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JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
OFFICE OF FINANCIAL AND INSURANCE REGULATION  
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
STANLEY "SKIP" PRUSS, DIRECTOR

KEN ROSS  
COMMISSIONER

## Memorandum

**DATE:** April 12, 2010

**TO:** Michael Tobin

**FROM:** James Gerber, Deputy Rehabilitator 

**SUBJECT:** Release of Duties

This is to inform you that you are being released from your duties at American Community Mutual Insurance Company effective Friday, April 16, 2010.

I wish you the best in your future endeavors.

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**American Community Mutual Insurance Company**

Value of Senior Management Employment Contracts

(data as of 4/8/2010)

	<u>Position</u>	<u>Base Salary</u>	<u>Contract Duration (yrs)</u>	<u>Contract Value</u>	<u>Termination Date</u>
Mike Tobin	President & CEO	[REDACTED]	3	[REDACTED]	4/16/2010 Layoff
Frank Dempsey	SVP & General Counsel	[REDACTED]	3	[REDACTED]	8/23/2011 Resigned
Beth McCrohan	SVP & CIO	[REDACTED]	3	[REDACTED]	5/23/2011 Resigned
Ellen Downey	VP Corp Communications	[REDACTED]	2	[REDACTED]	8/17/2010 Layoff
Leslie Gola	VP Human Resources	[REDACTED]	2	[REDACTED]	4/5/2011 Resigned
Mike McCollom	VP Underwriting	[REDACTED]	2	[REDACTED]	12/17/2010 Resigned
<b>TOTAL</b>				<b>2,842,812</b>	

**Salary Increases and Paid Retention Bonus**

	<u>Salary Increase</u>	<u>Increase Date</u>	<u>Retention Pymt.</u>	<u>Date Paid</u>
Frank Dempsey	From [REDACTED] To [REDACTED]	5/24/2010	[REDACTED]	12/2/2010
Beth McCrohan	[REDACTED]	1/3/2011	[REDACTED]	6/30/2011
Leslie Gola	[REDACTED]	6/14/2010	[REDACTED]	12/2/2010
Mike McCollum	n/a	1/3/2011	[REDACTED]	12/2/2010
Ellen Downey	n/a		[REDACTED]	12/2/2010
			[REDACTED]	8/26/2010

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# Memo

**To:** All Employees  
**From:** Deputy Rehabilitators Jim Gerber and Mike Hogan  
**Date:** May 19, 2010  
**Re:** Retention Bonus Plan

As was announced previously, a Retention Bonus Plan is being developed for those employees holding positions necessary to the continued operations of the business during Rehabilitation. Below is an outline of the plan.

Employees who remain employed with American Community for a specified period of time will be eligible to receive a bonus payment based on a percent of base salary according to the following **tentative** schedule (please note: layoffs may occur more frequently than the tentative schedule below):

<u>WARN Notification Date</u>	<u>60-day WARN Notice Period</u>	<u>Bonus %</u>	<u>Bonus Pay Date</u>
Within first 60 days following Rehabilitation Order: April 8 – June 8:			
April 15	April 15 – June 13	0%	Not Applicable
May 13	May 13 – July 11	0%	Not Applicable
60-90 days following Rehabilitation Order: June 8 – July 8:			
June 10	June 10 – August 8	2.5%	August 12
July 8	July 8 – September 5	2.5%	September 9
90-180 days following Rehabilitation Order: July 9 – October 8:			
August 5	August 5 – October 3	4.0%	October 7
September 2	September 2 – October 31	4.0%	November 4
September 30	September 30 – November 28	4.0%	December 2
180+ days following Rehabilitation Order: October 8 and beyond:			
October 28	October 28 – December 26	7.0%	December 30

Plan Guidelines:

1. This schedule may be altered by the Deputy Rehabilitators based on changing business conditions and individual employee workloads. If this schedule is altered, you will receive the change notice as soon as practicable.
2. As you are actively working, you will accrue the Retention Bonus until your designated layoff date, at which point the Retention Bonus will be paid in full (meaning that the accrued portion of your Retention Bonus will not be paid early). For example: If you are working until December, you will accrue 2.5% of your 7.0% Retention Bonus on July 8<sup>th</sup>; however, you will not receive your 7.0% lump sum Bonus until December. Calculation example: If your base pay is \$50,000, then  $\$50,000 \times 7.0\% = \$3,500$ .
3. Retention Bonuses will be paid following completion of the 60-day Notification Period in a lump sum through our normal payroll processing schedule with all applicable withholdings.
4. If you voluntarily resign during your Retention Bonus period, you will receive a pro-rated Bonus amount. For example: If your layoff date is September 2 and you voluntarily resign August 13, you will receive a 4.0% Retention Bonus calculated based on 8½ months of base pay. Calculation example: If your base pay is \$50,000, then  $\$50,000 \times 4.0\% / 12 * 8.5 = \$1,417$ .
5. If your performance or behavior makes it necessary to involuntarily terminate your employment during your Retention Bonus period, the Retention Bonus will be forfeited in its entirety.
6. During the 60-day Notification Period, you may be released from work immediately or asked to work a portion or all of your Notification Period. If released immediately, you may be recalled from 'layoff' status to 'active' status based on changing business needs. If you do not return to active status as requested, the Retention Bonus will be forfeited.
7. Receipt of a Retention Bonus will not preclude or delay collection of unemployment benefits following your change in status from 'layoff' to 'terminated'.

If you have any questions, please contact Leslie J. Gola.

I have read and understand the above.

ELLEN DOWNEY

Name (please print)

Ellen Downey

Signature

5-21-10

Date

*Please sign and return a copy to Human Resources by May 26, 2010. Thank you.*

Plan Guidelines:

1. This schedule may be altered by the Deputy Rehabilitators based on changing business conditions and individual employee workloads. If this schedule is altered, you will receive the change notice as soon as practicable.
2. As you are actively working, you will accrue the Retention Bonus until your designated layoff date, at which point the Retention Bonus will be paid in full (meaning that the accrued portion of your Retention Bonus will not be paid early). For example: If you are working until December, you will accrue 2.5% of your 7.0% Retention Bonus on July 8<sup>th</sup>; however, you will not receive your 7.0% lump sum Bonus until December. Calculation example: If your base pay is \$50,000, then  $\$50,000 \times 7.0\% = \$3,500$ .
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7. Receipt of a Retention Bonus will not preclude or delay collection of unemployment benefits following your change in status from 'layoff' to 'terminated'.

If you have any questions, please contact Leslie J. Gola.

I have read and understand the above.

Frank Dempsey  
Name (please print)

[Signature]  
Signature

5/29/10  
Date

***Please sign and return a copy to Human Resources by May 26, 2010. Thank you.***

Plan Guidelines:

1. This schedule may be altered by the Deputy Rehabilitators based on changing business conditions and individual employee workloads. If this schedule is altered, you will receive the change notice as soon as practicable.
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7. Receipt of a Retention Bonus will not preclude or delay collection of unemployment benefits following your change in status from 'layoff' to 'terminated'.

If you have any questions, please contact Leslie J. Gola.

I have read and understand the above.

Beth McCrohan

Name (please print)

Beth J. McCrohan

Signature

5-2-2010

Date

***Please sign and return a copy to Human Resources by May 26, 2010. Thank you.***

Plan Guidelines:

1. This schedule may be altered by the Deputy Rehabilitators based on changing business conditions and individual employee workloads. If this schedule is altered, you will receive the change notice as soon as practicable.
2. As you are actively working, you will accrue the Retention Bonus until your designated layoff date, at which point the Retention Bonus will be paid in full (meaning that the accrued portion of your Retention Bonus will not be paid early). For example: If you are working until December, you will accrue 2.5% of your 7.0% Retention Bonus on July 8<sup>th</sup>; however, you will not receive your 7.0% lump sum Bonus until December. Calculation example: If your base pay is \$50,000, then  $\$50,000 \times 7.0\% = \$3,500$ .
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7. Receipt of a Retention Bonus will not preclude or delay collection of unemployment benefits following your change in status from 'layoff' to 'terminated'.

If you have any questions, please contact Leslie J. Gola.

I have read and understand the above.

Michael McCollom

Name (please print)

Michael McCollom

Signature

5/19/10

Date

*Please sign and return a copy to Human Resources by May 26, 2010. Thank you.*

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**WARN Act Notification**  
**June 18, 2010**

We are sorry to inform you that the Company will be permanently laying off 32 more employees at this time. Unfortunately, you have been identified as one of these employees. The official termination date for all employees being notified today, including you, is **August 17, 2010**. A listing of all employees in the company indicating who was selected for this specific layoff and who is to be retained for the present was distributed via email to all employees earlier today.

