

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

-----X	:
In re	: Chapter 9
	:
CITY OF DETROIT, MICHIGAN,	: Case No. 13- 53846
	:
Debtor.	: Hon. Steven W. Rhodes
	:
-----X	:

**CITY OF DETROIT’S RESPONSE TO MOTION OF OBJECTORS FOR
ADJOURNMENT OF THE HEARING REGARDING THE CITY’S
MOTION FOR ENTRY OF AN ORDER APPROVING
SETTLEMENT AND PLAN SUPPORT AGREEMENT**

The Syncora-led effort to hinder and delay resolution of one of the most pressing issues facing the City of Detroit falls far short of establishing the “good cause” required under Local Bankruptcy Rule 5071-1. The City filed the execution copy of the Settlement and Plan Support Agreement on the date agreed in open court, of which Syncora was well aware. The City not only produced documents responsive to the requests of the Retiree Committee allowed by the Court, but produced additional documents in an effort to be as transparent as possible – for which Syncora now faults the City. In short, the City has complied with the litigation schedule set by this Court, and Syncora has not articulated any reason, much less “good cause,” why the hearing should be delayed.



I. THE OBJECTORS HAVE IDENTIFIED NO BASIS FOR RECONSIDERATION OF THE COURT’S ORDER SETTING AN EXPEDITED HEARING ON THE 9019 MOTION

Syncora begins by arguing that the hearing should not have been expedited in the first place, re-hashing the same arguments that it made before this Court at the hearing on the City’s motion for expedited consideration of the Rule 9019 Motion. *See* Syncora Motion ¶¶ 9-10 (referring to the City’s *ex parte* motion and arguments at the hearing, and arguing again that the Agreement involves “a significant number of novel issues”). These arguments were given a full airing before this Court on March 5, 2014, and were rejected. In fact, the non-novel nature of the issues is such that the Court indicated that much of the evidence introduced at the hearing on the prior settlement agreement would be relevant to its determination of the pending Rule 9019 motion. *See* Ex. A, Hrg. Tr. March 5, 2014 at 75:12-14 (“THE COURT: Why don't we just say that all the evidence that was submitted in connection with the prior hearings on your prior motions is evidence on this one?”). The parties plainly are not treading on virgin snow with respect to the 9019 Motion, and Syncora’s attempt to suggest otherwise is simply disingenuous.

Syncora’s attempt to move, obliquely, for reconsideration of the Court’s March 6 order setting an expedited hearing fails for at least two reasons. First, it is untimely because more than 14 days have elapsed since the entry of the

order. *See* LBR 9024-1(a)(1) (“The deadline to file a motion for reconsideration of an order or judgment on the grounds that it was erroneous in fact or law is 14 days after the entry of the order or judgment.”)

Second, under the applicable standard for reconsideration, “a motion for reconsideration that merely presents the same issues ruled upon by the court, either expressly or by reasonable implication, will not be granted. The movant shall not only demonstrate a palpable defect by which the court and the parties have been misled but also show that a different disposition of the case must result from a correction thereof.” LBR 9024-1(a)(3). Syncora has not and cannot demonstrate any such palpable defect.

II. THE OBJECTORS HAVE NOT ESTABLISHED GOOD CAUSE TO DELAY THE HEARING.

A. The City Timely Filed the Settlement and Plan Support Agreement

On March 18, 2014, counsel for the City sent a letter to counsel for the objectors, including Syncora, stating that “We plan to produce to you, on or before March 26, the final execution draft of the swap settlement agreement. . . .” *See* Kovsky Letter, March 18, 2014 at 1, attached hereto as Ex. B. Not one of the recipients of the letter objected or indicated that production of the execution draft of the settlement and plan support agreement (the “Agreement”) on March 26 –

eight days before the hearing and five days before the scheduled depositions of the City's witnesses – would be insufficient.

On March 20, 2014, counsel for the City represented the same information in open court: that the City intended to produce and file the execution draft of the Agreement on March 26. None of the parties present or participating by phone objected to that date, and the Court did not order otherwise. Syncora and the other objectors have had ample notice of, and opportunity to object to, the City's intent to produce and file the settlement agreement on March 26. They failed to do so, and should not be heard at this late date.

Moreover, Syncora's contention that the Agreement contains "material differences" from the Term Sheet rings hollow. While stating, vaguely, that there are "many" such differences, Syncora is able to identify just two that it claims constitute material changes. The first "change" that Syncora identifies is the inclusion in the Agreement of the term "Specified Plan," which Syncora claims is "a concept and requirement completely absent from the term sheet and the old proposed order." Syncora Motion ¶ 12. Syncora is mistaken. The Term Sheet contemplates that the Swap Counterparties will vote in favor of the City's plan of adjustment if certain requirements are met. Term Sheet, Docket No. 2806 at 20-21. The "Specified Plan" language in the Agreement merely fleshes out the requirements contemplated in the Term Sheet.

The second “material change” alleged by Syncora appears to be based on a misreading of the Agreement. Syncora mischaracterizes the Agreement by arguing that it “diminishes the City’s obligations as compared to the Term Sheet; under the Settlement Agreement, the City must use “best efforts” to make payments under the Swaps. (Settlement Agreement § 4.1.) In contrast, the Term Sheet obligated the City to make these payments. (Term Sheet at 1.)” Syncora Motion ¶ 12. This is simply untrue. The City remains fully obligated to make the swap payments under the Agreement. What § 4.1 of the Agreement actually provides is that “the City *will* (i) timely make the monthly Holdback Requirement payments in the manner provided by and on the terms set forth under Section 5.2(a)(1) and (b) of the Collateral Agreement (the “Monthly Payments”)” (emphasis added). Contrary to Syncora’s assertion, this obligation is unqualified by any “best efforts” standard.

The “best efforts” standard is only applicable to subsection (ii) of § 4.1, which provides that the City must “use its best efforts to ensure that UBS and MLCS timely receive the quarterly payments in an amount equal to all Hedge Periodic Payables required to be paid to them in the manner provided by and on the terms set forth under Section 5.7(a)(i) of the Collateral Agreement (the ‘Quarterly Payments’).” This is a minor change and the reason for it is both simple and sensible. The City is required, under the Collateral Agreement, to fund Monthly

Payments into a lockbox structure under the control of the Swap Counterparties' custodian. Once the City makes a Monthly Payment, it no longer has any control over the funds. If the funds were somehow trapped by some third party, or the custodian refused for some reason to release them to the Swap Counterparties, the City would not have the power to force the release of the funds. The City is only required to use its best efforts to try to ensure that the funds are paid from the Swap Counterparties' custodian to the Swap Counterparties; it cannot be forced to make the same Monthly Payment twice if the funds are held up for reasons beyond its control. But this provision has no effect on the City's obligation to pay into the lockbox in the first instance.

Because Syncora and the objectors have had ample notice of the date that the Agreement would be filed and remained silent, and because they have not identified any material changes between the Agreement and the Term Sheet, the production of the Agreement on March 26 does not constitute "good cause" to delay the hearing.

B. The Revised Order Involves Minimal Changes

Syncora further argues it simply cannot review and analyze the "material changes" to the proposed order in the eight days between the filing of the order and the hearing. This argument borders on the ludicrous. As an initial matter, the City was not required to file a blacklined order. The minimally-revised,

blacklined order was filed and provided to the objectors ahead of the hearing as a courtesy. Furthermore, the majority of the changes to the order were implemented to address specific objections by various parties, including U.S. Bank, the Retiree Committee and the Retirement Systems. Based on accommodating changes that were made to the order, two objectors have now agreed to withdraw their objections to the City's motion. This is very common practice and certainly does not constitute grounds for delay.

C. The City Properly Produced Its Documents, and the Objectors Have Ample Time to Review Them

Syncora appears to take issue with the City's document production on two contradictory grounds: the City produced too many documents, and it didn't produce enough. As to the first objection – that 91 emails and 6 other short documents are *too many pages for lawyers to read in a week* – the City invites the Court to examine the production and draw its own conclusions. The majority of the production consists of emails setting up conference calls and other communications of a non-substantive nature.¹ A representative sampling is attached hereto as Exhibit C; it is clear that the documents can be fully reviewed in a few hours, at most.

¹ Out of an abundance of caution, the City produced a number of documents even though they may not be strictly responsive to the particular document requests allowed by the Court.

The second objection is that the City failed to produce certain attachments to emails. Those attachments consist of drafts of the Term Sheet or Agreement, which the Court expressly held the City is *not* required to produce. *See* Ex. D, Hrg. Tr. March 20, 2014 at 4-6 (finding the history of the City's negotiations with the Swap Counterparties, as reflected in drafts of the Term Sheet and Agreement, to be irrelevant); *see also* Order Granting, in part, and Denying, in part, Motion of the Official Committee of Retirees to Compel Production of Documents [Docket No. 3098] (sustaining, among others, the City's objections to the Retiree Committee's requests for drafts of the Term Sheet and Agreement). The City complied with the Court's order. If Syncora or the other objectors disagreed with the Court's ruling on the Retiree Committee's document requests, they should have spoken up at the hearing or moved for reconsideration. They did not do so, and the fact that the City complied with the order cannot justify delay of the hearing.

D. A Delay of the Hearing Would Prejudice the City

The City has, on a number of occasions, articulated to the Court its reasons for seeking expedited consideration of the Agreement. The City needs certainty and stability with respect to its finances. It cannot learn, on the eve of the plan process, that it may have to litigate with the Swap Counterparties, or that it

may not have access to its casino revenues. Delay of the hearing will harm the City and its residents.

In addition, lead attorneys or critical senior team members for both the City and the Swap Counterparties would be unable to attend a hearing on the date proposed by Syncora due to the Passover holiday.

III. CONCLUSION

For the foregoing reasons, the City respectfully requests that the Court deny Syncora's motion and allow the hearing on the Rule 9019 Motion to proceed as planned.

[signature page follows]

Dated: March 31, 2014

Respectfully submitted,

/s/ Robert S. Hertzberg
Robert S. Hertzberg (P30261)
Deborah Kovsky-Apap (P68258)
PEPPER HAMILTON LLP
4000 Town Center, Suite 1800
Southfield, MI 48075
(248) 359-7300 - Telephone
(248) 359-7700 - Fax
hertzbergr@pepperlaw.com
kovskyd@pepperlaw.com

Corinne Ball
JONES DAY
222 East 41st Street
New York, New York 10017
Telephone: (212) 326-3939
Facsimile: (212) 755-7306
cball@jonesday.com

Thomas F. Cullen, Jr.
Gregory M. Shumaker
Geoffrey S. Stewart
JONES DAY
51 Louisiana Avenue, N.W.
Washington, D.C. 20001.2113
Telephone: (202) 879-3939
Facsimile: (202) 626-1700
tfcullen@jonesday.com
gshumaker@jonesday.com
gstewart@jonesday.com

ATTORNEYS FOR THE CITY OF DETROIT

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

IN RE: CITY OF DETROIT,	.	Docket No. 13-53846
MICHIGAN,	.	
	.	Detroit, Michigan
	.	March 5, 2014
Debtor.	.	2:30 p.m.
.		

