurance carriers on behalf of the company's customers. It offers a range of personal and commercial insurance products and serves 70,000 customers. The company places its general insurance business (home, auto and commercial insurance) with over 150 insurance carriers.

The company provides personal insurance for automobiles, motorcycles, motor homes, boats, recreational vehicles, identity theft, umbrella liability, homeowners, high value homes, condominium owners, tenants, seasonal dwellings/cottages, travel and medical, and pets. It also offers commercial insurance for commercial automobiles, garage automobiles/fleets, trucking, commercial property, rental property insurance, manufacturing, farms and hobby farms, real estate, business owners, general liability, errors and omissions, director's and officer's liability, boilers and machinery, excess and umbrella liability, bonding/surety, and professional liability.

Anthony Clark provides insurance services through its offices in Alberta, Canada and in the United States. In Alberta, Anthony Clark operates under three different trade names: Anthony Clark Insurance, Heritage Hill Insurance and Dyck Insurance. The company has offices in Calgary, Olds, Cochrane and Edmonton.

In the United States, Anthony Clark provides insurance services in Virginia and California. It offers auto, motorcycle, boat, recreational and commercial vehicle and motor home insurance in Virginia Beach, Norfolk, Hampton, Suffolk and several other locations in Virginia. The company operates under three different trade names in the state: Al Vincent's Insurance Agency, Affordable Insurance Agency of Tidewater and Auto Insurance Experts of Virginia.

The company also operates in both Northern and Southern California.

Anthony Clark operates its Northern California office out of Petaluma, Sonoma County under the trade name Vista International Insurance Brokers. This office provides mainly business insurance and serves a range of professionals and firms, including accountants, land surveyors, dentists, optometrists, non-profits, hotels and motels and waste haulers.

The company also provides insurance services through offices located in Anaheim, Northridge, Palmdale and Oxnard, California, as well as in Arizona. Policies can be purchased over the phone, by fax, or in person at any one of over 600 locations throughout California and Arizona. Anthony Clark operates under two different trade names in Southern California, Vista International Insurance Brokers and Aero Vista Insurance Brokers.

Corporate Information**Investor Contact**

T. Consalvo (403-225-5100)

Office

10333 Southport Road S.W., Suite 355, Calgary, Alberta, Canada T2W 3X6.

Telephone

403-278-8811.

Fax

403-225-5745.

Officers**Chrmn & Secy**

T.E. Milley

Pres & CEO

T. Consalvo

CFO

M. Bhatia

Board Members

T. Consalvo

N. Cournoyer

D. Farmer

T. E. Milley

R. M. Sadleir

Domicile

Alberta

Auditor

D&H Group

Founded

1993

Stockholders

NA

Anthony Clark International Insurance Brokers Ltd**Key Stock Statistics**

Price as of Aug 31, 2010	\$0.29	Dividend Rate/Share	Nil	\$10K Invested 5 Yrs Ago	\$6,413	Total Shares Outstg. (M)	9.8
52-Wk Range	\$0.62-0.21	Trailing 12-Month P/E	NM	Beta	-0.83	Market Capitalization(B)	NA
Trailing 12-Month EPS	\$-0.62	Tangible Book Val/Share	NM	Yield (%)	Nil	Institutional Ownership (%)	NA

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	10.64	17.80	8.36	20.00
Net Income	NM	NM	NM	NM

Ratio Analysis (Annual Avg.)

Net Margin (%)	21.55	1.05	NM	NM
% LT Debt to Capitalization	100.24	110.53	109.05	66.82
Return on Equity (%)	NM	NA	NA	NA

Company Financials Fiscal Year Ended Mar. 31

Per Share Data (\$)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Tangible Book Value	NM	NM	NM	NM	NM	NM	NM	0.36	0.32	0.44
Cash Flow	0.56	0.21	-0.16	-0.30	-0.10	-0.33	-0.06	0.02	0.03	0.02
Earnings	0.40	0.07	-0.40	-0.41	-0.30	-0.46	-0.11	-0.03	0.01	Nil
Dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Payout Ratio	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Calendar Year	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Prices:High	0.62	0.54	0.52	1.01	1.19	1.72	1.90	1.84	8.75	NA
Prices:Low	0.12	0.15	0.20	0.01	0.26	0.55	0.70	0.80	0.58	NA
P/E Ratio:High	NM	8	NM	NM	NM	NM	NM	NM	NM	NA
P/E Ratio:Low	NM	2	NM	NM	NM	NM	NM	NM	NM	NA

