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

R. KEVIN CLINTON, COMMISSIONER
OF THE OFFICE OF FINANCIAL AND
INSURANCE REGULATION,

Petitioner,

v

AMERICAN FELLOWSHIP MUTUAL
INSURANCE COMPANY,

Respondent.

Case No. 12-1173-CR

HON. WILLIAM E. COLLETTE

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EX PARTE ORDER APPROVING SETTLEMENT OF PENDING AUTOMOBILE COLLISION DAMAGE LAWSUIT INVOLVING AMERICAN FELLOWSHIP MUTUAL INSURANCE COMPANY

At a session of said Court
held in the Circuit Courtrooms
for the County of Ingham,
State of Michigan, on the
22nd day of April, 2013.

PRESENT: HONORABLE WILLIAM E. COLLETTE, CIRCUIT COURT JUDGE

WHEREAS, R. Kevin Clinton, Director of the Michigan Department of Insurance and Financial Services[1] and duly appointed Rehabilitator of American Fellowship Mutual Insurance Company (the "Rehabilitator") has filed an *Ex Parte* Petition for Approval to Settle Pending Automobile Collision Damage Lawsuit involving American Fellowship (the "*Ex Parte* Petition"), specifically, the lawsuit captioned: (1) ***American Fellowship v Mary Petretis and Charles Shelton***, Macomb County Circuit Court Case No. 12-1487-CK; and

WHEREAS, MCL 500.8115(1) governs legal actions or proceedings involving American Fellowship that were pending when the Rehabilitation Order was entered and provides, *inter alia*, that "[t]he rehabilitator shall take action respecting the pending litigation as he or she considers necessary in the interests of justice and for the protection of creditors, policyholders, and the public"; and

WHEREAS, with respect to claims against American Fellowship arising after entry of the Rehabilitation Order, MCL 500.8114(2) and the Rehabilitation Order authorize the Rehabilitator to "take such action as he considers necessary or appropriate to reform or revitalize American Fellowship." In addition, this statute, as incorporated by the Rehabilitation Order, grants the Rehabilitator "full power and authority to direct and manage American Fellowship . . . and to deal in totality with the property and business of" the company; and

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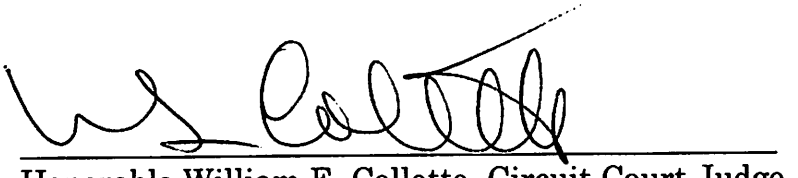
[1] Pursuant to Executive Order No. 2013-1 effective March 18, 2013, the Michigan Office of Financial and Insurance Regulation ("OFIR") was renamed the Michigan Department of Financial and Insurance Services ("DIFS") and all the authority, powers, duties, functions, and responsibilities of the former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

WHEREAS, the Rehabilitator has determined that the settlement of this lawsuit in the amount summarized in the *Ex Parte* Petition and on the terms contained in the corresponding settlement agreement is necessary and appropriate, is in the interests of justice, and will promote the protection of American Fellowship's creditors, policyholders, and the public;

NOW, THEREFORE, IT IS HEREBY ORDERED that the Court APPROVES the proposed settlement reached in the lawsuit described above and in the *Ex Parte* Petition, authorizes payment of the settlement amount from the funds of American Fellowship, and authorizes the Rehabilitator and/or Special Deputy Rehabilitator to execute any necessary documentation and take such other action required to finalize this settlement.

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 Fellowship 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