HEARING RE. MOTION OF THE CITY OF DETROIT FOR ENTRY OF AN ORDER (I) ESTABLISHING PROCEDURES FOR SOLICITATION AND TABULATION OF VOTES TO ACCEPT OR REJECT PLAN OF ADJUSTMENT AND (II) APPROVING NOTICE PROCEDURES RELATED TO CONFIRMATION OF THE PLAN OF ADJUSTMENT (DKT#2789); CONCURRENCE OF THE RETIREE ASSOCIATION PARTIES IN THE SUPPLEMENTAL COMMENTS OF THE OFFICIAL COMMITTEE OF RETIREES TO THE FIRST AMENDED ORDER ESTABLISHING PROCEDURES, DEADLINES AND HEARING DATES RELATING TO THE DEBTOR'S PLAN OF ADJUSTMENT (DKT#2781) (DKT#2793); RESPONSE OF INTERNATIONAL UNION, UAW, TO FIRST AMENDED ORDER ESTABLISHING PROCEDURES, DEADLINES AND HEARING DATES RELATING TO THE DEBTOR'S PLAN OF ADJUSTMENT (DKT#2791); COMMENT TO THE FIRST AMENDED ORDER ESTABLISHING PROCEDURES, DEADLINES AND HEARING DATES RELATING TO THE DEBTOR'S PLAN OF ADJUSTMENT (DKT#2780); SUPPLEMENTAL COMMENTS OF THE OFFICIAL COMMITTEE OF RETIREES TO THE FIRST AMENDED ORDERS ESTABLISHING PROCEDURES, DEADLINES AND HEARING DATES RELATING TO THE DEBTOR'S PLAN OF ADJUSTMENT (DKT#2781); RESPONSE OF THE CITY OF DETROIT TO THE COURT'S FIRST AMENDED ORDER ESTABLISHING PROCEDURES, DEADLINES AND HEARING DATES RELATING TO THE DEBTOR'S PLAN OF ADJUSTMENT (DKT#2787); OBJECTION TO THE COURT'S FIRST AMENDED ORDER ESTABLISHING PROCEDURES, DEADLINES AND HEARING DATES RELATING TO THE DEBTOR'S PLAN OF ADJUSTMENT (DKT#2778); THE WATER AND SEWER BOND TRUSTEE'S LIMITED OBJECTION TO THE FIRST AMENDED ORDER ESTABLISHING PROCEDURES, DEADLINES AND HEARING DATES RELATING TO THE DEBTOR'S PLAN OF ADJUSTMENT (DKT#2794); JOINDER OF WILMINGTON TRUST, NATIONAL ASSOCIATION, AS SUCCESSOR CONTRACT ADMINISTRATOR, TO (A) COMMENT TO THE FIRST AMENDED ORDER ESTABLISHING PROCEDURES, DEADLINES AND HEARING DATES AND (B) THE WATER AND SEWER BOND TRUSTEE'S LIMITED OBJECTION TO THE FIRST AMENDED ORDER ESTABLISHING PROCEDURES, DEADLINES AND HEARING DATES RELATING TO THE DEBTOR'S PLAN OF ADJUSTMENT (DKT#2796); STATUS HEARING RE. MOTION OF DEBTOR FOR ENTRY OF AN ORDER, PURSUANT TO SECTION 105(a) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 9019, APPROVING A SETTLEMENT AND PLAN SUPPORT AGREEMENT AND GRANTING RELATED RELIEF (DKT#2802)

BEFORE THE HONORABLE STEVEN W. RHODES
UNITED STATES BANKRUPTCY COURT JUDGE

APPEARANCES:

For the Debtor:	<p>Jones Day By: HEATHER LENNOX 222 East 41st Street New York, NY 10017 (212) 326-3837</p> <p>Pepper Hamilton, LLP By: ROBERT S. HERTZBERG 4000 Town Center, Suite 1800 Southfield, MI 48075 (248) 359-7333</p>
For Erste Europäische Pfandbrief-und Kommunalkreditbank Aktiengesellschaft in Luxemburg, S.A.:	<p>Ballard Spahr, LLP By: VINCENT J. MARRIOTT, III 1735 Market Street, 51st Floor Philadelphia, PA 19103-7599 (215) 864-8236</p>
For Syncora Holdings, Ltd., Syncora Guarantee, Inc., and Syncora Capital Assurance, Inc.:	<p>Kirkland & Ellis, LLP By: STEPHEN C. HACKNEY 300 North LaSalle Chicago, IL 60654 (312) 862-3062</p>
For Financial Guaranty Insurance Company:	<p>Weil, Gotshal & Manges, LLP By: KELLY DIBLASI 767 Fifth Avenue New York, NY 10153 (212) 310-8032</p>
For the Official Committee of Retirees:	<p>Dentons US, LLP By: CAROLE NEVILLE CLAUDE D. MONTGOMERY 1221 Avenue of the Americas, 25th Floor New York, NY 10020-1089 (312) 632-8390</p>
For Ambac Assurance Corporation:	<p>Arent Fox, LLP By: CAROLINE TURNER ENGLISH 1717 K Street, NW Washington, DC 20036-5342 (202) 857-6178</p>

APPEARANCES (continued):

For the Inter-
national Union,
UAW: Cohen, Weiss & Simon, LLP
By: BABETTE A. CECCOTTI
330 West 42nd Street, 25th Floor
New York, NY 10036-6976
(212) 356-0227

For National
Public Finance
Guarantee
Corporation: Sidley Austin, LLP
By: GUY S. NEAL
1501 K Street, N.W.
Washington, DC 20005
(202) 736-8041

For Bank of
America: Davis Polk & Wardwell, LLP
By: MARSHALL S. HUEBNER
450 Lexington Avenue
New York, NY 10017
(212) 450-4099

For UBS AG: Paul, Weiss, Rifkind, Wharton &
Garrison, LLP
By: DANIEL J. KRAMER
1285 Avenue of the Americas
New York, NY 10019-6064
(212) 373-3020

Bingham McCutchen, LLP
By: EDWIN E. SMITH
399 Park Avenue
New York, NY 10022-4689
(212) 705-7044

For US Bank as
Trustee: Waller Lansden Dortch & Davis, LLP
By: DAVID E. LEMKE
511 Union Street, Suite 2700
P.O. Box 198966
Nashville, TN 37219-8966
(615) 850-8655

For Berkshire
Hathaway Assurance
Corporation: Garan Lucow Miller, PC
By: CHRISTOPHER P. JELINEK
1000 Woodbridge
Detroit, MI 48207
(313) 446-1530

For Ad Hoc
Bondholder
Committee: Mintz Levin Cohn Ferris Glovsky and
Popeo, PC
By: WILLIAM W. KANNEL
One Financial Center
Boston, MA 02111
(617) 348-1665

APPEARANCES (continued):

For Wilmington Trust Company, N.A.:
 Drinker, Biddle & Reath, LLP
 By: HEATH ROSENBLAT
 1177 Avenue of the Americas, 41st Floor
 New York, NY 10036-2714
 (212) 248-3248

For General Police and Retirement Systems:
 Clark Hill, PLC
 By: JENNIFER K. GREEN
 500 Woodward Avenue, Suite 3500
 Detroit, MI 48226
 (313) 965-8300

Clark Hill, PLC
 By: SHANNON L. DEEBY
 151 South Old Woodward, Suite 200
 Birmingham, MI 48009
 (248) 988-5889

For the Detroit Fire Fighters Association, the Detroit Police Officers Association and the Detroit Police Lieutenants & Sergeants Association:
 Erman, Teicher, Zucker & Freedman, P.C.
 By: BARBARA A. PATEK
 400 Galleria Officentre, Suite 444
 Southfield, MI 48034
 (248) 827-4100

For FMS Wertmanagement:
 Schiff Hardin, LLP
 By: RICK FRIMMER
 233 South Wacker Drive, Suite 6699
 Chicago, IL 60606-7643
 (312) 258-5511

For Ad Hoc COPs Holders:
 Allard & Fish, PC
 By: DEBORAH L. FISH
 2600 Buhl Building
 535 Griswold
 Detroit, MI 48226
 (313) 961-6141

For Assured Guaranty Municipal Corp.:
 Chadbourne & Parke, LLP
 By: SAMUEL S. KOHN
 30 Rockefeller Plaza
 New York, NY 10012
 (212) 408-1140

APPEARANCES (continued):

For Detroit Retired Lippitt O'Keefe, PLLC
 City Employees By: RYAN C. PLECHA
 Association, 370 East Maple Road, 3rd Floor
 Retired Detroit Birmingham, MI 48009
 Police and Fire (248) 723-6263
 Fighters Associa-
 tion, Shirley V.
 Lightsey, and
 Donald Taylor:

For David Sole: Jerome D. Goldberg, PLLC
 By: JEROME GOLDBERG
 2921 East Jefferson, Suite 205
 Detroit, MI 48207
 (313) 393-6001

For AFSCME: Lowenstein Sandler, LLP
 By: PHILLIP J. GROSS
 65 Livingston Avenue
 Roseland, NJ 07068
 (973) 597-6246

Court Recorder: Letrice Calloway
 United States Bankruptcy Court
 211 West Fort Street
 21st Floor
 Detroit, MI 48226-3211
 (313) 234-0068

Transcribed By: Lois Garrett
 1290 West Barnes Road
 Leslie, MI 49251
 (517) 676-5092

Proceedings recorded by electronic sound recording,
 transcript produced by transcription service.

1 THE CLERK: All rise. Court is in session. Please
2 be seated. Case Number 13-53846, City of Detroit, Michigan.

3 THE COURT: May we have appearances for the record,
4 please?

5 MS. LENNOX: Good afternoon, your Honor. Heather
6 Lennox from Jones Day on behalf of the city. With me in the
7 courtroom are my partners, Tim Cullen, David Heiman, and Bob
8 Hertzberg from Pepper Hamilton.

9 THE COURT: Thank you.

10 MR. MARRIOTT: Good afternoon, your Honor. Vince
11 Marriott, Ballard Spahr, on behalf of EEPK and affiliates.

12 MR. HACKNEY: Good afternoon, your Honor. Stephen
13 Hackney on behalf of Syncora.

14 MS. DIBLASI: Good afternoon, your Honor. Kelly
15 DiBlasi, Weil, Gotshal, Manges, on behalf of Financial
16 Guaranty Insurance Company.

17 MS. NEVILLE: Good afternoon, your Honor. Carole
18 Neville from Dentons on behalf of the Retiree Committee, and
19 with me is Claude Montgomery.

20 MS. ENGLISH: Good afternoon, your Honor. Caroline
21 English from Arent Fox on behalf of Ambac Assurance
22 Corporation.

23 MS. CECCOTTI: Good afternoon, your Honor. Babette
24 Ceccotti, Cohen, Weiss & Simon, LLP, for the autoworkers.

25 MR. NEAL: Good afternoon, your Honor. Guy Neal,

1 Sidley Austin, National Public Finance Guarantee Corporation.

2 MR. HUEBNER: Good afternoon, your Honor. I'm
3 Marshall Huebner of Davis, Polk & Wardwell on behalf of Bank
4 of America.

5 MR. KRAMER: Your Honor, Dan Kramer from Paul, Weiss
6 for UBS.

7 MR. LEMKE: Your Honor, David Lemke with Waller
8 Lansden here for US Bank as trustee for the water and sewer
9 bonds.

10 MR. JELINEK: Good afternoon, your Honor.
11 Christopher Jelinek, Garan, Lucow, Miller, on behalf of
12 Berkshire Hathaway Assurance Corporation.

13 MR. KANNEL: Good afternoon, your Honor. William
14 Kannel, Mintz Levin, on behalf of the ad hoc committee of
15 water and sewer bondholders.

16 MR. ROSENBLAT: Good afternoon, your Honor. Heath
17 Rosenblat of Drinker, Biddle & Reath on behalf of Wilmington
18 Trust National Association.

19 MS. PATEK: Good afternoon, your Honor. Barbara
20 Patek of Erman Teicher on behalf of the public safety unions.

21 MS. GREEN: Good afternoon. Jennifer Green on
22 behalf of the Retirement Systems and also Shannon Deeby on
23 behalf of the Retirement Systems as well.