All employees being laid-off have been selected by management based on work volumes, responsibilities, policy service and expense. You do not have any bumping, transfer, or reassignment rights (meaning, you cannot request to be excluded from layoff based on length of service or any other factor).

Consistent with the Worker Adjustment and Retraining Notification (WARN) Act, you will receive your base pay and benefits for the 60-day Notification Period. Payroll for the Notification Period will be as follows:

<u>Pay Date</u>	<u>Pay Period</u>	<u>Notification Period (June 18 – August 16)</u>
July 1	June 14 – June 27	10 days of notification period (June 18 – June 27)
July 15	June 28 – July 11	14 days notification
July 29	July 12 – July 25	14 days notification
August 12	July 26 – August 8	14 days notification
August 26	August 9 – August 22	<u>8 days notification</u> (payroll will be pro-rated with 6 days of pay for August 9-16) 60 days notification

On August 17, 2010, your employment status will change from active to terminated. You will receive no further pay following the pro-rated payroll of August 26.

Please keep in mind that the money paid to you during your Notification Period is **earnings**, not severance pay. As such, the same deductions you have in your paycheck now will be deducted from these paychecks unless you choose to make any changes (e.g., tax withholding, 401k participation percentage, pre-paid legal participation, etc.).

It is the Company's intent to have you actively work during your 60-day Notification Period. If business needs indicate that you can be released from actively working and performing services during your Notification Period, you will be advised of that fact by your manager, Leslie Gola, Jim Gerber, or Mike Hogan. To be clear, you will continue to receive your regular base pay and your benefits will remain in force through the Notification Period whether you are actually working or not. However, again, it is our intent to keep you actively working during your Notification Period, so you should report to work and follow your normal work schedule unless notified of a change.

While continuing to perform responsibilities during the Notification Period, it is expected that your performance will remain at a satisfactory level for the duration of your employment. Even if you are released from actively working prior to your termination date, the Company may need to contact you with questions regarding ACM. You must reasonably cooperate with any such request through your termination date. If your performance or behavior is unsatisfactory, you may be involuntarily terminated, which would cease the WARN Notification Pay, forfeit your Retention Bonus and jeopardize your claim for unemployment benefits.

On August 17, 2010 when your employment status changes from active to terminated, you will receive a package of information at your home regarding your rights to continue benefits through election of COBRA. Please review this information carefully. If you are interested in continuing medical, dental or vision benefits, you must complete the COBRA election form and return it to Meritain along with premium payment (2010 COBRA rates are attached for your information).

As of August 17, 2010, you are eligible to apply for unemployment benefits. For employees who live in Michigan, we will hold an on-site information workshop regarding the Michigan Unemployment Agency and all the programs that are available to you as a displaced worker. During this workshop, you will also receive information on how to apply for unemployment benefits. Please watch your ACM email for the date of this workshop.

\*\*\*\*\*  
*Layoffs will occur at the American Community Home Office and may also include employees under Work From Home Agreements, Telecommuting Agreements, or performing responsibilities in other states in which we conduct business. American Community's Home Office address is 39201 Seven Mile Road, Livonia, Michigan 48152. For further information, you may contact Jim Gerber at 734-591-8103, Mike Hogan at 734-591-4771 or Leslie Gola at 734-591-4747.*

**American Community Mutual Insurance Company**  
**WARN Act Notification June 18, 2010**  
**Notification Period = June 18 - August 16, 2010 (60 Days)**  
**Termination Date = August 17, 2010**

<u>Cost Center &amp; Department</u>	<u>Job title</u>	<u>Last Name</u>	<u>First Name</u>	<u>Selected for Lay- Off</u>	<u>Not Selected</u>
008205 - VP Corp Communications	VP Marketing Services & Policyholder Services	Downey	Ellen	X	
008210 - Corporate Communications	[REDACTED]	[REDACTED]	[REDACTED]		X
008210 - Corporate Communications	[REDACTED]	[REDACTED]	[REDACTED]		X
008210 - Corporate Communications	[REDACTED]	[REDACTED]	[REDACTED]	X	
<b>TOTAL EMPLOYEES</b>				<b>32</b>	<b>120</b>

