

STATE OF MICHIGAN  
CIRCUIT COURT FOR THE 30<sup>TH</sup> JUDICIAL CIRCUIT  
INGHAM COUNTY

Anita G. Fox, Director of the Michigan  
Department of Insurance and  
Financial Services

Petitioner,

v

Pavonia Life Insurance Company  
of Michigan,

Respondent.

Case No. 19-504-CR

Hon. Wanda M. Stokes

REC'D - 30th CIRCUIT COURT

FEB 24 2020

BY: \_\_\_\_\_  
Deputy Clerk

**GBIG HOLDINGS, INC.'S ("GBIG") REPLY TO THE RESPONSE OF INDEPENDENT  
INSURANCE GROUP, LLC ("INDEPENDENT") TO THE LATEST FILING OF  
ASPIDA HOLDCO, LLC DATED FEBRUARY 20, 2020**

We understand that this Honorable Court stands poised to rule on Objector Independent Insurance Group, LLC's ("Independent") objection and to approve the plan of rehabilitation of Pavonia Life Insurance Company of Michigan. However, as has been its practice since filing its initial objection four months ago, Objector has filed yet another supplemental filing grounded on ill-informed accusations in an effort to delay this proceeding. We respectfully request that this Honorable Court disregard it. While GBIG hesitates to file any reply at this juncture and certainly does not want this Court to delay its ruling, GBIG nonetheless submits this short filing to ensure that the record is clear.

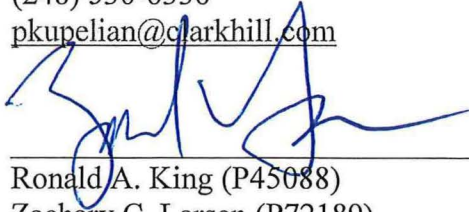
Independent's claims that Tamre Edwards, the Chief Legal Officer and Secretary of Global Bankers Insurance Group, LLC ("Global Bankers"), misrepresented certain financial transactions in his recent affidavit are completely unfounded. Specifically, Independent's claim that \$926 million in affiliated investments were made in July 2018 (rather than approximately

\$266 million, as attested to by Mr. Edwards), is based on Independent's lack of understanding of the nature and timing of those investments. (Exhibit 1, Edwards Aff, ¶¶ 6–14.) Independent is not taking into account that multiple lots of one investment may be purchased over time, which is what occurred in this case with many of these investments. (*Id.* at ¶ 7.) To the extent this Court lends any credence to Independent's claims *at all*, a supplemental affidavit from Mr. Edwards is attached explaining and referencing the financial statements relied on for this issue. (Annual Statement of the Colorado Bankers Life Insurance Company for the year Ended December 31, 2017; Annual Statement of the Colorado Bankers Life Insurance Company for the year Ended December 31, 2018; & Colorado Bankers Life Insurance Company 2018 Annual Statement Investment Pages.)

Accordingly, GBIG respectfully requests this Court to disregard Independent's ill-informed assertions, overrule Independent's objection and immediately approve the plan of rehabilitation.

Respectfully Submitted,

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151 S. Old Woodward Avenue, Suite 200  
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*Counsel for GBIG Holdings, Inc.*

Dated: February 24, 2020

# EXHIBIT 1

STATE OF MICHIGAN  
CIRCUIT COURT FOR THE 30<sup>TH</sup> JUDICIAL CIRCUIT  
INGHAM COUNTY

Anita G. Fox, Director of the Michigan  
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Petitioner,

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Case No. 19-504-CR

Hon. Wanda M. Stokes

## AFFIDAVIT OF TAMRE F. EDWARDS

State of North Carolina    }  
County of Wake               ) s s  
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Tamre F. Edwards, appearing before the undersigned notary and being duly sworn, states that:

1. I, Tamre F. Edwards, am over the age of eighteen, and reside in Cary, North Carolina.

2. I understand that I may be called to testify in court in connection with this litigation. If called, I would testify to and in accord with the statements made in this Affidavit, and believe that I could do so competently.

3. I submit this Affidavit in support of GBIG Holdings, Inc.'s Reply to the Response of Independent Insurance Group, LLC ("Independent") to the Latest Filing of Aspida Holdco, LLC dated February 20, 2020.

4. I am currently the Chief Legal Officer and Secretary of Global Bankers Insurance Group, LLC ("Global Bankers"). Global Bankers is a wholly-owned subsidiary of Pavonia Life

Insurance Company of Michigan ("Pavonia") and, like Pavonia, is currently in rehabilitation proceedings before this Court. In my role as Chief Legal Officer and Secretary of Global Bankers, I am the primary lawyer for Global Bankers and Pavonia in connection with the proposed sale of those companies.

5. In Independent's latest response, they have incorrectly stated that my affidavit misrepresented the facts by swearing under oath that "about" \$266 million of affiliated investments were made in July 2018.

6. In fact, my affidavit stated that, "Objector's claim that in excess of \$900 million of affiliate investments were made in between July 18 to July 31, 2018 is not correct. About \$266 million of such investments were made during this period."

7. Consistent with Objector's initial assertion included in their Supplement to Objection, the previous statement is only in reference to Colorado Bankers Life Insurance Company.

8. Independent and the Buttner Affidavit are not taking into account that multiple lots of one investment may be purchased over time, which is what occurred in this case with many of these investments.