24 MR. FRIMMER: Good afternoon, your Honor. Rick
25 Frimmer from Schiff Hardin on behalf of FMS Wertmanagement,

1 AOR.

2 MS. FISH: Good afternoon, your Honor. Deborah Fish
3 from Allard & Fish on behalf of the ad hoc COP holders.

4 MR. SMITH: Hello, your Honor. Edwin Smith, Bingham
5 McCutchen, for UBS AG, co-counsel with Paul, Weiss.

6 MR. KOHN: Good afternoon, your Honor. Samuel Kohn
7 of Chadbourne & Parke on behalf of Assured Guaranty Municipal
8 Corp.

9 MR. PLECHA: Good afternoon, your Honor. Ryan
10 Plecha from Lippitt, O'Keefe, Gornbein on behalf of the
11 retiree association parties.

12 MR. GOLDBERG: Good afternoon, your Honor. Jerome
13 Goldberg on behalf of interested party David Sole.

14 THE COURT: Do we have any parties on the telephone
15 who'd like to make an appearance?

16 MR. GROSS: Phillip Gross, Lowenstein Sandler, for
17 AFSCME.

18 THE COURT: Hold on one second, please.

19 THE CLERK: Please repeat that.

20 MR. GROSS: Phillip Gross, Lowenstein Sandler, on
21 behalf of AFSCME.

22 THE COURT: Thank you. Any others? All right. We
23 have several things on our agenda for this afternoon. I'd
24 like to begin with the various comments and objections that
25 were filed in relation to the Court's order establishing

1 dates and deadlines and the first amended order establishing
2 dates and deadlines. I want to thank all of you and express
3 to the Court its appreciation for all of the work that you've
4 put into those comments and objections. I find myself
5 concurring with much of it, and appropriate adjustments will
6 be made in the schedule and the dates and the deadlines on
7 account of your submissions, so this has been valuable for
8 the Court and I think for the process as well.

9 I do, however, need someone to walk me through in
10 little baby steps the process for identifying individual
11 bondholders because, hard as I tried, I couldn't quite get
12 that, and that appears to be an important process here, so
13 who volunteers?

14 MR. LEMKE: Your Honor, David Lemke for US Bank as
15 trustee for the water and bondholders -- or water and sewer
16 bondholders. So we tried to lay out the process graphically
17 in our objection, but, in essence, what happens is that the
18 solicitation package, once approved, would be delivered to
19 DTC, which holds most, if not all, of these bonds except the
20 SRF bonds in street name, and so DTC has participants, which
21 are typically banks, broker-dealers, other financial
22 institutions that then are really the only level of holder
23 that DTC knows, so the solicitation package would get to the
24 participants, and then the participants would downstream
25 those solicitation packages or packets to their customers

1 that may be the beneficial holders, but they might actually
2 be holding on behalf of somebody else. They could just be
3 custodians, and so then the custodians would have to then get
4 those solicitation packets on down the next level until
5 ultimately the beneficial holders receive the packets. Then
6 the holders would have an opportunity hopefully to review
7 them, get advice, legal and financial advice, fill them out,
8 and then they go right back up that same process basically to
9 the point where they -- ultimately those ballots get back to
10 the participant that is the original nominee, and then that
11 participant consolidates the ballots that come up under its
12 holders, which are identified primarily by CUSIP numbers. It
13 consolidates those ballots into a master ballot, then
14 delivers that master ballot to the balloting agent for the
15 debtor, so that's the shorthand of the process. I don't know
16 if I left anything out, and if I did, someone can correct me.
17 Our --

18 THE COURT: So how much -- I'm sorry. Go ahead.

19 MR. LEMKE: I was going to say our best estimate,
20 based on other cases we've been involved in, is that that is
21 at least a 60-day process. It could take a little longer.
22 You might be able to do it faster, but if you really want to
23 try to give the beneficial holders a fair and adequate
24 opportunity we believe to have time to not only get the
25 information but process it, understand it, get questions

1 answered, and get all that back up --

2 THE COURT: Um-hmm.

3 MR. LEMKE: -- in time, that that is --

4 THE COURT: So that's the round trip.

5 MR. LEMKE: That's the round trip, and we asked for
6 67 days, I think, in our proposal. It would just build in a
7 little bit extra cushion.

8 THE COURT: And so how much of that is done
9 electronically as opposed to by regular mail or other
10 personal service?

11 MR. LEMKE: Oh, you may have asked me a question I'm
12 not sure about. I don't know how -- I don't know how DTC --

13 THE COURT: You volunteered.

14 MR. LEMKE: Yeah, I did. I'm starting to regret
15 that. I assume that the participants push out a lot of the
16 information electronically, at least to the level of their
17 next -- the next level down to the custodians, and that there
18 may be a point in time where some of that gets pushed out
19 physically by mail because you could get down to beneficial
20 holders that are literally, you know, individuals, small
21 companies. They're not going to all -- in fact, most of them
22 probably are not going to be institutional holders, so I
23 would hazard a guess that there is a combination of
24 electronics and -- transmission and physical transmission.
25 In addition --

1 THE COURT: Well, but does the transmission actually
2 consist, whether electronically or otherwise, of the full
3 disclosure statement, or is it simply a notice of the website
4 to go to to look at the disclosure statement and the other
5 materials?

6 MR. LEMKE: My only experience is that it physically
7 goes, that the packet physically goes. I don't know if there
8 would be a way that would -- you could do it so that it was
9 electronically posted. You would still have to know that
10 obviously the notice got all the way down the cycle so --

11 THE COURT: Right.

12 MR. LEMKE: -- they would know where to look and get
13 all the information.

14 THE COURT: Right.

15 MR. LEMKE: But at least in my past experience,
16 yeah, they've usually been a -- it's been a CD, I think,
17 which is what the debtor was proposing, would literally be
18 transmitted down the line to the ultimate beneficial holders.

19 THE COURT: Okay. And so how does this process that
20 you've described of drilling down, if I can call it that,
21 work in the context of giving bond owners or holders notice
22 of the time to object to either the plan or the disclosure
23 statement, and how do you foresee that playing out?

24 MR. LEMKE: The objection -- well, objection to the
25 disclosure statement -- I mean what happens is --

1 THE COURT: Ms. Lennox is so eager.

2 MR. LEMKE: Pardon me?

3 THE COURT: I'll give you a chance in a moment.

4 MR. LEMKE: Okay. So the objection to the
5 disclosure statement is what we would -- the trustee would
6 post a notice, would submit a notice to DTC that would go
7 through the process, would also post a notice on what's
8 called EMMA, which is an electronic site where if anyone
9 understands how these things work they can get onto EMMA and
10 track by CUSIP and see the notices, so typically that's the
11 way notices of these -- those kinds of deadlines get provided
12 to the bondholders. And, of course, the bondholders have the
13 ability to monitor the case like any other creditor interest.

14 THE COURT: So how long does that take from start to
15 actual notice?

16 MR. LEMKE: You know, I would assume it's at least
17 half the time, that if you are -- if you are waiting on or
18 counting on the ultimate beneficial holder to get a physical
19 copy of the notice or some sort of an e-mail, that that could
20 be a full 30-day process for them to get that notice. The 60
21 days, remember, includes coming back up the system, and at
22 least on -- with respect to the objection to the plan -- and,
23 you know, I don't know if there is a typical case, but
24 oftentimes that objection date is tied to the voting deadline
25 as well, and so they actually get notice of that when they

1 get the solicitation package, too --

2 THE COURT: Okay.

3 MR. LEMKE: -- as opposed to, you know, a date prior
4 to the vote --

5 THE COURT: Thank you.

6 MR. LEMKE: Okay.

7 THE COURT: Ms. Lennox.

8 MS. LENNOX: Just to clarify a couple of the
9 questions that your Honor asked Mr. Lemke, with respect to
10 how people got the disclosure statement notice because, as
11 your Honor recalls, you entered an order approving that
12 notice and also requesting that your first amended order be
13 sent out with it. Those two documents were actually mailed
14 by KCC and run through the DTC system by last Friday. By
15 last Friday 173,000 notices went out, and the ones to get to
16 the beneficial bondholders will go through that process that
17 Mr. Lemke just indicated.

18 THE COURT: Um-hmm. And do you agree that that will
19 take 30 days?

20 MS. LENNOX: I think for the solicitation packages,
21 which will be a little more extensive, it might take as long
22 as 30 days. You know, hard for me to say, you know, how many
23 beneficial holders are congregated with one nominee and all
24 that sort of thing, but it could take that long. With
25 respect --

1 THE COURT: Well, but my question was will it take
2 that long for what was -- what KCC just sent to get to the
3 beneficial owners?

4 MS. LENNOX: Chances are with just a couple of
5 notices, just a few pages, that should be a faster process, I
6 would think.

7 THE COURT: How much faster? Any idea?

8 MS. LENNOX: I have no idea, your Honor. You know,
9 the internal workings of DTC in some instances are mysterious
10 to those of us who don't live it.

11 THE COURT: Wonderful.

12 MS. LENNOX: With respect to the solicitation
13 packages, it is -- and we mentioned this in our solicitation
14 motion. What we would propose to send to people who get to
15 vote like beneficial holders, we would send a confirmation
16 hearing notice, a CD-ROM containing the plan and the
17 disclosure statement and any ancillary exhibits we filed by
18 that time. We would have a physical ballot and a return
19 envelope so they can send it back to their nominees and then
20 probably a cover letter explaining this stuff, and so that is
21 a physical package that for people that vote gets transmitted
22 down the line physically because that ballot has to be filled
23 out and signed and sent back, so that -- you know, that
24 process I would expect would take --

25 THE COURT: Um-hmm. And why is it that the ballot

1 doesn't come back directly to your balloting office?

2 MS. LENNOX: Because the whole purpose of holding
3 securities in street name as opposed to the -- you know, the
4 beneficial holder, Joe Smith, owns this bond --

5 THE COURT: Um-hmm.

6 MS. LENNOX: -- is because, one, in some instances
7 it's a lot more efficient to have people who are broker-
8 dealers do this all the time, and in some cases, particularly
9 for large institutional funds who like to trade a lot, they
10 don't want people to know what they hold and when they hold
11 it, and so the notices go down through the system. For
12 example, the city has no idea unless they come and tell me
13 they're a beneficial holder who a beneficial holder is.

14 THE COURT: Right.

15 MS. LENNOX: So part of it is secrecy. Part of it
16 is efficiency, and that's the system that we've --

17 THE COURT: Well, let's address those because they
18 both confuse me.

19 MS. LENNOX: Um-hmm.

20 THE COURT: Secrecy we can guarantee with an order;
21 right? Not secrecy. It's confidentiality.

22 MS. LENNOX: Confidentiality, yeah. In what
23 respect?

24 THE COURT: Well, for example, if your balloting
25 agent is KCC -- I don't know who it is, but --

1 MS. LENNOX: Yes, it is.

2 THE COURT: -- if it is, we can enter an order that
3 prohibits them from disclosing who owns City of Detroit
4 bonds.

5 MS. LENNOX: We could, and --

6 THE COURT: All right. So let's move to efficiency.
7 It sounds to me like it's more efficient for ballots to go
8 directly to them rather than through this convoluted --

9 MS. LENNOX: Here's the problem.

10 THE COURT: -- here, there, and everywhere --

11 MS. LENNOX: Here's the problem.

12 THE COURT: -- process. Yes.

13 MS. LENNOX: Bonds trade. The only system that
14 keeps record of how bonds trade and who holds what at any
15 given time is the DTC electronic system.

16 THE COURT: Well, I get that for sending the
17 solicitation package to them. I don't quite get it for why
18 it has to go back up through that to file the -- or to submit
19 the ballot.

