

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

R. KEVIN CLINTON, COMMISSIONER
OF THE OFFICE OF FINANCIAL AND
INSURANCE REGULATION,

Petitioner,

Case No. 12-1173-CR

HON. WILLIAM E. COLLETTE

v

AMERICAN FELLOWSHIP MUTUAL
INSURANCE COMPANY,

Respondent.

Christopher L. Kerr (P57131)
Jason R. Evans (P61567)
Assistant Attorneys General
Attorneys for Petitioner
Corporate Oversight Division
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Lansing, MI 48909
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**ORDER APPROVING TERMINATION OF
AMERICAN FELLOWSHIP MUTUAL INSURANCE COMPANY'S
PROFIT SHARING PLAN AND DISTRIBUTION OF PLAN FUNDS**

At a session of said Court held in the
Circuit Courtrooms for the
County of Ingham, State of Michigan
on the 20th day of FEB, 2013.

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
Fellowship Mutual Insurance Company (the "Rehabilitator") has filed a Petition for

Approval to Terminate American Fellowship Mutual Insurance Company's Profit Sharing Plan and Distribute Plan Funds (the "Petition"); and

WHEREAS, the Rehabilitator has served the Petition, together with the attached Exhibits and a Notice of Hearing: (a) via regular mail on all participants or beneficiaries in the American Fellowship Profit Sharing Plan; and (b) on other potentially interested parties by posting electronic copies on the "American Fellowship Mutual" section of OFIR's website; and

WHEREAS, MCL 500.8114(2) and the Rehabilitation Order authorize the Rehabilitator to "take such action as he considers necessary or appropriate to reform or revitalize American Fellowship." In addition, this statute, as incorporated by the Rehabilitation Order, grants the Rehabilitator "full power and authority to direct and manage American Fellowship . . . and to deal in totality with the property and business of" the company; and

WHEREAS, by law and according to the documents governing the American Fellowship Profit Sharing Plan, the funds held in trust for the benefit of Profit Sharing Plan participants cannot be alienated, belong solely to plan participants, and cannot be used to pay other creditor claims. For these reasons, the Rehabilitator has determined that the Profit Sharing Plan funds are not assets of the American Fellowship rehabilitation estate; and

WHEREAS, because funds in the Profit Sharing Plan are not estate assets and cannot be used to pay other creditor claims, and because it is no longer financially feasible for American Fellowship to continue the plan, the Rehabilitator

has determined that terminating the Profit Sharing Plan and presently distributing all plan funds to participants or their beneficiaries is necessary and appropriate for the effective and efficient administration of this rehabilitation proceeding; and

WHEREAS, the Court having reviewed the Petition and any objections or responses filed thereto, having heard oral arguments on February 20, 2013 at 11:00 a.m., and being otherwise fully advised;

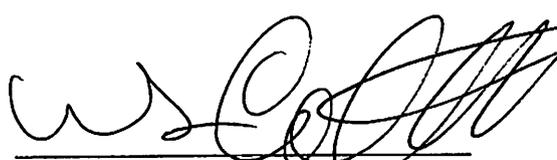
NOW, THEREFORE, IT IS HEREBY ORDERED that the Court APPROVES termination of the American Fellowship Profit Sharing Plan, authorizes the present distribution of all plan funds, and authorizes the Rehabilitator and/or Special Deputy Rehabilitator to execute any necessary documentation and take such other action required to ensure distribution of plan funds to participants or their beneficiaries.

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 the Profit Sharing Plan participants or beneficiaries only.

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 a general interest in the American Fellowship rehabilitation, the Court authorizes, approves, and/or ratifies the Rehabilitator's service of these papers on other potentially interested parties (beyond the Profit Sharing Plan participants or beneficiaries) by posting electronic copies on the OFIR

website, www.michigan.gov/ofir, under the section “Who We Regulate,” and the subsection “American Fellowship Mutual.” 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.

A handwritten signature in black ink, appearing to read 'W. E. Collette', written over a horizontal line.

Honorable William E. Collette
Circuit Court Judge

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PROOF OF SERVICE

The undersigned certifies that a copy of the **Order Approving Termination of American Fellowship Mutual Insurance Company's Profit Sharing Plan and Distribution of Plan Funds** 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 20th day of February, 2013:

Robbin M. Adkins
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Dearborn Heights, MI 48127

James M. Browne
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South Lyon, MI 48178

Necy Handy
47047 Manhattan Circle
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Denise J. Bean
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Nancy A. Hay
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Lorraine S. Hughes
15779 Lamphere
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Shani Jackson
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Estate of Angus McDonald
31464 Hoover Road
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15259 S. Plaza Dr, Apt. 207
Taylor, MI 48180

Thomas A. Pardo
40608 Heatherlea Court
Clinton Township, MI 48038

Daniel Zolkower
18761 Hampshire
Lathrup Village, MI 48076

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 Fellowship Mutual."


Linda S. Miers, Legal Secretary