

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)
Allison M. Dietz (P73612)
Assistant Attorneys General
Attorneys for Petitioner
Corporate Oversight Division
P. O. Box 30755
Lansing, MI 48909
(517) 373-1160

**EX PARTE ORDER APPROVING SETTLEMENT OF
OUTSTANDING MICHIGAN TAX LIABILITY OF AMERICAN COMMUNITY**

At a session of said Court
held in the Circuit Courtrooms
for the County of Ingham,
State of Michigan, on the
26th day of May, 2011.

PRESENT: HONORABLE WILLIAM E. COLLETTE, CIRCUIT COURT JUDGE

WHEREAS, Kevin Clinton,¹ the Commissioner of the Michigan Office of Financial and Insurance Regulation and duly appointed Rehabilitator of American Community Mutual Insurance Company (the "Rehabilitator") has filed an Ex Parte Petition for Approval to Settle Outstanding Michigan Tax Liability of American Community, together with an April 15, 2011 Notice of Tax Amnesty attached as Exhibit A (the "Ex Parte Petition"); and

WHEREAS, the broad powers granted to the Rehabilitator to reform and revitalize American Community under MCL 500.8114(2), MCL 500.8121(1)(f)(ii), and the Rehabilitation Order include the authority, with this Court's approval, to compromise the company's outstanding debts and liabilities; and

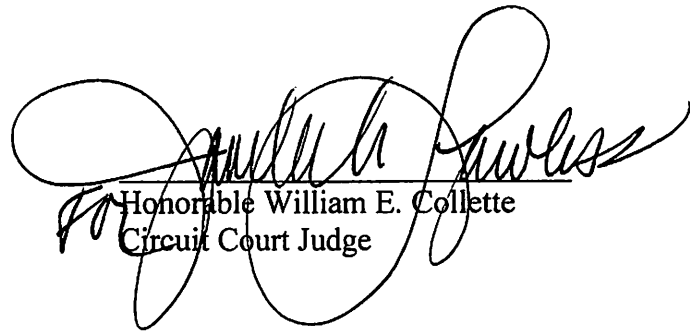
WHEREAS, the Rehabilitator has determined that the settlement of American Community's \$192,386.89 outstanding Michigan tax liability for the penalty-free, reduced amount of \$41,806.00 is necessary and appropriate to reform and revitalize American Community and will promote the protection of American Community's creditors, policyholders, and the public;

NOW, THEREFORE, IT IS HEREBY ORDERED that the Court APPROVES the settlement of American Community's outstanding Michigan tax liability in the amount and on the terms set forth in the April 15, 2011 Notice of Tax Amnesty. The Court further authorizes payment of the settlement amount from the funds of American Community and authorizes the Rehabilitator and/or Special Deputy Rehabilitator to execute any necessary documentation and take such other action required to finalize this settlement.

¹ Governor Snyder duly appointed Kevin Clinton to succeed Ken Ross as the Commissioner of OFIR effective April 18, 2011. Consequently, Commissioner Clinton became the Rehabilitator of American Community on that date.

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, together with the time-sensitive nature of the tax amnesty settlement, 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 OFIR website, www.michigan.gov/ofir, under the section "Who We Regulate" and the subsection "American Community." 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