

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

PATRICK M. MCPHARLIN, DIRECTOR  
OF THE DEPARTMENT OF INSURANCE  
AND FINANCIAL SERVICES,

Petitioner,

Case No. 15-948-CR

v

HON. JAMES S. JAMO

CONSUMERS MUTUAL INSURANCE  
OF MICHIGAN,

[IN REHABILITATION]

Respondent.

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Christopher L. Kerr (P57131)  
Mark A. Gabrielse (P75163)  
Assistant Attorneys General  
Attorneys for Petitioner  
Corporate Oversight Division  
P. O. Box 30755  
Lansing, MI 48909  
(517) 373-1160

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**EX PARTE PETITION FOR APPROVAL OF JULIEANNE GULLIVER'S  
COMPENSATION AS SPECIAL DEPUTY REHABILITATOR**

Patrick M. McPharlin, Director of the Michigan Department of Insurance and Financial Services ("DIFS"), as Rehabilitator for Consumers Mutual Insurance of Michigan (the "Rehabilitator"), by and through his attorneys, Bill Schuette, Attorney General, and Christopher L. Kerr and Mark A. Gabrielse, Assistant Attorneys General, petitions this Court pursuant to MCL 500.8114(1) to approve the compensation to be paid to Julieanne Gulliver in connection with her

appointment as a Special Deputy Rehabilitator for Consumers Mutual Insurance of Michigan ("Consumers Mutual"). In support of this Ex Parte Petition, the Rehabilitator states as follows:

1. On November 13, 2015, this Court entered an Order placing Consumers Mutual into Rehabilitation and appointing the Director as Rehabilitator for Consumers Mutual (the "Rehabilitation Order").

2. MCL 500.8114(1) authorizes the Rehabilitator to appoint 1 or more Special Deputy Rehabilitators, who shall have all the powers and responsibilities of the Rehabilitator granted under the statute.

3. MCL 500.8114(1) further authorizes the Rehabilitator to fix, with the Court's approval, the compensation of any Special Deputy Rehabilitators whom he appoints.

4. Pursuant to MCL 500.8114(1), any person appointed as a Special Deputy Rehabilitator shall serve at the Rehabilitator's pleasure.

5. Under the Rehabilitation Order, this Court approved the compensation to be paid to James Gerber, who the Rehabilitator immediately appointed as a Special Deputy Rehabilitator for Consumers Mutual.

6. The Rehabilitator has since additionally appointed Julieanne Gulliver as a Special Deputy Rehabilitator to assist Mr. Gerber with the ongoing rehabilitation of Consumers Mutual.

7. As a Special Deputy Rehabilitator, Ms. Gulliver will work under the direction and supervision of Special Deputy Rehabilitator James Gerber. Subject to

the supervision and direction of Mr. Gerber, the Rehabilitator, and this Court, Ms. Gulliver shall have all the powers and responsibilities of the Rehabilitator granted under MCL 500.8114.

8. Both Mr. Gerber and Ms. Gulliver shall continue to serve at the pleasure of the Rehabilitator, who reserves the right to appoint other Special Deputy Rehabilitator(s) to replace and/or serve with Mr. Gerber and Ms. Gulliver in the future as the need arises.

9. Ms. Gulliver possesses over 19 years of compliance and regulatory experience with the Department of Insurance and Financial Services, making her well-qualified to act as a Special Deputy Rehabilitator. Ms. Gulliver has previously worked with and assisted Mr. Gerber in insurance company receiverships involving American Commercial Liability Insurance Company, Lincoln Mutual Insurance Company, Cadillac Insurance Company, and American Fellowship Mutual Insurance Company. (See Exhibit A, Retainer Agreement and attached Resume.)

10. The Rehabilitator has fixed Ms. Gulliver's compensation pursuant to the terms contained in the Retainer Agreement attached as Exhibit A, and requests the Court to approve this compensation pursuant to MCL 500.8114(1).

11. Specifically, Consumers Mutual will pay Ms. Gulliver at the rate of \$50.00 per billed hour up to 40 hours each week. (Exhibit A.) Her expenses for travel, lodging, and meals necessitated by Consumers Mutual business will be separately invoiced and reimbursed subject to State of Michigan reimbursement rates, except for mileage which will be reimbursed at the IRS standard business

mileage rate. (*Id.*) Either party may terminate the Agreement at any time upon providing 30-day advance written notice. (*Id.*) In the event of termination, Consumers Mutual will pay Ms. Gulliver for any accrued but unpaid billable hours and expenses incurred through the end of the 30-day notice of termination period. (*Id.*)

12. Pursuant to MCL 500.8114(1) and Paragraph 18 of the Rehabilitation Order, and upon the Court's approval, the compensation of Ms. Gulliver will be paid as it becomes due from the available funds and assets of Consumers Mutual. Although it is not expected to occur, in the event that Consumers Mutual does not possess sufficient cash or liquid assets to pay Ms. Gulliver's compensation, the Rehabilitator may advance (but is not required to advance) the necessary amounts out of DIFS funds, which shall be repaid out of the first available money of Consumers Mutual under MCL 500.8114(1).

