

STATE OF MICHIGAN
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT
INGHAM COUNTY

KEN ROSS, COMMISSIONER OF THE
OFFICE OF FINANCIAL AND INSURANCE
REGULATION,

Petitioner,

No. 10-397-CR

v

HON. WILLIAM E. COLLETTE

AMERICAN COMMUNITY MUTUAL
INSURANCE COMPANY,

Respondent.

Christopher L. Kerr (P57131)
Assistant Attorney General
Attorney for Petitioner
Corporate Oversight Division
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(517) 373-1160

**EX PARTE ORDER APPROVING DOUGLAS HERTLEIN'S
COMPENSATION AS LIQUIDATING TRUST LEGAL COUNSEL**

At a session of said Court
held in the Circuit Courtrooms
for the County of Ingham,
State of Michigan, on the
27th day of August, 2013.

PRESENT: HONORABLE WILLIAM E. COLLETTE, CIRCUIT COURT JUDGE

WHEREAS, R. Kevin Clinton, Director of the Michigan Department of Insurance and Financial Services¹ and duly appointed Rehabilitator of American Community Mutual Insurance Company (the “Rehabilitator”), has filed an Ex Parte Petition for Approval of Douglas Hertlein’s Compensation as Liquidating Trust Legal Counsel (the “Ex Parte Petition”); and

WHEREAS, MCL 500.8114(1) authorizes the Rehabilitator to employ such counsel, clerks, and assistants as he considers necessary, whose compensation shall be fixed by the Rehabilitator with the approval of the Court; and

WHEREAS, the Rehabilitator and Special Deputy Rehabilitator have determined that the creation of a liquidating trust for the remaining assets and liabilities of American Community will be the most effective and efficient way to terminate the company as an ongoing business and bring closure to this rehabilitation proceeding; and

WHEREAS, to assist with the relatively complex process of creating and administering a liquidating trust, the Rehabilitator and Special Deputy Rehabilitator have decided to retain Douglas Hertlein and his law firm, Allen Kuehnle Stovall & Neuman LLP, to act as their outside liquidating trust legal counsel; and

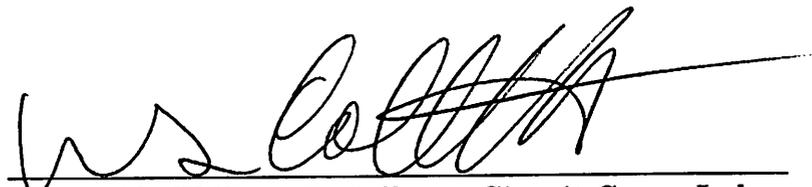
¹ Pursuant to Executive Order No. 2013-1 effective March 18, 2013, the Michigan Office of Financial and Insurance Regulation (“OFIR”) was renamed the Michigan Department of Insurance and Financial Services (“DIFS”) and all the authority, powers, duties, functions, and responsibilities of the former Commissioner of OFIR were transferred to the newly-created position of the Director of DIFS.

WHEREAS, the Rehabilitator and Special Deputy Rehabilitator have determined that the employment of Mr. Hertlein and his firm, together with the compensation to be paid to them in exchange for their services, are necessary and appropriate for the effective and efficient administration of this rehabilitation proceeding and will assist in providing the maximum protection to creditors, policyholders, and the public;

NOW, THEREFORE, IT IS HEREBY ORDERED that the Court **APPROVES** the compensation to be paid to Douglas Hertlein and his law firm, as fixed by the Rehabilitator pursuant to the terms set forth in the Ex Parte Petition and the Engagement Letter attached thereto, in connection with their employment as outside liquidating trust legal counsel.

IT IS FURTHER ORDERED that due to the difficulty and prohibitive cost associated with providing personalized notice of the Ex Parte Petition and this Order to all parties with an interest in this matter, the Court authorizes, approves, and/or ratifies the Rehabilitator's service of the Ex Parte Petition and this Order by posting electronic copies on the DIFS website, www.michigan.gov/difs, under the section "Who We Regulate" and the subsection "American Community Mutual." The Court finds that service in this manner is reasonably calculated to give interested parties actual notice of these proceedings and is otherwise reasonable under the circumstances.

IT IS SO ORDERED.



Honorable William E. Collette, Circuit Court Judge