20 MS. LENNOX: Well, for a couple of things, your
21 Honor. One is, first of all, they're going to have to --
22 we're going to have a voting record date. We've asked for
23 that in the -- so they're going to know who's holding as of
24 that date and who to send the packages to.

25 THE COURT: Right.

1 MS. LENNOX: They will also keep track of who -- I
2 mean things can trade after the voting record date.

3 THE COURT: I'm sorry. Yes, um-hmm.

4 MS. LENNOX: And so if things traded out, they need
5 to know who voted but who holds it right now, who's entitled
6 to vote but who holds it right now. In addition, on our
7 bonds -- or on our ballots --

8 THE COURT: Well, but they'll only send a ballot to
9 people who are entitled to vote; right?

10 MS. LENNOX: They will only send the ballot to the
11 people that are entitled to vote.

12 THE COURT: So if you get a ballot back, you can
13 presume it's from a person who is entitled to vote.

14 MS. LENNOX: Right, but they're the only ones. If
15 they sent the -- if they sent -- DTC -- or KCC does not have
16 access to DTC's internal record-keeping --

17 THE COURT: Um-hmm.

18 MS. LENNOX: -- who owns what --

19 THE COURT: Right.

20 MS. LENNOX: -- and in what amount.

21 THE COURT: Right.

22 MS. LENNOX: Somebody has to verify that to us.
23 Somebody has to verify that to KCC because KCC can't do it.
24 The city can't do it. The only people --

25 THE COURT: Oh, so when the ballot is filled out and

1 returned, there's information on it that has to get verified?

2 MS. LENNOX: Yes, sir.

3 THE COURT: Oh, I missed that part.

4 MS. LENNOX: Yes, sir.

5 THE COURT: Okay. That explains that then.

6 MS. LENNOX: Yeah.

7 THE COURT: All right.

8 MS. LENNOX: In addition, as part of our
9 solicitation procedures, there are certain classes that get
10 to make elections about do you want this kind of bond or that
11 kind of bond. Those elections are also kept track of through
12 the DTC system. Again, they're the only ones that can really
13 do that, so they'll be the ones providing the --

14 THE COURT: Okay.

15 MS. LENNOX: -- information on that.

16 THE COURT: All right.

17 MS. LENNOX: Thank you, your Honor.

18 THE COURT: Thank you. Something you wanted to add,
19 sir?

20 MR. KOHN: Yes, to your question. Samuel Kohn --

21 THE COURT: Your name on the record again, please?

22 MR. KOHN: Samuel Kohn of Chadbourne & Parke on
23 behalf of Assured Guaranty Municipal Corp. In Jefferson
24 County, I was intimately involved with the --

25 THE COURT: Would you keep your voice up for me?

1 MR. KOHN: Sure. In the Jefferson County Chapter 9
2 case, I was intimately involved in the procedures with KCC on
3 behalf of my client, and I just want to address one point
4 about -- your Honor, about why the ballots cannot go back to
5 KCC or the city is that the nominees and the banks won't do
6 it. They won't disclose who the beneficial holders are. The
7 beneficial holders have to go back to the nominees.

8 THE COURT: Well, they will if I order it.

9 MR. KOHN: You could try, your Honor. That's all I
10 wanted to say, but --

11 THE COURT: I'm not going to --

12 MR. KOHN: -- I just don't get --

13 THE COURT: -- but I don't like to be told that
14 people won't do something.

15 MR. KOHN: I understand, your Honor, and, believe
16 me, we --

17 THE COURT: We're not accustomed to be told no.
18 It's just not -- we don't get that.

19 MR. KOHN: I get it.

20 THE COURT: Okay.

21 MR. KOHN: I believe that we tried for that to
22 shorten the process.

23 THE COURT: Thank you for the forewarning, but it's
24 not an issue. Ms. Lennox has persuaded me that we need to --
25 we need to follow that protocol.

1 MR. KANNEL: May I, your Honor --

2 THE COURT: Yes.

3 MR. KANNEL: William Kannel for the ad hoc water and
4 sewer holders committee. With all due respect to Mr. Kohn,
5 Ms. Lennox, and Mr. Lemke, and all lawyers, I have found over
6 the years that lawyers cannot wrap their brains around the
7 DTC system. I think probably the best way to figure out the
8 best way to do this is to get KCC -- I don't know if somebody
9 from KCC is here -- to explain it to your Honor. For
10 example, in JeffCo, there were situations where certain
11 parties were able to skip the way back up and send their
12 ballots directly to KCC and avoid the back up through the
13 nominee system, so there are ways to do these things, but
14 it's KCC who gets the battle pay to figure that out, not the
15 lawyers.

16 THE COURT: Um-hmm. Well, I appreciate that, but I
17 only asked about the return trip to see if any time could be
18 saved in the schedule by that, but if any of the ballots are
19 going to go back through that laborious process, then we have
20 to account for it in the process even if not all of them
21 will, so that was the purpose of the education I was asking
22 for there. All right. So at this point I would propose to
23 simply throw it open to you to make your comments regarding
24 the proposed schedule, and we'll just open it up for your
25 free-for-all. Well, that's what it is.

1 MS. LENNOX: It is a bit of a free-for-all, your
2 Honor, so I guess I might as well start as the representative
3 of the city. And would you like me to address at all
4 anything in the solicitation motion other than maybe things
5 like moving deadlines?

6 THE COURT: I'd just as soon hold on that one.

7 MS. LENNOX: That's fine. Thank you.

8 THE COURT: Thank you.

9 MS. LENNOX: So obviously we were certainly pleased
10 with the schedule that your Honor proposed. We do want to
11 move expeditiously, and we'll accommodate whatever schedule
12 your Honor sets forth. We had only proposed a few changes.
13 The first was a slight three-day request to give us a little
14 more time, another three or four days to respond to the
15 disclosure statement, so we asked to move that to April
16 28th -- or I'm sorry -- not April 28th, April 8th. We
17 also -- if the plan objection deadline is moved, which is
18 something that many -- I think all of the respondents have
19 suggested, there are different dates suggested.

20 THE COURT: Could you pull the mike down for me,
21 please?

22 MS. LENNOX: Sorry. Thank you, your Honor. The
23 city, I think, out of all of the responders suggested the
24 earliest date for plan objections. We suggested April 28th,
25 and that is early by at least two weeks from the next date

1 proposed, but at least after that time we will know what the
2 final solicitation version of the plan is at the disclosure
3 statement the 14th, so we gave people two weeks to react to
4 it. So with that, if that is the date that your Honor picks
5 for plan objections, then we would suggest our deadline to
6 file a combined response to those objections slightly --
7 about two weeks later on May 12th.

8 In addition, we did explain to your Honor -- and you
9 just heard some more about it -- about the solicitation
10 process, so if we start a solicitation -- or we have the
11 disclosure statement hearing on the 14th, we need a few days
12 to finalize the documents and make any changes required by
13 the hearing. KCC needs at least a week to prepare all these
14 packages -- there's going to be over a hundred thousand --
15 and send them out, so we thought balloting could begin -- the
16 solicitation process itself could begin on the 24th of April.

17 THE COURT: So how many days is that after that
18 hearing?

19 MS. LENNOX: Ten days after the hearing, your Honor.

20 THE COURT: Okay.

21 MS. LENNOX: If we -- the city had proposed a 45-day
22 solicitation period, which would take us from the 24th of
23 April to June 9th. If your Honor is inclined to grant a 60-
24 day period, that would take us to June 23rd for balloting.
25 In that case, the -- again, we are going to -- as your Honor

1 may be understanding, we're going to have an enormous amount
2 of ballots and an enormous amount of bond series coming in,
3 so KCC would like at least ten days to try to tabulate all
4 that stuff because they all tend to come in at the last
5 minute anyway. So if we are going to do -- if we did a 45-
6 day solicitation period, then the balloting would be done on
7 the 19th of June. If we do a 60-day solicitation period, it
8 would be tabulated by July 7th. And then we sort of just
9 took the dates from your Honor's calendar thereafter for how
10 he wanted to -- how you wanted to hold the hearing.

11 We also had proposed in terms of plan argument --
12 your Honor had bifurcated the arguments into legal and
13 nonlegal.

14 THE COURT: Yeah. I'm giving up on that.

15 MS. LENNOX: Okay. Well, then I will refrain from
16 suggesting the comments on that, but in any event, our
17 schedule -- again, the schedule we proposed originally with a
18 45-day solicitation period would take us out to a
19 confirmation hearing starting on June 23rd. If we add
20 another two weeks to that, then we add another two weeks to
21 that.

22 THE COURT: Okay.

23 MS. LENNOX: So thank you, your Honor.

24 THE COURT: All right.

25 MR. MARRIOTT: Good afternoon, your Honor. Vince

1 Marriott, EEPK and affiliates, although I stand to speak on
2 behalf of a group of creditors.

3 THE COURT: Um-hmm. I appreciate that. Thank you.

4 MR. MARRIOTT: And there may be one aspect of what
5 I'm going to talk about that there will be some additional,
6 but --

7 THE COURT: Okay.

8 MR. MARRIOTT: -- I'm hoping to cover everything
9 that this group had. As you know, we submitted a proposed --

10 THE COURT: Um-hmm.

11 MR. MARRIOTT: -- alternative order --

12 THE COURT: Um-hmm.

13 MR. MARRIOTT: -- which extended the total timeline
14 by 30 days.

15 THE COURT: Um-hmm.

16 MR. MARRIOTT: It was our objective in limiting how
17 far we extended the total --

18 THE COURT: Um-hmm.

19 MR. MARRIOTT: -- timeline to be sensitive to your
20 desire for a prompt resolution of the case, and it was our --
21 it was our hope, in any event, that a 30-day extension would
22 not be a material change to your vision for prompt
23 resolution. Within that 30-day period, we proposed some
24 additional structural and timeline changes and just that the
25 philosophical points behind them really were making sure that

1 the notice periods of Rule 2002(b) and 3017(a) --

2 THE COURT: Um-hmm.

3 MR. MARRIOTT: -- were observed in part or driven in
4 part by the city's acknowledgement in its filing that the
5 plan that it filed a couple of weeks ago is unlikely to be
6 the plan it seeks confirmation of and that that will
7 materially change with the likely date for filing the plan
8 they will, in fact, seek confirmation of, being April 14th.
9 In our view, that would be what would start, you know, the
10 28-day clock. Presumably notice would go out with the
11 solicitation --

12 THE COURT: Twenty-eight-day clock for --

13 MR. MARRIOTT: For filing objections to the plan --

14 THE COURT: Um-hmm.

15 MR. MARRIOTT: -- which we then proposed would be
16 May 15th. The third sort of philosophical piece is the
17 enormous complexity of this case and the information that
18 will be needed as to operations, assets, and liabilities
19 within the context of what the plan ultimately proposes and
20 the discovery that would be attendant to that and the need
21 for sort of an orderly discovery process, and then finally
22 the logistical difficulties which we've already discussed,
23 which I do want to point out -- and by the way, I'll second
24 the motion that lawyers don't understand DTC because I don't,
25 but it's not just actually the DTC process. There is -- the

1 retirees also present a significant --

2 THE COURT: Um-hmm.

3 MR. MARRIOTT: -- logistical hurdle which Ms.
4 Neville I think will address in somewhat more detail. I
5 won't go into that now. In any event, as we indicated with
6 the commentary to our proposed revised order, we made five
7 principal changes and then some additional changes --
8 conforming changes necessary to --

9 THE COURT: Um-hmm.

10 MR. MARRIOTT: -- reflect those five structural
11 changes. The changes are intended to provide for adequate
12 notice, solve the logistical issues, permit the necessary
13 discovery, and promote a process that is as efficient as
14 possible. I'm going to organize my commentary on our
15 proposed order a little differently -- or my discussion of it
16 this afternoon a little differently than our commentary did.
17 I'm going to discuss it by timeline as it relates to the
18 disclosure statement, the plan, and discovery. I'm not going
19 to get into the details of specific dates except to the
20 extent that they matter to the discussion. You've got our
21 proposed revised order, and you see what we have been
22 proposing in that regard.