13. The Rehabilitator and Special Deputy Rehabilitator have determined that Ms. Gulliver's appointment as a Special Deputy Rehabilitator, together with the compensation to be paid in exchange for her services, are necessary and appropriate for the success of this Rehabilitation, will allow the Rehabilitation to proceed effectively and efficiently, and will assist in providing the maximum protection to creditors, policyholders, and the public.

14. Personally serving this Ex Parte Petition and any resulting Order on all parties that may have a general interest in Consumers Mutual's rehabilitation would be impractical at this time because there has been no claims submission or

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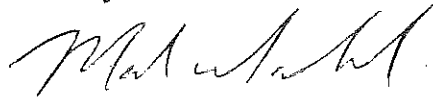
other process to identify these parties. Moreover, attempting to identify and personally notify every party having such a general interest would be time-intensive and costly to Consumers Mutual's Rehabilitation Estate. For these reasons, the Rehabilitator requests this Court to authorize and ratify service of this Ex Parte Petition and any resulting Order by posting electronic copies on the DIFS website, [www.michigan.gov/difs](http://www.michigan.gov/difs), under the section "Who We Regulate," the subsection "Receiverships," and the sub-subsection "Consumers Mutual Ins. of Michigan." Service in this manner is reasonably calculated to give interested parties actual notice of these proceedings and is otherwise reasonable under the circumstances.

WHEREFORE, for the reasons stated above, the Rehabilitator respectfully requests this Court to approve the compensation to be paid to Julieanne Gulliver, as fixed by the Rehabilitator in the attached Retainer Agreement, in connection with her appointment as a Special Deputy Rehabilitator for Consumers Mutual. The Rehabilitator further requests the Court to authorize and ratify service of this Ex Parte Petition and any resulting Order by posting electronic copies on the "Consumers Mutual Ins. of Michigan" section of the DIFS website.

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Respectfully submitted,

Bill Schuette  
Attorney General



Christopher L. Kerr (P57131)  
Mark A. Gabrielse (P75163)  
Assistant Attorneys General  
Attorneys for Petitioner  
Corporate Oversight Division  
P. O. Box 30755  
Lansing, MI 48909  
(517) 373-1160

Dated: December 21, 2015

# Exhibit A

December 1, 2015

Mr. James E. Gerber  
Special Deputy Rehabilitator  
Consumers Mutual Insurance of Michigan  
2601 Coolidge Road, Suite 200  
East Lansing, MI 48823

Dear Mr. Gerber:

Thank you for the opportunity to present this proposed letter of agreement ("Agreement") to act as a Co-Special Deputy Rehabilitator for Consumers Mutual Insurance of Michigan ("Consumers Mutual"). I am prepared to provide management assistance and related services in the ongoing rehabilitation, and possible future liquidation, of Consumers Mutual (the "Consumers Mutual Receivership").

The services I will provide under the supervision of the Rehabilitator, Special Deputy Rehabilitator James Gerber, and the Rehabilitation Court may include, but are not limited to:

- Management of day-to-day operations
- Financial Management
- Claims Oversight
- Personnel Matters
- Vendor Contracting

Attached is a copy of my resume outlining over nineteen (19) years of compliance and regulatory experience with the Department of Insurance & Financial Services. My experience includes assisting in various services for the liquidation of American Commercial Liability Insurance Company, Lincoln Mutual Insurance Company, Cadillac Insurance Company, and American Fellowship Mutual Insurance Company. The services I provided in these matters included, but were not limited to:

- Managing day-to-day operations
- Financial Management
- Claims oversight

For the above services in the Consumers Mutual Receivership, Consumers Mutual will pay Ms. Gulliver (through her company, JG Professional Services LLC) \$50.00 per billed hour up to forty (40) hours each week. Expenses for travel, lodging, and meals necessitated by Consumers Mutual business will be separately invoiced and reimbursed subject to the State of Michigan reimbursement rates, except for



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mileage which will be reimbursed at the IRS standard business mileage rate. Billable hours will be invoiced on a weekly basis, and expenses will be invoiced monthly. Both billable hours and expenses will be net due and payable within ten (10) days of receipt.

Either party will have the option to terminate this agreement upon a thirty (30) day advanced written notice. In the event of termination, Consumers Mutual shall be liable to compensate Ms. Gulliver/JG Professional Services LLC for any accrued but unpaid billable hours and expenses incurred through the end of the 30-day notice of termination period. Upon termination, Ms. Gulliver/JG Professional Services LLC will return any information related to services provided to Consumers Mutual.