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# Memo

**To:** Frank Dempsey

**From:** Deputy Rehabilitators Jim Gerber and Jill Huisken

**Date:** October 26, 2010

**Re:** 2011 Retention Bonus Plan

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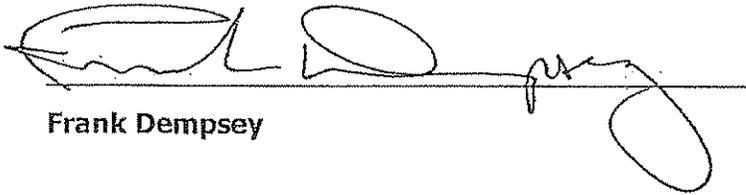
As was announced previously, a Retention Bonus Plan has been developed for those employees holding key positions necessary to the continued operations of the business during state Rehabilitation. You have been identified as one of these key employees, and below is the Retention Bonus Plan that has been developed for you for 2011:

- If you choose to stay actively employed by American Community for as long as the company requests your services, you will receive a bonus.
- Your 2011 bonus will be [REDACTED] (gross), which is **10% of your annual base salary**.
- It is still too early to determine exactly when your services will no longer be necessary. However, if you are with ACM as of 6/30/2011, you will receive payment for 50% of this bonus. If you are with ACM as of 12/31/2011, you will receive the remaining 50%. Bonus payouts will be processed with the 6/30/2011 and 12/29/2011 payrolls. For example, if the company asks you to stay the entire year and you do, you will receive [REDACTED] (50%) on 6/30/2011 and [REDACTED] (50%) on 12/29/2011.
- If it is determined that your services will no longer be necessary at some point during the 1<sup>st</sup> or 2<sup>nd</sup> quarters of 2011, you will receive your full bonus with your last payroll check. For example, if the company asks you to stay until 4/29/2011 and you do, you will receive [REDACTED] (100%) with the payroll of 5/5/2011.
- If you receive 50% of your bonus on 6/30/2011 and it is determined that your services will no longer be necessary at some point during the 3<sup>rd</sup> or 4<sup>th</sup> quarters of 2011 and you stay until that time, you will receive the remaining 50% of your bonus with your last payroll check. For example, if the company asks you to stay until 10/14/2011 and you do, you will receive [REDACTED] (50%) on 6/30/2011 and [REDACTED] (50%) with the payroll of 10/20/2011.
- If you choose to voluntarily resign before the date specified by the company, you will forfeit any non-paid portion of the retention bonus. For example, if the company asks you to stay the entire year and you voluntarily resign on 8/5/2011, you will have received [REDACTED] (50%) of your bonus on 6/30/2011 and you will forfeit the remaining [REDACTED] (50%) upon your voluntary resignation.

- Because the business is fluctuating, it is difficult to estimate at this time how long we will need your services. However, we intend to advise you of the specific date your services are needed through as early as possible next year. It is not our intent to have you continue working without a probable 'end' date known.
- For as long as your services are requested by the company, it is expected that your performance remain at a satisfactory level. If your performance or behavior is unsatisfactory, you may be involuntarily terminated and any non-paid portion of the retention bonus will be forfeited.
- In accordance with federal law, the WARN program will continue in 2011. When an exact date is determined of when your services will no longer be necessary, you will receive a WARN notice and begin your 60-day Notification Period with pay and benefits.
- This plan does not constitute a promise of continued employment.
- This Retention Bonus Plan cannot be changed or modified in any way, except in writing, and signed by the Deputy Rehabilitators.
- This is a confidential compensation program. As such, please do not disclose or discuss the provisions of this program with anyone other than your spouse, manager or Human Resources.

If you have any questions, please contact Leslie J. Gola.

*I have read and understand the above.*



Frank Dempsey

10/26/10  
Date

***Please return a signed copy to Human Resources by November 1, 2010. Thank you.***

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# Memo

**To:** Francis Dempsey  
**From:** Deputy Rehabilitator Jim Gerber  
**Date:** May 16, 2011  
**Re:** 2011 Retention Bonus Plan

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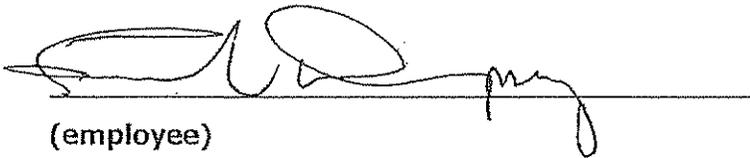
As was announced previously, a Retention Bonus Plan has been developed for those employees holding key positions necessary to the continued operations of the business during state Rehabilitation. You have been identified as one of these key employees, and below is the Retention Bonus Plan that has been developed for you for 2011:

- If you choose to stay actively employed by American Community for as long as the company requests your services, you will receive a bonus.
- Your 2011 bonus will be [REDACTED] (gross), which is equal to 10% of your annual salary.
- It is still too early to determine exactly when your services will no longer be necessary. However, if you are with ACM as of 6/30/2011, you will receive payment for 50% of this bonus. If you are with ACM as of 12/31/2011, you will receive the remaining 50%. Bonus payouts will be processed with the 6/30/2011 and 12/29/2011 payrolls. For example, if the company asks you to stay the entire year and you do, you will receive [REDACTED] (50%) on 6/30/2011 and [REDACTED] (50%) on 12/29/2011.
- If you receive 50% of your bonus on 6/30/2011 and it is determined that your services will no longer be necessary at some point during the 3<sup>rd</sup> or 4<sup>th</sup> quarters of 2011 and you stay until that time, you will receive the remaining 50% of your bonus with your last payroll check. For example, if the company asks you to stay until 10/14/2011 and you do, you will receive [REDACTED] (50%) on 6/30/2011 and [REDACTED] (50%) with the payroll of 10/20/2011.
- If you choose to voluntarily resign before the date specified by the company, you will forfeit any non-paid portion of the retention bonus. For example, if the company asks you to stay the entire year and you voluntarily resign on 8/5/2011, you will have received [REDACTED] (50%) of your bonus on 6/30/2011 and you will forfeit the remaining [REDACTED] (50%) upon your voluntary resignation.

- Because the business is fluctuating, it is difficult to estimate at this time how long we will need your services. However, we intend to advise you of the specific date your services are needed through as early as possible. It is not our intent to have you continue working without a probable 'end' date known.
- For as long as your services are requested by the company, it is expected that your performance remain at a satisfactory level. If your performance or behavior is unsatisfactory, you may be involuntarily terminated and any non-paid portion of the retention bonus will be forfeited.
- In accordance with federal law, the WARN program will continue in 2011. When an exact date is determined of when your services will no longer be necessary, you will receive a WARN notice and begin your 60-day Notification Period with pay and benefits.
- This plan does not constitute a promise of continued employment.
- This Retention Bonus Plan cannot be changed or modified in any way, except in writing, and signed by the Deputy Rehabilitator.
- This is a confidential compensation program. As such, please do not disclose or discuss the provisions of this program with anyone other than your spouse, manager or Human Resources.

If you have any questions, please contact Janice Sylvertooth.

*I have read and understand the above.*

  
\_\_\_\_\_  
(employee)

5/26/11  
\_\_\_\_\_  
Date

***Please return a signed copy to Janice Sylvertooth 3 days of receipt. Thank you.***

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# Memo

**To:** Mike McCollom

**From:** Deputy Rehabilitators Jim Gerber and Jill Huisken

**Date:** October 26, 2010

**Re:** 2011 Retention Bonus Plan

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As was announced previously, a Retention Bonus Plan has been developed for those employees holding key positions necessary to the continued operations of the business during state Rehabilitation. You have been identified as one of these key employees, and below is the Retention Bonus Plan that has been developed for you for 2011:

- If you choose to stay actively employed by American Community for as long as the company requests your services, you will receive a bonus.
- Your 2011 bonus will be [REDACTED] (gross), which is **12.5% of your annual base salary**.
- It is still too early to determine exactly when your services will no longer be necessary. However, if you are with ACM as of 6/30/2011, you will receive payment for 50% of this bonus. If you are with ACM as of 12/31/2011, you will receive the remaining 50%. Bonus payouts will be processed with the 6/30/2011 and 12/29/2011 payrolls. For example, if the company asks you to stay the entire year and you do, you will receive [REDACTED] (50%) on 6/30/2011 and [REDACTED] (50%) on 12/29/2011.
- If it is determined that your services will no longer be necessary at some point during the 1<sup>st</sup> or 2<sup>nd</sup> quarters of 2011, you will receive your full bonus with your last payroll check. For example, if the company asks you to stay until 4/29/2011 and you do, you will receive [REDACTED] (100%) with the payroll of 5/5/2011.
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- Because the business is fluctuating, it is difficult to estimate at this time how long we will need your services. However, we intend to advise you of the specific date your services are needed through as early as possible next year. It is not our intent to have you continue working without a probable 'end' date known.
- For as long as your services are requested by the company, it is expected that your performance remain at a satisfactory level. If your performance or behavior is unsatisfactory, you may be involuntarily terminated and any non-paid portion of the retention bonus will be forfeited.
- In accordance with federal law, the WARN program will continue in 2011. When an exact date is determined of when your services will no longer be necessary, you will receive a WARN notice and begin your 60-day Notification Period with pay and benefits.
- This plan does not constitute a promise of continued employment.
- This Retention Bonus Plan cannot be changed or modified in any way, except in writing, and signed by the Deputy Rehabilitators.
- This is a confidential compensation program. As such, please do not disclose or discuss the provisions of this program with anyone other than your spouse, manager or Human Resources.