23 As to the disclosure statement, I'll first note that
24 we don't propose a change to the length of the timeline with
25 respect to the disclosure statement. It would still be

1 objection deadline of April 1st and a hearing on April 14th.
2 We do propose a number of changes within the timeline.

3 THE COURT: Um-hmm.

4 MR. MARRIOTT: The first is to eliminate the waiver
5 aspect of the moratorium.

6 THE COURT: I agree with you on that one.

7 MR. MARRIOTT: Okay. Then I'll say no more about
8 that. The second is to insert a date by which the city would
9 file any amendments to the disclosure statement it
10 anticipates doing so that that is done before the objection
11 deadline, and we're objecting to the disclosure statement
12 that the city will actually seek approval of and not
13 something that predates it and unnecessarily gives rise to
14 objections that may be mooted out by revisions. We think
15 that promotes efficiency. And the third thing with respect
16 to the disclosure statement -- and it went to sort of the
17 bifurcation of confirmation issues, which I understand is
18 being eliminated, but we did think --

19 THE COURT: Yes.

20 MR. MARRIOTT: Right. But we did think it would --
21 we did think there was something in that idea that had merit,
22 and that was as and to the extent that the plan would be
23 unconfirmable on its face, that that might be appropriate to
24 be considered at the disclosure statement stage to waste
25 every -- so that these packages aren't going out to a hundred

1 and some odd thousand people if there's a plan that on its
2 face is unconfirmable, so we -- I'll use the word --

3 THE COURT: Yeah. I know there are cases that have
4 approved that. I never have. I have always found it when I
5 have tried to walk down that path to be actually more
6 confusing and less efficient in the long run, so I'm not
7 persuaded to do that here.

8 MR. MARRIOTT: Okay. So that's the disclosure
9 statement. The plan. We do propose changes to the plan
10 timeline.

11 THE COURT: Um-hmm.

12 MR. MARRIOTT: First, we propose to push the
13 objection deadline to after the close of at least document
14 discovery.

15 THE COURT: Um-hmm.

16 MR. MARRIOTT: This is -- the idea here is that
17 nobody wants to be litigating things that don't have to be
18 litigated.

19 THE COURT: Um-hmm.

20 MR. MARRIOTT: An earlier -- before we have any sort
21 of idea of what the plan is and sort of the support for it,
22 any plan objection would have to be more general and more
23 kitchen sink than I think would be useful either to the city
24 or --

25 THE COURT: I assume we're going to get that no

1 matter what the deadline is.

2 MR. MARRIOTT: Well, I would hope not. I mean I
3 hope we could have targeted objections.

4 THE COURT: I mean in our standard mode of
5 litigation in this country, we have a request for relief, we
6 have a response, and then we have discovery on what the
7 issues are that arise from the moving paper and the response.

8 MR. MARRIOTT: Well, in --

9 THE COURT: This is a variation from that.

10 MR. MARRIOTT: It's not an atypical variation. I
11 mean it is not -- it is more the case than not that in large
12 complex Chapter 11's, plan objections are due at the same
13 time as votes. We're not asking for that. We're not asking
14 for that not because it wouldn't be better for us because
15 that would also be the conclusion of most discovery, but
16 we're not asking for that because we understand the value of
17 providing to the Court and to the city at least the principal
18 objections to the plan earlier in the process rather than
19 later.

20 THE COURT: In the eligibility phase here, we had
21 initial objections, and then didn't I also allow for
22 supplemental objections that arose from the discovery
23 process?

24 MR. MARRIOTT: We're proposing a variant of just
25 that. In other words, our proposal --

1 THE COURT: I do recall that correctly?

2 MR. MARRIOTT: Yes. I think that was --

3 THE COURT: Okay. So why not that process here?

4 MR. MARRIOTT: Well, we're proposing a variant of
5 that process in that we need 28 days from whatever plan is
6 actually going to be solicited.

7 THE COURT: Right.

8 MR. MARRIOTT: Let's assume that the city has its
9 final plan on April 14th, which is what I understand their
10 aspiration to be based upon what they filed on Friday. We
11 propose a --

12 THE COURT: By the way, parentheses, does that mean
13 mediation will be done by then?

14 MR. MARRIOTT: Are you asking me?

15 THE COURT: Um-hmm. You're the one at the -- you're
16 the one that volunteered.

17 MR. MARRIOTT: I don't know. So the March 15th date
18 we're proposing --

19 THE COURT: You see my concern.

20 MR. MARRIOTT: I do, but the March -- the May 15th
21 date we're proposing for initial plan objections is within a
22 few days of the 28-day notice requirement anyway and has the
23 advantage of under our proposed order being at the end of
24 document discovery, and then our proposal provides for
25 supplemental objections to the plan based upon the conclusion

1 of discovery and the results of voting because the results of
2 voting could have an impact on what objections can or can't
3 any longer be made. Let's see. All right. I think that
4 that's basically what I wanted to discuss regarding the plan
5 timeline.

6 THE COURT: Okay.

7 MR. MARRIOTT: Finally, Judge, we've adjusted the
8 timeline for discovery and added a few date points --

9 THE COURT: Um-hmm.

10 MR. MARRIOTT: -- for two reasons. First is to
11 promote the efficient conduct of discovery. Depositions tend
12 to get repeated if document production is either incomplete
13 or --

14 THE COURT: Right.

15 MR. MARRIOTT: -- not yet made before, so we've
16 tried to build in time to get documents and then do
17 discovery, so we've pushed out some of the deadlines for
18 taking depositions --

19 THE COURT: Um-hmm.

20 MR. MARRIOTT: -- to allow there to be sufficient
21 time to take them after document production. We have also
22 added some dates for the disclosure of witnesses in
23 sufficient time to allow --

24 THE COURT: Um-hmm.

25 MR. MARRIOTT: -- depositions to be taken of those

1 witnesses who have been disclosed, and we've just -- we've
2 also, as a generic matter, built in additional time overall
3 for discovery because of the complexity and the various
4 issues that will need to be addressed in connection with a
5 fully developed record for this Court come the confirmation
6 hearing whenever the confirmation hearing occurs. And as I
7 say, our proposal is to push that out to the middle of July,
8 so 30 days. That's what -- I'm sorry. Go ahead.

9 THE COURT: Let me go back to the plan objection
10 deadline.

11 MR. MARRIOTT: Yes.

12 THE COURT: And I want to -- I want to separate the
13 bondholders from the rest of you for just a moment because it
14 may be necessary to give them a later deadline, so we'll
15 separate. Isn't it fair to conclude that you all have known
16 at least in broad principle what the city's plan would be for
17 months and that you have been working on your plan objections
18 for at least that long?

19 MR. MARRIOTT: But, Judge, I actually don't know
20 that that is fair to say. The treatment proposed by the city
21 for various classes of creditors, including the creditors --
22 the holders of the comps, in both public and nonpublic
23 iterations -- and I can't, therefore, sort of walk you
24 through the changes, but there have been changes, and there
25 have been material, and the latest version of the plan is

1 different in treatment of various creditors than earlier
2 iterations of what have been proposed.

3 THE COURT: No. I get all that, but the objections
4 that are available under the Bankruptcy Code are limited in
5 number.

6 MR. MARRIOTT: Yes, but --

7 THE COURT: And, you know, let's --

8 MR. MARRIOTT: I don't know how --

9 THE COURT: -- you know, put our cards on the table
10 here and agree that whatever objections are available will be
11 made.

12 MR. MARRIOTT: Yes.

13 THE COURT: All right.

14 MR. MARRIOTT: But -- yes, that's true. Whatever
15 objections are available, but --

16 THE COURT: And presumably you've been researching
17 and getting going on them for months.

18 MR. MARRIOTT: Nevertheless --

19 THE COURT: Okay.

20 MR. MARRIOTT: Nevertheless, most of these
21 objections, including the most significant ones, best
22 interest of creditors, feasibility, fair and equitable, they
23 are mixed questions of law and fact, and to simply say --

24 THE COURT: Um-hmm.

25 MR. MARRIOTT: I mean to simply file an objection

1 that says the plan fails to meet the best interest of
2 creditors test objection -- objection to a plan, it would
3 be -- I think it's more useful to everybody if we can say the
4 plan fails to meet the best interest of creditors because,
5 and --

6 THE COURT: That would help me.

7 MR. MARRIOTT: Yes. And the "because" depends on a
8 number of things. One --

9 THE COURT: Right. What's the plan, of course.

10 MR. MARRIOTT: -- what the plan ultimately -- and,
11 two, what discovery might reveal about what the debtor's
12 other alternatives would have been that were not pursued and
13 would have resulted in a better treatment for creditors.
14 That's the reason, in our view, that we need the 28-plus days
15 after the actual plan has been filed and the conclusion of
16 some discovery to file an initial objection that's at least
17 meaningful and helpful.

18 THE COURT: Well, let's just drill down with one
19 more question, and then I will let you off the hook --

20 MR. MARRIOTT: Fine, your Honor.

21 THE COURT: -- which is what do you foresee about
22 the document discovery which will come in addition to the
23 plan itself and the disclosure statement --

24 MR. MARRIOTT: Yes.

25 THE COURT: -- that will enable you to fill in that

1 "because" blank more specifically?

2 MR. MARRIOTT: Judge, the document discovery will go
3 to such things as the city's calculation of its various
4 liabilities, the city's valuation of its various assets, the
5 city's operational intentions and whether or not those
6 operational intentions are as much as could be done to create
7 additional revenue or not. For example, if asset "X" is
8 valued under the plan at dollar "Y" and the plan provides for
9 a particular treatment of that asset and, in fact, creditors
10 believe that it's not worth "Y," it's worth "Y" plus, that
11 would be a best interest of creditors objection, for example,
12 but one that would be informed by discovery that would
13 make --

14 THE COURT: Um-hmm.

15 MR. MARRIOTT: -- clear the debtor's views and why
16 the debtor held them, and we could indicate what our views
17 are and why we disagree with the debtor.

18 THE COURT: Um-hmm. Okay.

19 MR. MARRIOTT: If you have no more questions for me,
20 I will cede the podium to Ms. Neville, who will discuss the
21 other logistical hurdle.

22 THE COURT: Okay. Thank you, sir.

23 MS. NEVILLE: Carole Neville on behalf of the
24 Retiree Committee. Your Honor, I'm going to lobby you for a
25 longer period of time for solicitation of the retirees for

1 similar reasons.

2 THE COURT: How much time?

3 MS. NEVILLE: I would like the same 60 days that the
4 bondholders are asking for. Our problems are different.

5 THE COURT: Um-hmm.

6 MS. NEVILLE: We are contemplating individualized
7 ballots, which means that there has to be an agreement with
8 the city on the calculation of the claims that are going to
9 be voted. They have to be sent to retirees. Well, first we
10 need a disclosure statement that -- or a disclosure addendum
11 or attachment that's tailored to the retirees, which we
12 haven't gotten yet or seen or worked on.

13 THE COURT: Which would disclose what?

14 MS. NEVILLE: Well, I think it would be a simplified
15 version of the description of the plan and the treatment of
16 retirees because I can't imagine sending out the CD's to a
17 population that has thousands over 85 --

18 THE COURT: Um-hmm.

19 MS. NEVILLE: -- and expecting it to be really
20 understood.

21 THE COURT: I agree with you. I'm very concerned
22 about that, and as I said before, the primary two things
23 creditors want to know -- and I assume this is the
24 retirees -- is how much they're going to be paid and when.