Ms. Gulliver and Consumers Mutual (the "Parties") understand and agree that this Agreement is entered into within the context of the rehabilitation of Consumers Mutual, and that this Agreement shall not be binding upon any of the Parties unless and until Ms. Gulliver's compensation as set forth in this Agreement has been approved by Order of the Court in the Consumers Mutual Receivership. The Parties likewise understand and agree that Court approval of Ms. Gulliver's compensation in the Consumers Mutual Receivership is a condition precedent to its enforcement, and barring such approval this Agreement is null and void. Notwithstanding these qualifications, the Parties are executing this Agreement prior to obtaining the requisite Court approval, and this Agreement shall become fully effective and binding upon entry of the Court Order approving Ms. Gulliver's compensation.

This Agreement is made under and shall be governed by the laws of the State of Michigan. Any dispute arising under this Agreement shall be within the exclusive jurisdiction of, and be adjudicated by, the Court in the Consumers Mutual Receivership.

All matters will be kept confidential unless such matters are public record.

This Agreement contains the entire understanding of the Parties and supersedes and forever terminates all prior and contemporaneous representations, promises, agreements, understandings, and negotiations of the Parties, whether oral or written, with respect to its subject matter. There are no agreements or understandings of the Parties not expressly set forth in this Agreement. No parole evidence of any prior or contemporaneous agreements, understandings, or negotiations shall govern or be used to construe or modify this Agreement. This Agreement may only be amended, modified, or supplemented by a duly executed writing signed by each of the Parties. Any change to Ms. Gulliver's compensation

Mr. James E. Gerber

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under this Agreement must additionally be approved by the Consumers Mutual Receivership Court.

The Parties agree that they may execute this Agreement in any number of counterparts, each of which shall be deemed an original hereof, but which together shall constitute one and the same instrument and agreement, and that facsimile or electronically-transmitted signatures may be attached to this Agreement and shall be binding on such party as an original signature.

If this proposal is acceptable to you, please approve this document by signing below and returning it to me at the address below.

Signature: Julianne Gulliver  
Julianne Gulliver, Owner  
JG Professional Services, LLC  
3672 Windshire Drive SE  
Grand Rapids, MI 49546

Dated: 12/03/2015

Accepted and Agreed to by Consumers Mutual Insurance of Michigan:

Signature: James Gerber  
James Gerber  
Special Deputy Rehabilitator for  
Consumers Mutual Insurance of Michigan

Dated: 12/02/2015

## JULIEANNE GULLIVER

### OBJECTIVE

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To secure a challenging leadership position in a service-oriented organization that will utilize my dedication, self-motivation, and experience to benefit the organization as well as provide me with opportunities for career growth.

### EMPLOYMENT HISTORY

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#### **American Fellowship Mutual Insurance Co in Liquidation, Bingham Farm, MI**

##### ***09/2013 – Present Self Employed***

Provide reinsurance services including, but not limited to, coordination of reinsurance contracts, correspondence, claim reports, and reinsurance billings. Support compilation of data for commutation of reinsurance contracts.

#### **American Commercial Liability Insurance Co in Liquidation, Grand Rapids, MI**

##### ***03/1992 - 10/2011 Insurance Company Insolvency Manager***

Responsible for daily insurance company liquidation transactions, under direct supervision of the Director of Receivership for the Insurance Commissioner with the Office of Finance and Insurance Regulation (OFIR) in the State of Michigan.

- Assist legal counsel with annual reporting requirements and legal matters pertaining to the insurance insolvency.
- Monitor accounts payable/receivable providing monthly and annual financial statements to OFIR as well as the Circuit Court for the State of Michigan. Monitor investments within financial policies.
- Coordinate information with various State Guaranty Associations and the Michigan Catastrophic Claims Association.
- Adjudicate creditor claims within the priority class of the Michigan Insurance Code.
- Coordinate reinsurance recoverables and contracts.
- Assist actuarial firm with statistical data for the commutation of reinsurance contracts.
- Responsible for all office operating functions, including but not limited to: answer telephone inquiries, document preparations, mail correspondence.
- Managed independent statutory mandated internal audits.

#### **American Commercial Liability Insurance Company, Grand Rapids, MI**

##### ***01/1990 - 03/1992 Claims Manager***

Supervised and managed seven home office personnel reporting directly to the Vice President of Claims.

- Direct legal counsel on litigation files
- Monitor adjustment of multi-line claims, i.e. Auto Insurance - MI and AZ, WC, Commercial Liability, Government Liability, Fraternal, Fairboard Plans, and Municipal - MI and IN,
- Maintain and control handling of claim files with potential recoveries with MCCA, Reinsurance, State Funds, and Subrogation.
- Coordinate claim rehabilitation.
- Assist in internal claim audits.

### SKILLS AND ABILITIES

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I am a self-motivated individual with talent in organizational, analytical, and planning skills. Ability to work independently, with excellent oral and written communication skills. I am also experienced with decision making and negotiation. Extensive experience with QuickBooks and the Microsoft Office tools Word and Excel.