If you have any questions, please contact Leslie J. Gola.

*I have read and understand the above.*



Mike McCollom

10/27/10

Date

***Please return a signed copy to Human Resources by November 1, 2010. Thank you.***

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# Memo

**To:** Beth McCrohan

**From:** Deputy Rehabilitators Jim Gerber and Jill Huisken

**Date:** October 26, 2010

**Re:** 2011 Retention Bonus Plan

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As was announced previously, a Retention Bonus Plan has been developed for those employees holding key positions necessary to the continued operations of the business during state Rehabilitation. You have been identified as one of these key employees, and below is the Retention Bonus Plan that has been developed for you for 2011:

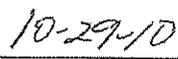
- If you choose to stay actively employed by American Community for as long as the company requests your services, you will receive a bonus.
- Your 2011 bonus will be [REDACTED] (gross), which is **equal to 4.75 months of your annual base salary**.
- It is still too early to determine exactly when your services will no longer be necessary. However, if you are with ACM as of 6/30/2011, you will receive payment for 50% of this bonus. If you are with ACM as of 12/31/2011, you will receive the remaining 50%. Bonus payouts will be processed with the 6/30/2011 and 12/29/2011 payrolls. For example, if the company asks you to stay the entire year and you do, you will receive [REDACTED] (50%) on 6/30/2011 and [REDACTED] (50%) on 12/29/2011.
- If it is determined that your services will no longer be necessary at some point during the 1<sup>st</sup> or 2<sup>nd</sup> quarters of 2011, you will receive your full bonus with your last payroll check. For example, if the company asks you to stay until 4/29/2011 and you do, you will receive [REDACTED] (100%) with the payroll of 5/5/2011.
- If you receive 50% of your bonus on 6/30/2011 and it is determined that your services will no longer be necessary at some point during the 3<sup>rd</sup> or 4<sup>th</sup> quarters of 2011 and you stay until that time, you will receive the remaining 50% of your bonus with your last payroll check. For example, if the company asks you to stay until 10/14/2011 and you do, you will receive [REDACTED] (50%) on 6/30/2011 and [REDACTED] (50%) with the payroll of 10/20/2011.
- If you choose to voluntarily resign before the date specified by the company, you will forfeit any non-paid portion of the retention bonus. For example, if the company asks you to stay the entire year and you voluntarily resign on 8/5/2011, you will have received [REDACTED] (50%) of your bonus on 6/30/2011 and you will forfeit the remaining [REDACTED] (50%) upon your voluntary resignation.

- Because the business is fluctuating, it is difficult to estimate at this time how long we will need your services. However, we intend to advise you of the specific date your services are needed through as early as possible next year. It is not our intent to have you continue working without a probable 'end' date known.
- For as long as your services are requested by the company, it is expected that your performance remain at a satisfactory level. If your performance or behavior is unsatisfactory, you may be involuntarily terminated and any non-paid portion of the retention bonus will be forfeited.
- In accordance with federal law, the WARN program will continue in 2011. When an exact date is determined of when your services will no longer be necessary, you will receive a WARN notice and begin your 60-day Notification Period with pay and benefits.
- This plan does not constitute a promise of continued employment.
- This Retention Bonus Plan cannot be changed or modified in any way, except in writing, and signed by the Deputy Rehabilitators.
- This is a confidential compensation program. As such, please do not disclose or discuss the provisions of this program with anyone other than your spouse, manager or Human Resources.

If you have any questions, please contact Leslie J. Gola.

*I have read and understand the above.*

  
\_\_\_\_\_  
**Beth McCrohan**

  
\_\_\_\_\_  
Date

***Please return a signed copy to Human Resources by November 1, 2010. Thank you.***

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AMERICAN COMMUNITY  
MUTUAL INSURANCE COMPANY

Michael McCollom  
36410 Saxony  
Farmington, MI 48335

November 29, 2010

Frank Dempsey, SVP & General Counsel ACMIC  
James Gerber, Deputy Rehabilitator OFIR  
Jill Huisken, Deputy Rehabilitator OFIR

Frank, Jim & Jill,

Please accept this letter as notification of my resignation from American Community, effective December 17, 2010.

