

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL



BILL SCHUETTE
ATTORNEY GENERAL

P.O. Box 30755
LANSING, MICHIGAN 48909

March 21, 2012

Clerk of the Court
Ingham County Circuit Court
Mason Courthouse
341 S. Jefferson
Mason, MI 48854

Via U.S. First Class Mail

**Re: Ken Ross, Commissioner of the Office of Financial and Insurance Regulation v
American Community Mutual Insurance Company
Case No. 10-397-CR**

Dear Clerk of the Court:

Enclosed for filing in the above-referenced case is the Proof of Service of the **Order Approving Settlement Resolving Pre-Rehabilitation Claim for Supplemental Retirement Benefit**, which was entered by the Court on March 21, 2012.

Sincerely,

A handwritten signature in black ink that reads "Christopher Kerr".

Christopher L. Kerr (P57131)
Assistant Attorney General
Corporate Oversight Division
(517) 373-1160

Enc

c Vik Ghei and Misha Zaitzeff, HoldCo Advisors, LP
Carolyn R. Thagard, Trapeza Capital Management, LLC
Mudassir Mohamed, The Bank of New York Mellon Trust Company, N.A.
Donald Bonner

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

KEN ROSS, COMMISSIONER OF THE OFFICE
OF FINANCIAL AND INSURANCE
REGULATION,

Petitioner,

No. 10-397-CR

v

HON. WILLIAM E. COLLETE

AMERICAN COMMUNITY MUTUAL
INSURANCE COMPANY,

Respondent.

PROOF OF SERVICE

The undersigned certifies that a copy of the **Order Approving Settlement Resolving Pre-Rehabilitation Claim for Supplemental Retirement Benefit**, together with this Proof of Service, was served upon the parties listed below by mailing the same to them at their respective addresses with first class postage fully prepaid thereon, on the 21st day of March, 2012:

Vik Ghei
Misha Zaitzeff
HoldCo Advisors, LP
32 Broadway, Suite 1112
New York, NY 10004

Carolyn R. Thagard, CFA
Trapeza Capital Management, LLC
15 Alden Lane
Birmingham, AL 35213

Mudassir Mohamed
The Bank of New York Mellon Trust Company, N. A.
GLOBAL TRUST - HOUSTON ABS
601 Travis Street, 16th Floor
Houston, Texas 77002

Donald Bonner
2924 Crescent St.
Traverse City, MI 49684

And on all other parties in interest by posting electronic copies on the OFIR website, www.michigan.gov/ofir, under the section "Who We Regulate" and the subsection "American Community."


Linda S. Miers, Legal Secretary

STATE OF MICHIGAN
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT
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KEN ROSS, COMMISSIONER OF THE OFFICE
OF FINANCIAL AND INSURANCE
REGULATION,

Petitioner,

No. 10-397-CR

v

HON. WILLIAM E. COLLETTE

AMERICAN COMMUNITY MUTUAL
INSURANCE COMPANY,

Respondent.

MIKE BRYANTON
CLERK OF THE 30TH
JUDICIAL CIRCUIT COURT
INGHAM COUNTY

2012 MAR 21 - A 11:30

FILED

**ORDER APPROVING SETTLEMENT RESOLVING
PRE-REHABILITATION CLAIM FOR SUPPLEMENTAL RETIREMENT BENEFIT**

At a session of said Court held in the
Circuit Courtrooms for the
County of Ingham, State of Michigan
on the 21st day of March, 2012.

PRESENT: HONORABLE WILLIAM E. COLLETTE, CIRCUIT COURT JUDGE

WHEREAS, R. Kevin Clinton, the Commissioner of the Michigan Office of Financial and Insurance Regulation and duly appointed Rehabilitator of American Community Mutual Insurance Company (the "Rehabilitator") has filed a Petition for Approval of Settlement Resolving Pre-Rehabilitation Claim for Supplemental Retirement Benefit (the "Petition"); and

WHEREAS, the Rehabilitator has served the Petition, together with the attached Exhibits (which included a copy of this Order) and a Notice of Hearing: (a) via regular mail on American Community's two surplus note holders and their trustee; and (b) via regular mail on Donald Bonner, the individual whose pre-Rehabilitation claim this Order resolves, at his home

address; and (c) on other potentially interested parties by posting electronic copies on the “American Community” section of OFIR’s website; and

WHEREAS, MCL 500.8114(4) authorizes the Rehabilitator take such action as he considers necessary or appropriate to reform or revitalize American Community; and

WHEREAS, all Creditor claims against American Community are within the exclusive jurisdiction of this Court and will be determined, resolved, paid, and/or discharged, in whole or in part, according to the terms and conditions approved by the Court; and

WHEREAS, the Rehabilitator has determined that payment of the settlement amount to liquidate and fully resolve Mr. Bonner’s pre-Rehabilitation claim, under the terms contained in the Settlement Agreement and Release attached as Exhibit A to the Petition, is an appropriate and necessary step in the ongoing process to reform and revitalize American Community; and

WHEREAS, based upon his review of American Community’s books and records, the Rehabilitator has determined that American Community will still have sufficient assets to pay all currently-accrued policyholder and Creditor claims after paying the settlement of Mr. Bonner’s pre-Rehabilitation claim. With the exception of the surplus note holders’ claims, the Rehabilitator also believes that sufficient funds will remain to pay all other anticipated future policyholder and Creditor claims; and

WHEREAS, the Court having reviewed the Petition and any objections or responses filed thereto, having heard oral arguments on March 21, 2012 at 11:00 a.m., and being otherwise fully advised;

NOW, THEREFORE, IT IS HEREBY ORDERED that the Court APPROVES the settlement resolving Donald Bonner’s pre-Rehabilitation claim related to his supplemental retirement benefit, authorizes payment of the settlement amount from the funds of American

Community, and authorizes the Rehabilitator and/or Special Deputy Rehabilitator to execute any necessary documentation and take such other action required to finalize this settlement;

IT IS FURTHER ORDERED that the Court authorizes, approves, and/or ratifies the Rehabilitator's service of the Petition, together with the attached Exhibits, the Notice of Hearing, and this Order, via regular mail on American Community's two surplus note holders and their trustee, and via regular mail on Donald Bonner at his home address;

IT IS FURTHER ORDERED that due to the difficulty and prohibitive cost associated with providing personalized notice of the Petition, Notice of Hearing, and this Order to all other parties having an interest in the American Community rehabilitation, the Court authorizes, approves, and/or ratifies the Rehabilitator's service of these papers on other potentially interested parties by posting electronic copies on the OFIR website, www.michigan.gov/ofir, under the section "Who We Regulate", and the subsection "American Community." The Court finds that service in this manner is reasonably calculated to give these other potentially interested parties actual notice of these proceedings and is otherwise reasonable under the circumstances.

IT IS SO ORDERED.



Honorable William E. Collette
Circuit Court Judge