

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]**

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Christopher L. Kerr (P57131)  
Aaron W. Levin (P81310)  
Assistant Attorneys General  
Attorneys for Petitioner  
Corporate Oversight Division  
P. O. Box 30736  
Lansing, MI 48909  
(517) 335-7632

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**ORDER APPROVING PAYMENT OF  
EXECUTIVE MANAGEMENT RETENTION BONUSES**

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 to Pay Executive Management Retention Bonuses (the “Petition”); and

**WHEREAS**, the Rehabilitator and Special Deputy Rehabilitator James Gerber have determined that paying the executive management retention bonuses provided for by contract to the seven (7) high-level management executives employed by Global Bankers Insurance Group, LLC (“ServiceCo”), as identified in the Petition, is necessary and appropriate for the effective and efficient administration of this rehabilitation proceeding, is 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 payment of the executive management retention bonuses to the seven identified high-level management executives employed by ServiceCo in the total amount of \$1,826,775, and further authorizes the Rehabilitator and/or Special Deputy Rehabilitators to execute any necessary documentation and take such other action required to finalize payment of these retention bonuses.

**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:

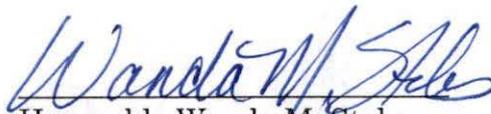
(a) Personally serving by regular mail both: (i) local counsel for the Seller of Pavonia (GBIG Holdings, Inc., c/o its counsel, Zachary Larsen at Clark Hill PLC); and (ii) local counsel for the prospective Buyer of Pavonia (Aspida Holdco, LLC, c/o its counsel, Lori McAllister at Dykema Gossett PLLC), 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](http://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.



Honorable Wanda M. Stokes  
Circuit Court Judge