At your convenience, I will be glad to discuss the reassignment of my work to others.

Sincerely,



Michael McCollom  
VP Underwriting & Actuarial Services

**James Gerber**

From: Beth McCrohan  
Sent: Wednesday, May 04, 2011 1:23 PM  
To: James Gerber  
Subject: Resignation

Jim,

Effective May 23<sup>rd</sup>, I am resigning from my position as CIO at American Community. Friday, May 20<sup>th</sup>, will be my last day.

I have enjoyed working with you and will be available as needed for consultation.

Best Regards,

Beth McCrohan

5/6/2011

*Reid*  
*JS 5-6-2011*

August 3, 2011

James Gerber  
American Community Mutual Insurance Company  
39201 Seven Mile road  
Livonia, MI 48152

Dear Jim:

Please let this letter serve as notice of my resignation from American Community. My last day will be August 23, 2011.

Sincerely,



Frank Dempsey

Reid 8-4-11  
JS

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January 18, 2012

James Gerber  
Deputy Rehabilitator  
American Community Mutual Insurance Company  
39201 Seven Mile Road  
Livonia, MI 48152

Re: Claim for Severance and other Benefits  
Our Client: Michael E. Tobin

Dear Mr. Gerber:

Please be advised that this office has been retained by the above client in order to assert his claims for severance and other benefits which arose as a result of the termination without cause of his employment as CEO and President of American Community Mutual Insurance Company. Based upon the information which I have received, it appears his employment was terminated subsequent to the Company's Change of Control which occurred on April 8, 2010, when Judge Collette entered the Stipulated Order Placing American Community Mutual Insurance Company Into Rehabilitation, Approving Appointment and Compensation of Special Deputy Rehabilitators, And Providing Injunctive Relief.

In light of the termination, pursuant to the Executive Employment Agreement of April 5, 2007, it appears that Mr. Tobin is entitled to receive 300 percent of his annualized salary (the annualized salary amount by my calculations is approximately [REDACTED], together with various other benefits.

My client and I recognize that the April 8, 2010 Order stayed all claims against the Company. However, it has come to our attention that recently the Court has approved the settlement and payment of various creditor claims, including the settlement of severance and benefit claims of two former executives whose claim status is practically identical to Mr. Tobin.

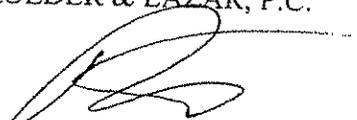
COUZENS, LANSKY, FEALK, ELLIS,  
ROEDER & LAZAR, P.C.

James Gerber  
January 18, 2012  
Page Two

Please contact me upon receipt of this correspondence so that we may discuss how best to move forward. I thank you for your attention and look forward to working with you in amicably and expeditiously resolving this matter.

Very truly yours,

COUZENS, LANSKY, FEALK, ELLIS,  
ROEDER & LAZAR, P.C.



PHILLIP L. STERNBERG

PLS/jlb  
cc: Michael E. Tobin

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January 18, 2012

James Gerber  
Deputy Rehabilitator  
American Community Mutual Insurance Company  
39201 Seven Mile Road  
Livonia, MI 48152

Re: Claim for Severance and other Benefits  
Our Client: Ellen M. Downey

Dear Mr. Gerber:

Please be advised that this office has been retained by the above client in order to assert her claims for severance and other benefits which arose as a result of the termination without cause of her employment as Vice President of Corporate Communications of American Community Mutual Insurance Company. Based upon the information which I have received, it appears her employment was terminated subsequent to the Company's Change of Control which occurred on April 8, 2010, when Judge Collette entered the Stipulated Order Placing American Community Mutual Insurance Company into Rehabilitation, Approving Appointment and Compensation of Special Deputy Rehabilitators, And Providing Injunctive Relief.

In light of the termination, pursuant to the Executive Employment Agreement of May 9, 2009, it appears that Ms. Downey is entitled to receive 200 percent of her annualized salary (the annualized salary amount by my calculations is approximately [REDACTED]), together with various other benefits.

My client and I recognize that the April 8, 2010 Order stayed all claims against the Company. However, it has come to our attention that recently the Court has approved the settlement and payment of various creditor claims, including the settlement of severance and benefit claims of two former executives whose claim status is practically identical to Ms. Downey's.