Income Statement Analysis (Million Can. \$)

Revenue	18.7	16.9	15.3	11.2	13.3	13.1	7.47	5.18	4.45	3.89
Operating Income	4.28	3.16	1.60	1.82	2.00	1.52	0.78	0.59	0.45	0.43
Depreciation	1.38	1.56	2.13	0.99	1.86	1.30	0.48	0.61	0.34	0.26
Interest Expense	2.13	3.17	3.22	4.65	2.73	4.54	0.94	0.29	0.01	0.01
Pretax Income	5.85	0.59	-3.75	-3.82	-2.59	-4.32	-1.16	-0.34	0.09	-0.01
Effective Tax Rate	16.1%	24.4%	NM	NM	NM	NM	NM	NM	11.7%	NM
Net Income	4.02	0.76	-3.50	-3.98	-2.85	-4.47	-1.05	-0.36	0.08	0.07

Balance Sheet & Other Financial Data (Million Can. \$)

Cash	2.64	2.88	0.40	0.77	0.56	0.40	1.99	3.72	3.78	4.13
Current Assets	5.69	6.76	3.38	3.02	2.70	2.33	4.21	4.97	5.06	5.14
Total Assets	28.5	36.4	25.3	15.9	18.9	21.9	16.9	8.66	8.67	8.31
Current Liabilities	5.18	6.56	2.82	2.30	2.95	19.1	2.16	1.06	0.80	0.75
Long Term Debt	25.1	34.9	28.8	16.7	15.0	0.02	8.01	0.02	0.12	0.01
Common Equity	-2.67	-5.53	-6.45	-3.24	0.67	2.41	6.50	7.24	7.02	7.18
Total Capital	25.0	32.6	23.2	13.8	16.1	2.45	15.0	7.26	7.19	8.01
Capital Expenditures	0.08	0.04	0.09	0.07	0.02	0.07	0.07	0.03	0.10	0.50
Cash Flow	5.40	2.32	-1.38	-2.98	-0.99	-3.17	-0.48	0.25	0.43	0.27
Current Ratio	1.1	1.0	1.2	1.3	0.9	0.1	2.0	4.7	6.4	6.9
% Long Term Debt of Capitalization	100.3	107.0	124.4	120.7	92.9	0.8	53.4	0.2	1.7	0.2
% Net Income of Revenue	21.5	4.5	NM	NM	NM	NM	NM	NM	1.8	0.3
% Return on Assets	12.4	2.5	NM	NM	NM	NM	NM	NM	1.0	0.2
% Return on Equity	NM	NM	NM	NM	NM	NM	NM	NM	1.1	0.2

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

Anthony Clark International Insurance Brokers Ltd

Sub-Industry Outlook

Our neutral fundamental outlook for the insurance brokers sub-industry reflects our view that the insurance market remains soft and that we expect pricing pressure, lower exposures, and reduced organic growth rates in the near term. We are also concerned about weak growth in consulting-related businesses due to the soft economy. However, we see this offset by price declines having recently slowed in most product lines. In addition, some insurance products are beginning to experience a firming of rates, which should benefit insurance brokers' revenue growth.

We believe the soft pricing environment, coupled with heightened competition, will fuel greater acquisition activity as insurance brokers look to increase revenues. We also expect premium growth to be limited by increased competition. However, we are becoming more constructive in our longer-term outlook for the group and look for organic revenue growth rates to accelerate as the pricing environment improves in 2011, although we believe a turn in the pricing cycle is 1-2 years away. Also, we expect margins to expand as a result of aggressive cost-cutting initiatives by companies in 2008 and in 2009, and further expense cuts planned this year.