25 MS. NEVILLE: Well, complicated question in case of

1 a pension and healthcare benefits, so --

2 THE COURT: But it can't be. It has to be --

3 MS. NEVILLE: Well --

4 THE COURT: -- straightforward for the people to
5 understand what they're voting on.

6 MS. NEVILLE: Well, I understand that, and it can be
7 simplified, but it needs to be a little bit separate from
8 what the regular creditors are getting to walk people through
9 it, and the calculation itself is complicated where we need
10 the help of actuaries. We need accord among the actuaries to
11 get to that point where -- and it's close.

12 THE COURT: Has that been challenging?

13 MS. NEVILLE: Yeah, it's challenging, but it's
14 closer than you would imagine. So then -- and then so after
15 that there is a formulation of these 32,000 individualized
16 ballots, sending them out and collecting them, and they, too,
17 have a confidentiality problem because we certainly don't
18 want to disclose people's pension amounts and their Social
19 Security numbers or any other identifying --

20 THE COURT: How did you get to 32,000? I thought it
21 was 20,000.

22 MS. NEVILLE: Yes, but there are beneficiaries who
23 are entitled to balloting, and there's active vested --
24 vested active employees, so --

25 THE COURT: Oh, okay.

1 MS. NEVILLE: -- you add it all together, and it
2 comes out to --

3 THE COURT: Okay.

4 MS. NEVILLE: -- 32,000 ballots that we have, so I
5 am lobbying for the same --

6 THE COURT: You want to send each one of them an
7 individualized ballot.

8 MS. NEVILLE: Yes.

9 THE COURT: And by "individualized," do you mean
10 their name on it and what else?

11 MS. NEVILLE: State their claim amount, what they're
12 voting, because that's the only way I think we can calculate
13 whether the classes accept or reject the plan.

14 THE COURT: Um-hmm.

15 MS. NEVILLE: So we have to give people -- and they
16 can't calculate it themselves. I mean I looked at some of
17 the proofs of claim that were filed, and they're -- by
18 individuals, and they're all over the map, so we need to do
19 that, and that's a long involved process.

20 THE COURT: And have you worked with the city yet on
21 how to -- what the formula is to calculate that?

22 MS. NEVILLE: We are. We're working towards that,
23 yeah. I think --

24 THE COURT: That's where the actuaries come in?

25 MS. NEVILLE: Right; right.

1 THE COURT: Okay.

2 MS. NEVILLE: We are getting to that point. The
3 actuaries are meeting. They have a timetable to agree on
4 numbers on the 21st of March. It's not such an easy process.

5 THE COURT: Right.

6 MS. NEVILLE: So that's number one. Number two, I
7 want to -- I want to focus again --

8 THE COURT: So it's 60 days from what to what that
9 you're asking for?

10 MS. NEVILLE: I think I would concur with the
11 bondholders on the deadline, so I think what that means is
12 it's -- the voting deadline would be moved to the 23rd of
13 June, to 60 days from --

14 THE COURT: Right, but it's 60 days from --

15 MS. NEVILLE: The mailing of the solicitation
16 package.

17 THE COURT: Package. Okay.

18 MS. NEVILLE: The 24th. The second thing I wanted
19 to address with your Honor is this issue of unconfirmable on
20 its face.

21 THE COURT: Which I already said I'm not going to
22 do.

23 MS. NEVILLE: I know, but I'm going to try and lobby
24 you a little bit, if I may.

25 THE COURT: You may make your record.

1 MS. NEVILLE: Your Honor, this is a serious question
2 for the retirees because their other post-employment benefit
3 claims are classified in the same class as their pension
4 claims, so we would be soliciting ballots -- if we don't
5 resolve this issue on the disclosure statement deadline, we
6 would be sending people ballots that wouldn't necessarily be
7 the vote for the class or would be the vote for the class
8 that would be inappropriate because the OPEB claim and the
9 pension claim are two different claims. And at the moment,
10 for the police and fire-fighters, the OPEB and the pension
11 claims are classified in the same class, and the same thing
12 is true for the General Retirement System. They're two
13 different claims. They get different treatment within the
14 class, and so I think we have to resolve at the disclosure
15 statement stage before we solicit whether we have the proper
16 classification.

17 THE COURT: Any other issues?

18 MS. NEVILLE: There are other issues, but I think
19 this is the one that just really leaps out because it
20 involves solicitation as well as confirmation. You have to
21 have -- you'd have to design the --

22 THE COURT: You may have opened the door a crack.

23 MS. NEVILLE: I opened the door a crack. All right.

24 THE COURT: You may have.

25 MS. NEVILLE: Thank you. Well, that's all I have to

1 say.

2 THE COURT: All right.

3 MR. LEMKE: Your Honor, David Lemke on behalf of US
4 Bank as trustee for the water and sewer bonds. I don't have
5 anything to really disagree with here, and we support the
6 schedule that was laid out with maybe one exception, and that
7 is -- you referenced it -- that the -- what we would ask for
8 was a 30-day deadline to vote and to object to the plan so
9 that the objection date and the voting date would run
10 simultaneously for the bondholders. If the solicitation
11 package goes out on April the 24th, as is indicated, then
12 that would be a June 23rd deadline. We did actually ask for
13 June --

14 THE COURT: You said 30, but you meant 60.

15 MR. LEMKE: Sixty. I'm sorry. Yes. Sixty. We did
16 ask for June the 30th -- that's where I got the 30 -- June
17 the 30th to be that deadline. That gives us another seven
18 days. It's really 67 days. And then we felt like if you had
19 June 30th, that would give adequate time for the balloting
20 agent to do their tabulation, the ten days, and then if the
21 confirmation hearing started on July the 14th or someday
22 after that, there would be adequate time to get whatever
23 additional pretrial issues needed to be addressed, but I did
24 want to make sure that we were clear on what we were asking
25 for there.

1 THE COURT: All right. Thank you, sir.

2 MR. LEMKE: Thank you.

3 THE COURT: Anyone else?

4 MR. HACKNEY: Good afternoon, your Honor. Stephen
5 Hackney on behalf of Syncora. You've been very diligent
6 about reading the pleadings, and I don't have anything to add
7 to the one that we filed.

8 THE COURT: Okay. Thank you. Any other comments or
9 objections before I recall the city? Ms. Lennox.

10 MS. LENNOX: Thank you, your Honor. Just a few
11 points. With respect to Mr. Marriott's request that we --
12 that your Honor set a date by which we file an amended plan
13 and disclosure statement, I think Mr. Bennett referenced when
14 we were here a week ago or ten days ago that we do intend to
15 file probably at least one, if not more, iterations as we
16 progress between now and the disclosure statement hearing, so
17 we intend to do that. We do not intend to drop on the Court
18 and all the other parties to the case, you know, one amended
19 disclosure statement the night before the hearing and expect
20 people to wade through that, so I don't know that a deadline
21 is necessary. In fact, if we can reach agreements that we
22 would want to reflect in that agreement, a deadline may be
23 counterproductive, but I do want to assure the Court that we
24 do intend to do that.

25 With respect to plan objections preceding some stage

1 of discovery, I do agree with the Court that we can file
2 basic plan objections which give parties -- all the parties
3 in the case an indication of where people are going and file
4 supplemental objections as we did in the eligibility hearing.

5 With respect to -- I only have one particular
6 comment to the pleading and the response that was filed by
7 Mr. Marriott and his consortium of compatriots, and that is
8 they suggest that we have an April 1st deadline for the city
9 and only the city to designate fact and expert witnesses.
10 That's actually before we have what might be the solicitation
11 portion of the plan done. I think what would be more
12 appropriate is if we move the city's time to do that to the
13 same time the objectors propose to do that or the creditors
14 propose to do that, which would just be two weeks after the
15 disclosure statement hearing in early May, May 1st, May 2nd,
16 so that's the only particular comment that I had.

17 And then with respect to what Ms. Neville said, I
18 agree with the longer period. In fact, I would assume that
19 the solicitation period that we set will be one solicitation
20 period for everyone, and I do agree that the retirees need
21 particular time. We are definitely working on customizing
22 the ballots. We are working on the plain English, and I
23 think Ms. Neville did a very good job of describing sort of
24 where we are in the process, and we're working cooperatively
25 to get that done.

1 THE COURT: I'm interested in your response to her
2 concern about the classification issue and whether that's
3 something that should be resolved sooner than later.

4 MS. LENNOX: I do not -- I don't have a problem
5 resolving it sooner than later. I do think -- first of all,
6 we would calculate separate amounts for pension and OPEB, so
7 if it remains a combined class, it will be easy for them to
8 tell, you know, which is which and then a combined amount.
9 The Retiree Committee has raised the issue in their pleading.
10 We do intend to engage with them between now and the
11 disclosure statement hearing and hopefully work something
12 out, but I don't think the city would object to that
13 particular issue.

14 THE COURT: If I understood her correctly, their
15 position is that in the plan these two different kinds of
16 claims should be classified separately.

17 MS. LENNOX: We understand that. I can see an
18 argument for that, and I can also see an argument for
19 combining retiree claims in general in one class. They are
20 all, after all, of the same priority, so that is a discussion
21 that we can have with the Retiree Committee between now and
22 the disclosure statement hearing.

23 THE COURT: So you would agree to build into the
24 scheduling order some separate process to address this
25 question sooner than later?

1 MS. LENNOX: We'd be -- certainly be amenable to
2 that, your Honor, and that's all I have.

3 THE COURT: Okay. The door is fully open.

4 MS. LENNOX: Thank you.

5 THE COURT: Anyone else have any comments about the
6 scheduling order?

7 MR. GOLDBERG: Your Honor, my comment isn't
8 specifically on that, but it's sort of to what Ms. Neville
9 addressed, and I don't want to be out of place because I'm
10 not privy to a lot of the discussion, but I do represent an
11 individual retiree, and we've had discussions with similar
12 retirees. And one of the other concerns and the
13 understanding is that we try to reach deals with the
14 annuities that are also part of the plan. That was very
15 confusing in the plan. There was a formula that we couldn't
16 find, and I just wanted to make sure that issue is -- it's
17 the third part of the retiree benefit is the pension benefit,
18 the --

19 THE COURT: Okay.

20 MR. GOLDBERG: -- health benefits, but also the
21 annuity, which there was a recapture. It was quite confusing
22 in the plan as was outlaid and a big matter of concern to
23 many retirees.

24 THE COURT: Well, I won't tolerate any confusion.

25 MR. GOLDBERG: No. I appreciate that.

1 THE COURT: I just -- I won't. Anyone else? Yes,
2 sir.

3 MR. FRIMMER: Good afternoon, your Honor. Rick
4 Frimmer for FMS. Ms. Lennox's last statement about this
5 seriatim modification of the disclosure statement right up
6 until the hearing has us all concerned that we ought to have
7 some deadline date by which we know exactly what it is we're
8 going to object to, and this --

9 THE COURT: You know, I wish the real world were
10 that simple.

11 MR. FRIMMER: Even if it's two days beforehand. I
12 mean --

13 THE COURT: But the truth is agreements with
14 creditors come when they come. Do you want me to set a
15 deadline for you all to come to an agreement with the city?
16 Is that what you want me to do? I don't think so.