COUZENS, LANSKY, FEALK, ELLIS,  
ROEDER & LAZAR, P.C.

James Gerber  
January 18, 2012  
Page Two

Please contact me upon receipt of this correspondence so that we may discuss how best to move forward. I thank you for your attention and look forward to working with you in amicably and expeditiously resolving this matter.

Very truly yours,

COUZENS, LANSKY, FEALK, ELLIS,  
ROEDER & LAZAR, P.C.



PHILLIP L. STERNBERG

PLS/jlb  
cc: Ellen M. Downey

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January 25, 2012

James Gerber  
Deputy Rehabilitator  
American Community Mutual Insurance Company  
39201 Seven Mile Road  
Livonia, MI 48152

Re: Claim for Severance and other Benefits  
Our Client: Michael A. McCollom

Dear Mr. Gerber:

Please be advised that this office has been retained by the above client in order to assert his claims for severance and other benefits which arose as a result of the termination without cause of his employment as Vice President of Actuarial and Underwriting of American Community Mutual Insurance Company. Based upon the information which I have received, it appears his employment was terminated subsequent to the Company's Change of Control which occurred on April 8, 2010, when Judge Collette entered the Stipulated Order Placing American Community Mutual Insurance Company Into Rehabilitation, Approving Appointment and Compensation of Special Deputy Rehabilitators, And Providing Injunctive Relief.

In light of the termination, pursuant to the Executive Employment Agreement of May 29, 2009, it appears that Mr. McCollom is entitled to receive 200 percent of his annualized salary (the annualized salary amount by my calculations is approximately [REDACTED], together with various other benefits.

My client and I recognize that the April 8, 2010 Order stayed all claims against the Company. However, it has come to our attention that recently the Court has approved the settlement and payment of various creditor claims, including the settlement of severance and benefit claims of two former executives whose claim status is practically identical to Mr. McCollom's.

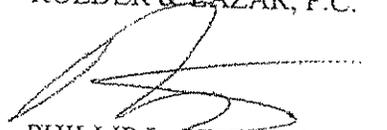
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James Gerber  
January 25, 2012  
Page Two

Please contact me upon receipt of this correspondence so that we may discuss how best to move forward. I thank you for your attention and look forward to working with you in amicably and expeditiously resolving this matter.

Very truly yours,

COUZENS, LANSKY, FEALK, ELLIS,  
ROEDER & LAZAR, P.C.



PHILLIP L. STERNBERG

PLS/jlb  
cc: Michael A. McCollom

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January 26, 2012

James Gerber  
Deputy Rehabilitator  
American Community Mutual Insurance Company  
39201 Seven Mile Road  
Livonia, MI 48152

Re: Claim for Severance and other Benefits  
Our Client: Francis P. Dempsey

Dear Mr. Gerber:

Please be advised that this office has been retained by the above client in order to assert his claims for severance and other benefits which arose as a result of the termination without cause of his employment as Senior Vice President, General Counsel & Corporate Secretary of American Community Mutual Insurance Company. Based upon the information which I have received, it appears his employment terminated subsequent to the Company's Change of Control which occurred on April 8, 2010, when Judge Collette entered the Stipulated Order Placing American Community Mutual Insurance Company Into Rehabilitation, Approving Appointment and Compensation of Special Deputy Rehabilitators, And Providing Injunctive Relief.

In light of the termination, pursuant to the Executive Employment Agreement of September 27, 2004, it appears that Mr. Dempsey is entitled to receive 300 percent of his annual salary, which was [REDACTED] for the preceding calendar year, together with various other benefits.

My client and I recognize that the April 8, 2010 Order stayed all claims against the Company. However, it has come to our attention that recently the Court has approved the settlement and payment of various creditor claims, including the settlement of severance and benefit claims of two former executives whose claim status is practically identical to Mr. Dempsey.

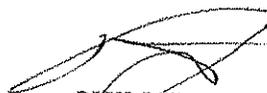
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ROEDER & LAZAR, P.C.

James Gerber  
January 26, 2012  
Page Two

Please contact me upon receipt of this correspondence so that we may discuss how best to move forward. I thank you for your attention and look forward to working with you in amicably and expeditiously resolving this matter.

Very truly yours,

COUZENS, LANSKY, FEALK, ELLIS,  
ROEDER & LAZAR, P.C.



PHILLIP L. STERNBERG

PLS/jlb  
cc: Francis P. Dempsey