9. When that does occur, the multiple lots of the same investment are aggregated in one line on Schedule D – Part 1 and the date the recent lot was acquired is reported under Column 21 (Acquired), consistent with the Statutory Annual Statement Instructions.

10. An example of this is below.

11. The first investment by Colorado Bankers Life Insurance Company ("CBL") in Baldwin Asset Management was 11/10/2017 in the amount of \$24MM and this can be seen on CBL's 2017 Statutory Annual Statement, Schedule D – Part 1, Page E10.30, (Annual Statement of the Colorado Bankers Life Insurance Company for the year Ended December 31, 2017.)



12. Of the initial \$24.00MM principal, \$1.77MM was paid down in 2018, leaving CBL with \$22.23MM of the initial investment on its books at 12/31/18. (*Id.*)

13. However, CBL made subsequent investments in Baldwin Asset Management of \$6.43MM and \$1.50MM on 5/23/18 and 7/19/18, respectively, resulting in an aggregate investment in Baldwin Asset Management as of 12/31/18 of \$30.15MM. (*Id.*)

14. Independent is asserting that all \$30.15MM of the investment in Baldwin Asset Management was made during the purported "investment surge" when the reality is that only \$1.5MM was actually made during this period.

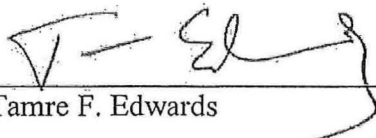
15. Independent would have been able to readily identify the Baldwin Asset Management investment on CBL's 2017 Statutory Annual Statement had it performed a complete and thorough analysis, but it has not done so.

16. If required for further context for this Court, I can provide CBL's 2018 Annual Statement and a supplemental exhibit, which further illustrate this phenomenon. (Annual Statement of the Colorado Bankers Life Insurance Company for the year Ended December 31, 2018; CBL Affiliated Investment Schedule).

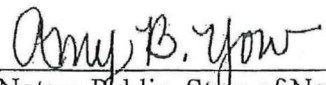
17. If called to testify, I am prepared to elaborate on the subjects discussed in this Affidavit.

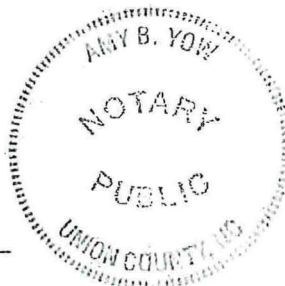
18. Further affiant sayeth not.

Dated: February 24, 2020

  
Tamre F. Edwards

Subscribed and sworn to before me  
On this 24th day of February, 2020.

  
Notary Public, State of North Carolina  
My Commission expires: 7-15-2024



STATE OF MICHIGAN  
IN THE CIRCUIT COURT FOR THE COUNTY OF INGHAM

ANITA G. FOX, Director of the Michigan  
Department of Insurance and Financial  
Services,

Case No. 19-504-CR

HONORABLE WANDA M. STOKES

Petitioner,

v.

REC'D - 30th CIRCUIT COURT

PAVONIA LIFE INSURANCE COMPANY  
OF MICHIGAN,

FEB 24 2020

BY: \_\_\_\_\_  
Deputy Clerk

Respondent.

\_\_\_\_\_  
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*Admitted Pro Hac Vice*

*Counsel for GBIG Holdings, Inc.*

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*Counsel for GBIG Holdings, Inc.*

**PROOF OF SERVICE**

(STATE OF MICHIGAN)  
( ) SS.  
COUNTY OF INGHAM )

I, Zachary C. Larsen, being duly sworn, depose and say that on February 21, 2020, I caused to be served a copy of ***GBIG Holdings, Inc.'s ("GBIG") Reply to the Response of Independent Insurance Group, LLC ("Independent") to the Latest Filing of ASPIDA Holdco, LLC Dated February 20, 2020*** along with a copy of this ***Proof of Service*** upon:

Ryan M. Shannon, Esq.  
Dickinson Wright, PLLC  
2154 S. Washington Square, Ste. 200  
Lansing, MI 48933

Ellen M. Dunn  
Sidley Austin LLP  
787 7<sup>th</sup> Avenue  
New York, New York 10019

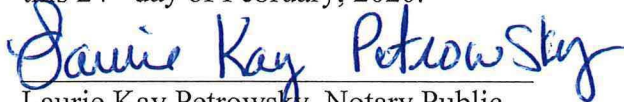
Peter B. Kupelian (P31812)  
Clark Hill PLC  
151 S. Old Woodward Avenue, Suite 200  
Birmingham, MI 48009

Service was accomplished via First Class Mail by placing same in a United States mail depository, enclosed in an envelope bearing postage fully prepaid and addressed properly.

Dated: February 24, 2020

  
Zachary C. Larsen

Subscribed and sworn to before me  
this 24<sup>th</sup> day of February, 2020.



Laurie Kay Petrowsky, Notary Public,  
Clinton County, Michigan  
Acting in Ingham County, Michigan.  
My Commission Expires: June 1, 2022

**LAURIE K. PETROWSKY**  
**NOTARY PUBLIC - STATE OF MICHIGAN**  
**COUNTY OF CLINTON**  
My Commission Expires June 1, 2022  
Acting in the County of Ingham