17 MR. FRIMMER: Well, no, but that -- because that can
18 happen afterward also.

19 THE COURT: Every new agreement potentially requires
20 a new disclosure statement; right?

21 MR. FRIMMER: Well, we're not talking about what we
22 might agree to. We're talking about changes that might be
23 made because they decide to make a change. That has nothing
24 to do --

25 THE COURT: Changes what?

1 MR. FRIMMER: That they decide to make not having to
2 do with a negotiation with a creditor, just change the plan.

3 THE COURT: Oh, I didn't quite hear that.

4 MR. FRIMMER: That's what I thought I heard.

5 THE COURT: Well, I'll ask.

6 MR. FRIMMER: That's what I thought I heard.

7 THE COURT: Okay. Ms. Lennox, the question that's
8 raised is do you foresee any cause to amend the disclosure
9 statement other than as a result of amendments to plans that
10 result from agreements with parties along the way?

11 MS. LENNOX: Not in a material manner, your Honor.
12 I mean certainly if people come to us and say, "I want you to
13 put this information because we want more information in the
14 disclosure statement," we're going to do that, and that's not
15 going to --

16 THE COURT: Assuming it's pertinent and accurate.

17 MS. LENNOX: Assuming it's pertinent and it's --
18 exactly, so there may be quite a bit of that. In fact, there
19 may be quite a bit of that, your Honor, but --

20 THE COURT: Well, I encourage it.

21 MS. LENNOX: And we don't disagree, so I think there
22 will be some of that. I think, as your Honor indicated, it's
23 a little difficult to put a hard-and-fast timeline on that,
24 but I have committed and I will commit that we are not going
25 to leave major, you know, complete rewrites of the disclosure

1 statement until two days before the hearing. There will be
2 interim filings.

3 THE COURT: All right. Anyone else? All right.
4 We'll consider this matter closed. The Court will take it
5 under advisement and issue a revised scheduling order. Let's
6 turn our attention to the city's motion to establish
7 procedures for solicitation and tabulation of votes.

8 MS. LENNOX: Thank you, your Honor. It's a bit of a
9 long motion, and I'll try to address some of the commentary
10 that was objected -- or was raised in some of the responses
11 as I go forward, and I'm going -- I'm not going to repeat
12 everything we did. I'm going to try to be very
13 straightforward.

14 I do want to point out, just to reiterate what Ms.
15 Neville and I reported to the Court, we will file and we
16 intend to file a supplemental motion to approve what it is
17 that we are going to do with respect to the retiree classes
18 for this plain English insert and for voting purposes, so --

19 THE COURT: What's your timing on that motion?

20 MS. LENNOX: Well, we're hoping to get it out in the
21 next couple of weeks, your Honor, and that will depend
22 probably on how much detail we put in this plain language
23 version of what we do. It may have to be at the disclosure
24 statement hearing, you know, the actual final version updated
25 because if there are some agreements or something that may

1 change the verbiage on that, we would want that updated, so
2 there may be a secondary consideration of that, but we do
3 want to get out in front of the Court sort of what we're
4 thinking about sooner rather than later.

5 THE COURT: Well, all right. I would encourage the
6 two of you, to the extent you might find it helpful in
7 resolving any issues more efficiently, to either get me on
8 the phone or come and see me so that I can give you my
9 guidance on how to deal with your specific issues.

10 MS. LENNOX: Thank you, your Honor. That's very
11 helpful. We appreciate the offer. Okay. As to -- we asked
12 for several things.

13 THE COURT: By that I mean your disclosure issues.
14 Your substantive negotiations are being handled --

15 MS. LENNOX: Yes, your Honor. We understand.

16 THE COURT: -- at a higher pay grade.

17 MS. LENNOX: We understand. Okay. So things that
18 we asked for, the relief that we asked for in the
19 solicitation motion, we do ask to set a record date for
20 voting, and just for sort of obvious reasons we set the
21 disclosure statement hearing date as a reasonable record date
22 for voting, so that means whoever holds the claims on that
23 date gets to vote. We also asked for approval of what we'd
24 include in solicitation packages for people who do get to
25 vote, and I think I mentioned to the Court earlier what that

1 would be. That would be a confirmation hearing notice, which
2 we attached as Exhibit 6-A to the motion; a CD-ROM that
3 contains the plan, the disclosure statement and any exhibits
4 we filed to that date; a ballot; and a return envelope for a
5 ballot; and probably a cover letter explaining what's in
6 there.

7 THE COURT: Do you feel you need to serve a separate
8 confirmation hearing notice if we serve on everyone what will
9 be a second amended procedures order?

10 MS. LENNOX: There are some things in the notice
11 that I think would be helpful for people to have, and I'm
12 just referring to the notice here. One is just a
13 notification -- a formal notification of the approval of the
14 disclosure statement, that it's been approved, where they can
15 get it.

16 THE COURT: Okay.

17 MS. LENNOX: We can certainly -- I mean the
18 confirmation hearings will be in your order, your Honor. If
19 your Honor put the voting record date in the order, that
20 would be the other thing that we would notify people of. We
21 also talked to people about if there are transferred claims,
22 you know, who gets to vote a transferred claim. It does talk
23 about a voting deadline. It does reference tabulation rules,
24 so it's a little more --

25 THE COURT: Okay.

1 MS. LENNOX: -- involved than just a scheduling
2 order, your Honor.

3 THE COURT: Okay.

4 MS. LENNOX: So that would be what we propose to put
5 in the solicitation package. For those we do have classes
6 that are nonvoting either because they're unimpaired and
7 deemed to accept or there's one class that will receive
8 nothing and is deemed to reject the plan. We would propose
9 to them -- send them a notice called a notice of nonvoting
10 status, and, again, it has similar information about where
11 they can get the plan and disclosure statement on line or the
12 fact that we will mail it to them if they want free of
13 charge, the fact that they're not voting, but all the other
14 relevant deadlines, you know, confirmation hearing date and
15 things like that.

16 So we also talk about the solicitation process, and
17 I think we've gone through that with your Honor. You know
18 the proposed dates, the requested dates, and so I won't
19 belabor that. I would just reiterate that we do assume that
20 we need ten days to finalize the disclosure statement and the
21 plan and the documents and get them all in the mail, so we
22 would -- we're requesting that solicitation start -- be
23 deemed to start on April 24th, which is ten days after the
24 disclosure statement hearing.

25 Now we get into stuff that's been a little more

1 controversial in the responses. The first is a procedure for
2 resolving disputed voting rights, and as evidenced by the
3 papers that have been filed by the DWSB water and sewer bond
4 trustee and the ad hoc committee on the one hand and the
5 insurers on the other hand, we definitely have a dispute, and
6 we have a much more global dispute than perhaps people might
7 have anticipated. I do think it is the insurers' view that
8 they get to vote all the claims in a particular class, and it
9 is the trustee and the beneficial holders' view that they do
10 not. So the ad hoc procedures that we had proposed in the
11 motion are probably not very workable, so having conferred
12 with counsel for all these parties prior to this hearing --
13 and, frankly, before I get there, your Honor, from the
14 debtor's -- or from the city's perspective, we need to -- two
15 people can't vote the same claim. We need to know who's got
16 the claim, who's going to vote it, and who -- and in what
17 amount and who do we count, and we need it well --

18 THE COURT: And who to pay.

19 MS. LENNOX: And who to pay and well before the
20 tabulation is done. We ideally think it should be done by
21 the time your Honor -- by the time we solicit would be ideal
22 to have it done. The parties have requested that between now
23 and next Tuesday the insurer parties and the holder parties
24 try to work out among themselves with the city involved a
25 schedule for resolving their disputes. Hopefully they can

1 come up with a -- we can come up with a scheduling procedure
2 by next Tuesday. If not, perhaps we could bind this over and
3 appear before your Honor to talk about a schedule to do
4 exactly that next week, but we'll try to do that
5 consensually. It would be the debtor's -- or the city --

6 THE COURT: Oh, I would want -- I would want to have
7 a hearing on it regardless.

8 MS. LENNOX: Okay. Very good. That is to set the
9 schedule and set a procedure. Then the procedure has to play
10 itself out. The city ideally would like to know who's voting
11 what so we know who to mail what to by the time we start
12 solicitation. The parties in interest have asked for a
13 longer period of time to try to work out their differences
14 because if they can't be worked out, they're going to be
15 litigated in front of this Court, and we are going to need to
16 know well before we tabulate the ballots who's got what vote
17 definitively. So that procedure they have proposed -- and
18 they can certainly speak to this; I don't mean to, you know,
19 tread on their water here -- but would take some time past
20 disclosure statement hearing and before the voting deadline
21 is done, preferably ten -- at least ten days before the
22 voting deadline is up, so that is how we're proposing to deal
23 with all of those sets of issues. I think they're very
24 important issues, and so if your Honor is amenable to that,
25 obviously we would sort of bind that over until we can work

1 that out. Let's see what else I had on that. I think that's
2 all I had on that issue, your Honor. If I missed an issue
3 that an objector raised, they will certainly bring that to
4 your Honor's attention. I can respond.

5 The other thing that we asked for is the approval of
6 the form of ballots. US Bank, as the trustee, basically
7 raised an objection that said, well, it's kind of premature
8 to do that, don't you think, because the plan might change.

9 THE COURT: Who did?

10 MS. LENNOX: US Bank, who's the indenture trustee
11 for the water and sewer bonds. And, you know, looking at the
12 ballots, they're pretty plain vanilla. It says you have a
13 claim in this class, and you vote "yes" or "no," and if you
14 get to make an election, you make an election. And so I
15 don't think that's going to change very much, but there may
16 be changes in, you know, different classifications or things
17 like that, so while I don't necessarily agree that this is
18 premature to approve the forms of ballots that we've
19 attached, if your Honor wants to defer that until the
20 disclosure statement deadline, we could. I don't think these
21 forms are going to change very much.

22 THE COURT: I think that's a good idea. Let's do
23 that.

24 MS. LENNOX: Okay. Very good. So we will modify
25 that. We also agree with US Bank's suggestion that we only

1 need individual ballots for the SRF ballots because they're
2 held by the state, so we don't have to go through the DTC
3 process, so we can make that change.

4 THE COURT: Okay.

5 MS. LENNOX: We also want to clarify because US Bank
6 made this request in paragraph 14 of its objection that,
7 indeed, the plan does contemplate subclasses. There are 66
8 series of water and sewer bonds, and so we classified them
9 according to lien priority, water first lien, sewer first
10 lien, but we also said that these classes include subclasses
11 that involve each of the different series. We thought that
12 might be an easier and more efficient way of doing it than
13 having 66 separate classes, but they are separate classes.
14 Each series is a subclass, and you can vote -- they can vote
15 claims in the different subclasses differently, but they have
16 to vote all the claims within a subclass the same way, which
17 is generally the procedure that we've set forth for voting
18 claims within a class.

19 The ad hoc bondholders asked to submit ballots
20 directly to KCC. We have checked with -- rather than going
21 through the DTC system, I think Mr. Kannel had said to the
22 Court there's a way to do it. There is a way to do it, but
23 what the city has to be sure of is that the bonds that are
24 voted -- what the city has to be sure of is that the bonds
25 that are voted by a beneficial holder are actually held by

1 them as of the record date. And as I indicated before, the
2 only way to know that is for DTC to verify that, so there's a
3 procedure that I have discussed with Mr. Kannel that if it's
4 followed we can permit this sort of direct transmittal to KCC
5 because we would have the verification that the city needed.
6 Mr. Kannel is going to consider that and get back to us, so
7 perhaps we can take that up next week as well.

8 THE COURT: Okay.

9 MS. LENNOX: And I think that has to do with ballots
10 and voting and the issues raised there. Again, I think if I
11 missed one, somebody will correct me, and I will respond.

