

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

ANITA G. FOX, DIRECTOR
OF THE DEPARTMENT OF INSURANCE
AND FINANCIAL SERVICES,

Petitioner,

v

PAVONIA LIFE INSURANCE COMPANY
OF MICHIGAN,

Respondent.

Case No. 19-504-CR

HON. WANDA M. STOKES

[IN REHABILITATION]

Christopher L. Kerr (P57131)
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**ORDER APPROVING
DAVIS POLK & WARDWELL LLP'S COMPENSATION AS
INVESTIGATION COMPLIANCE LEGAL COUNSEL**

At a session of said Court
held in the Circuit Courtrooms
for the County of Ingham,
State of Michigan, on the
6 day of April, 2020.

PRESENT: HONORABLE WANDA M. STOKES, CIRCUIT COURT JUDGE

WHEREAS, Anita G. Fox, Director of the Michigan Department of Insurance and Financial Services (“DIFS”) and duly appointed Rehabilitator of Pavonia Life Insurance Company of Michigan (the “Rehabilitator”), has filed a Petition for Approval of Davis Polk & Wardwell LLP’s Compensation as Investigation Compliance Legal Counsel (the “Petition”);

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

WHEREAS, the Rehabilitator and Special Deputy Rehabilitator James Gerber have determined that the employment of Davis Polk and Wardwell, LLP (“Davis Polk”) as investigation compliance legal counsel, together with the compensation previously paid and to be paid to Davis Polk in exchange for its services, are necessary and appropriate for the effective and efficient administration of this rehabilitation proceeding, are in the interests of justice, and will promote the protection of Pavonia’s policyholders, creditors, and the public;

NOW, THEREFORE, IT IS HEREBY ORDERED that the Court **APPROVES** the compensation to be paid to Davis Polk, as fixed by the Rehabilitator pursuant to the terms set forth in the Petition and the engagement agreement attached thereto as Exhibit D, in connection with Davis Polk’s employment as investigation compliance legal counsel for Pavonia Life Insurance Company of Michigan (“Pavonia”) and its wholly-owned subsidiary, Global Bankers Insurance Group, LLC, in rehabilitation.

IT IS FURTHER ORDERED that the Court ratifies and/or retroactively approves the payments totaling \$1,134,474.75 previously made by Pavonia to Davis Polk from the beginning of this rehabilitation to March 3, 2020 as compensation for Davis Polk's services as investigation compliance legal counsel.

IT IS FURTHER ORDERED that due to the difficulty and prohibitive cost associated with personally serving the Petition, Notice of Hearing, and this Order on every individual or entity that may have a general interest in Pavonia's rehabilitation, the Court authorizes, approves, and/or ratifies the Rehabilitator's service of the Petition, the Notice of Hearing, and this Order by the following methods:

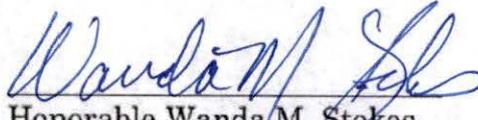
(a) Personally serving by regular mail both: (i) local counsel for the Seller of Pavonia (GBIG Holdings, Inc., c/o its counsel, Zachary Larsen at Clark Hill PLC); and (ii) local counsel for the prospective Buyer of Pavonia (Aspida Holdco, LLC, c/o its counsel, Lori McAllister at Dykema Gossett PLLC), which are the two parties to the existing Stock Purchase Agreement having a direct interest in the Petition; and

(b) Posting electronic copies on the DIFS website, www.michigan.gov/difs, under the section "Who We Regulate," the subsection "Receiverships," and the sub-subsection "Pavonia Life Insurance."

The Court finds that service in the foregoing manner is reasonably calculated to give potentially interested individuals and entities actual notice of these proceedings and is otherwise reasonable under the circumstances.

IT IS SO ORDERED.

This Order does not resolve the last pending claim and does not close this case.

A handwritten signature in blue ink, appearing to read "Wanda M. Stokes". The signature is written in a cursive style with a horizontal line drawn across the middle of the letters.

Honorable Wanda M. Stokes
Circuit Court Judge