The large insurance brokers have settled charges with state attorneys general for activities tied to contingent commissions. With the settlements, most larger brokers eliminated some or all of their contingent commissions, increased client disclosure for remaining commissions, and set aside reserves to pay restitution for contingents. Most of these brokers are in the midst of major cost-cutting restructurings to deal with the loss of high-margin contingents, and some have tried to raise commission rates. Many brokers still remain the subject of subpoenas and inquiries from state

attorneys general and regulators, but small brokers in general have not abandoned contingent commission arrangements, providing them a competitive advantage, in our view.

We believe large brokers have recovered from the reputational damage suffered from contingent commission allegations. We expect competition for producers to increase, which we think may push salary expenses higher in 2010.

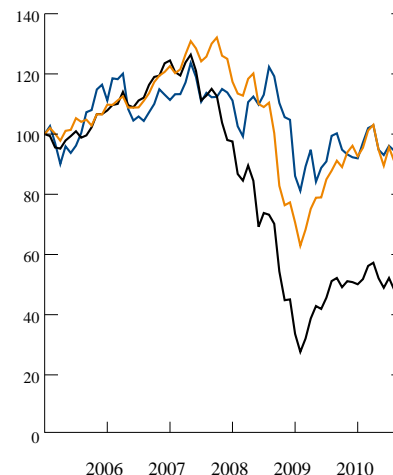
Year to date through August 10, 2010, the S&P Insurance Brokers Index increased 5.0% compared to a 1.1% increase in the S&P 1500 Index. We believe the outperformance relative to the broader index is due to investors rotating into more defensive stocks, and the fact that most brokers reported solid results in the first half of 2010, characterized by strong EPS growth and margin expansion. However, organic revenue growth results have been mixed.

--Bret Howlett

Stock Performance

GICS Sector: Financials
Sub-Industry: Insurance Brokers

Based on S&P 1500 Indexes
Month-end Price Performance as of 08/31/10



Sub-Industry Sector S&P 1500

NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Sub-Industry : Insurance Brokers Peer Group*: Based on market capitalizations within GICS Sub-Industry

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Anthony Clark Intl	ACKBF	NA	0.30	0.62/0.21	-0.83	Nil	NM	NA	NR	NA	21.5	100.3
CNinsure Inc ADS	CISG	50	21.94	28.62/16.49	1.58	1.1	20	NA	NR	57	26.1	NA
China INSONline	CHIO	12	0.29	1.64/0.26	NM	Nil	1	NA	NR	NA	NA	NA
Kingstone Cos	KINS	10	2.50	3.82/0.62	1.35	Nil	1	NA	NR	14	66.3	18.4
UMC Inc	UMCN	NA	0.01	0.03/0.00	-1.42	Nil	NM	NA	NR	NA	NA	9.4
Western Financial Group	WES.C	138	2.30	3.50/1.90	NA	1.7	10	NA	NR	NA	9.6	24.4
eAutoclaims Inc	EACC	NA	0.00	0.00/0.00	0.47	Nil	NM	NA	NR	NA	NA	NA
eHealth Inc	EHTH	262	11.12	18.98/9.33	0.85	Nil	19	9.00	NR	61	11.4	NA

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

Anthony Clark International Insurance Brokers Ltd

Glossary

Quantitative Evaluations

In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

S&P Quality Ranking

Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to encapsulate the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Below Average
A	High	B-	Lower
A-	Above Average	C	Lowest
B+	Average	D	In Reorganization
NR	Not Ranked		

S&P Fair Value Rank

Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following:

- 5-Stock is significantly undervalued
- 4-Stock is moderately undervalued
- 3-Stock is fairly valued
- 2-Stock is modestly overvalued
- 1-Stock is significantly overvalued

S&P Fair Value Calculation

The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

Insider Activity

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

Funds From Operations (FFO)

FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

Volatility

Rates the volatility of the stock's price over the past year.

Technical Evaluation

In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS)

An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 67 Industries, and 147 Sub-Industries.

Exchange Type

ASE - American Stock Exchange; NNM - Nasdaq National Market; NSC - Nasdaq SmallCap; NYSE - New York Stock Exchange; BB - OTC Bulletin Board; OT - Over-the-Counter; TO - Toronto Stock Exchange.

Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).