12 Then the final things that we asked for by this
13 motion, your Honor, are the approval to publish a
14 confirmation hearing notice under Bankruptcy Rule 2002(1) and
15 then finally some tabulation rules. First, as part of that,
16 we've asked for a deadline by which if anybody wants to file
17 a motion to temporarily allow claims for voting under
18 Bankruptcy Rule 3018, that they file that motion by May 1st
19 or ten days after we file an objection to their claim. As
20 part of the tabulation rules, the insurers asked us to make
21 explicit in our ballots how DTC will set up a method to track
22 the elections because DTC tracks the elections made on the
23 ballots. We know how they're going to do that. We're happy
24 to add language to the ballots to that effect. So other
25 than -- and I believe --

1 THE COURT: Add language where?

2 MS. LENNOX: In the ballots, your Honor, so that
3 people voting know how their election is going to be tracked.
4 We could also put it in the tabulation rolls because they'll
5 get copies of that as well.

6 THE COURT: Okay. So I think that's the sum and
7 substance of what we've asked for procedurally. I'm happy to
8 answer any questions your Honor may have, and if not I'll
9 respond to any objections I might have missed. Thank you.

10 THE COURT: Thank you.

11 MR. KANNEL: Your Honor, William Kannel for the ad
12 hoc sewer and water bondholder committee. Let me -- I'm
13 going to address a subset of the issues that are at play and
14 ones where we've hopefully agreed to a path toward
15 resolution, a very short path toward resolution by next
16 Tuesday, so let me tell you what the issues are, what they
17 aren't, who we've had a chance to talk to to resolve this,
18 and what the plan is.

19 At the intersection of the indenture trustee and the
20 water and sewer objections, the insurer's omnibus response,
21 if you will, and our little response on behalf of the ad hoc
22 water and sewer bondholders, there are really three issues at
23 play. One is who actually gets to vote those claims, the
24 beneficial holders or the insurers, the issue that Ms. Lennox
25 just referred to about the elections and whether there is a

1 lockup between making an election and in a ballot and
2 distribution, and then our somewhat parochial issue about
3 being able to vote directly and not having to go back up
4 through the nominee chain, if you will. What we've agreed to
5 in concept -- and we still have to work up to details, and
6 we've had a chance to speak to counsel to Assured, counsel to
7 NPFG, counsel to FGIC, counsel to Berkshire, counsel to
8 Ambac. I do not think, just because of where people were
9 positioned in the hall, we've had a chance to close the loop
10 with Syncora would be by next Tuesday to agree to a mechanism
11 where what Ms. Lennox proposed, which was basically a
12 schedule to resolve the who gets to vote issue by
13 solicitation to instead drop that into a schedule between
14 solicitation, and I think we agreed with Ms. Lennox ten days
15 before tabulation. Now, we'll have to see the order you're
16 developing sometime in the next day or two to sort of figure
17 that out and figure out what that window is, but that's the
18 game plan. There are other issues that we haven't resolved
19 that, for example, the trustee is going to deal with in his
20 objection.

21 THE COURT: Well, but --

22 MR. KANNEL: Sure.

23 THE COURT: -- how do you deal with Ms. Lennox's
24 assertion that it's important to the city in terms of
25 solicitation to get the issue of who gets to vote resolved

1 before then?

2 MR. KANNEL: Right. I think at this point they are
3 going to have to solicit the individual beneficial holders.
4 They've already sent out -- I forgot what the number you gave
5 is for the disclosure statement. Soliciting the insurers in
6 addition I think is eight different -- eight additional
7 ballots. I don't think that's much more material cost, your
8 Honor.

9 THE COURT: Um-hmm.

10 MR. KANNEL: And in any event, they're going to have
11 to --

12 THE COURT: So the point is that if that decision
13 were made later and required that additional solicitation, we
14 could deal with that.

15 MR. KANNEL: No. I think the point is that
16 solicitation of the individual bondholders, if the schedule
17 sticks as it is more or less now, is going to take place by
18 April 24th anyway, but we're additionally going to be --
19 contrary to what's in Ms. Lennox's original motion, be
20 soliciting the insurers, and then during that period we'll
21 get to --

22 THE COURT: If that becomes --

23 MR. KANNEL: -- decide who counts.

24 THE COURT: If that becomes necessary.

25 MR. KANNEL: If that becomes necessary, exactly,

1 right. Thank you, your Honor.

2 MR. KOHN: I believe I may have missed something,
3 your Honor. Your Honor, Samuel Kohn on behalf of Assured
4 Guaranty Municipal Corp. Yes, Ms. Lennox and Ms. -- I'm
5 speaking for all the insurers. I don't think any other
6 insurers will get up except for counsel for Syncora. I'm not
7 sure. But one thing just as a clarification, there were
8 other parts of our little objection just dealing with some of
9 the paragraphs in tabulation, for instance, a contingent
10 claim being voted, one dollar or things like that being
11 classified, so the process -- the agreement that we had with
12 Ms. Lennox is that the amount of the ballots or the amount of
13 the voting will also be part of that process that'll take
14 part, and our little objections will -- about language will
15 hopefully also be resolved by Tuesday.

16 THE COURT: Okay.

17 MR. KOHN: Thank you, your Honor.

18 MR. LEMKE: If your Honor please, David Lemke on
19 behalf of US Bank as trustee for the water and sewer
20 bondholders. So it looks like most of the objections that we
21 raised have been addressed one way or the other, either
22 they're going to be put off on the voting dispute or
23 whatever. There are at least two that overlap. Ms. Lennox
24 did clarify that there are multiple subclasses based on the
25 number of series, and that's what we thought was intended by

1 the plan. The motion seemed to blur that, but we'll just
2 work with them on making sure it's clear when that goes out.

3 THE COURT: Okay.

4 MR. LEMKE: But the more substantive issue is that
5 Ms. Lennox has also clarified that the debtor intends for all
6 the votes -- if you are a bondholder and you own multiple
7 bonds within a class, you have to vote all those the same
8 way, and we would take issue with that because there are
9 multiple CUSIPs within each class, so within each series
10 there are -- bonds were issued within a series, and some of
11 those bonds have different maturity dates, interest rates,
12 call protections. Some might be insured. Some might not be.
13 Our view is -- and I think the ad hoc committee agrees --
14 that a holder should be required to vote -- should be allowed
15 to vote whatever bonds it holds in CUSIPs diversely, so it
16 might have -- it might have bonds in multiple CUSIPs in the
17 same class. It ought to be able to vote those CUSIPs
18 differently if it chooses to because they're going to be
19 treated differently. The plan actually proposes -- at least
20 if it's a cramdown interest rate, the plan proposes a list of
21 reset interest rates for every CUSIP that has been --

22 THE COURT: Well, but doesn't the law require that
23 each claim in a given class be treated similarly?

24 MR. LEMKE: Then maybe the CUSIPs need to be the
25 separate classes because they are -- they are not being

1 treated similarly, though. The point is that the way the
2 debtor has proposed it, a holder in a class might have a bond
3 that gets one interest rate if it's crammed down and might
4 have a bond in that same class but it's a different CUSIP
5 that will get a different interest rate because of the way
6 the debtor is proposing, so we need to resolve that issue.
7 We thought the -- you know, if the classifications need to be
8 changed, then maybe that's an issue that needs to get fixed
9 when we take up the retirees, but certainly we don't want the
10 ballots to go out or the disclosure statement to go out until
11 that's resolved.

12 THE COURT: This has to be resolved before that's
13 done.

14 MR. LEMKE: It does, yes. All right. That's it.

15 THE COURT: That's it?

16 MR. LEMKE: Thank you, your Honor.

17 THE COURT: Okay.

18 MS. ENGLISH: Good afternoon, your Honor. Caroline
19 English from Arent Fox on behalf of Ambac Assurance
20 Corporation. Ms. Lennox's comments were and the discussion
21 so far has been really focused on the water and sewer bonds.
22 Ambac insures general obligation bonds.

23 THE COURT: Um-hmm.

24 MS. ENGLISH: I think with respect to the general
25 obligation bonds, respectfully, there really is no dispute as

1 to the voting rights on those bonds. Ambac's bond documents
2 are very clear on their face that Ambac has the voting
3 rights. It's in our proof of claim. The city has those
4 documents. However, to the extent the city has imposed this
5 default rule that they believe the beneficial holders may
6 have the right to vote, I think our discussions earlier today
7 outside in the hallway were that the general obligation bond
8 insurers would also participate in these discussions over the
9 next five days with the city and the water and sewer bond
10 insurers and holders to work out a consensual arrangement so
11 that it -- you know, it covers all bonds, if you will, and
12 we're happy to do that.

13 THE COURT: Of course, if we allow everyone to vote
14 and no matter how we tally it the class rejects the plan, it
15 doesn't matter who had the right to vote; right?

16 MS. ENGLISH: If all the insurers and all holders
17 reject a plan, I suppose so. Thank you, your Honor.

18 MR. MARRIOTT: Good afternoon again, your Honor.
19 Vince Marriott, EEPK, the holder. We didn't file an
20 objection to the procedures motion; however, I did think it
21 would be useful to rise in response to some of the objections
22 that have been filed. Just to put on the record, first of
23 all, that although the insurers believe they have the right
24 to vote, at least this holder doesn't agree with that
25 position. On the other hand, we think that what I'll

1 describe as the proposed two ballot solution is an elegant
2 way to push the problem down the road to where it may not
3 matter because, as you point out, if insurers and holders
4 vote the same way, then who had the right to vote doesn't
5 really matter. So although we have a different substantive
6 view of the world than the insurers, we think that the two
7 ballot solution is sort of an elegant way around this issue
8 at this point.

9 MR. FRIMMER: Your Honor, Rick Frimmer from Schiff
10 Hardin for FMS. First, I wanted to just join in what Mr.
11 Marriott just said about our agreement with the notion of --
12 you know, of the question of who would get the right to vote,
13 but --

14 THE COURT: Okay.

15 MR. FRIMMER: -- we agree with the solution.
16 Secondly, just to say that because of some of the discussion
17 surrounding the insurance question, I would point out a
18 couple things which might be -- one which is, I think,
19 generic to all of the -- I'm going to call them bonds, which
20 is I was confused particularly by the tabulation procedures
21 in paragraph 39 as to whether because the bar date order and
22 motion specifically allowed the indenture trustees to file
23 the proof of claims on behalf of all the beneficial holders,
24 I assume the city doesn't intend that the beneficial holders
25 need to comply with the 3018 motion procedure for tabulation

1 because in our case, for example, Wilmington would have filed
2 a proof of claim for all the COPs claims, so no actual
3 beneficial holder filed a proof of claim for those. I'm not
4 really sure -- I don't think you intended it, but one could
5 read the 3018 procedures to require beneficial holders to
6 file something, so that should be clarified.

7 Secondly, the procedures -- the solicitation motion
8 provides for the Class 9 claims that if a settlement box is
9 checked, it becomes irrevocable. I don't think any other
10 ballot is irrevocable until the end of the voting deadline
11 and especially if we're going to have to do a vote, I think
12 that ought to be eliminated.

13 The third thing just to note that although the COPs
14 claims are for definition purposes described as debt
15 instruments in the solicitation motion, we, of course, don't
16 agree with that, but we agree with the procedures.

17 MS. NEVILLE: Your Honor, we're not a part of this
18 motion -- Carole Neville on behalf of the Retiree
19 Committee -- but we haven't actually worked out with
20 Ms. Lennox that we're probably going to use a different
21 solicitation package, including a different confirmation
22 notice for the retirees, because it's quite complicated. And
23 I was thinking that it might be useful since it was very
24 confusing on the bar date notice that there just be a little
25 legend that says on the general solicitation and confirmation

1 notice this doesn't apply to retirees.

2 THE COURT: Um-hmm. Okay.

3 MS. CECCOTTI: Your Honor, Babette Ceccotti. Just a
4 quick follow-up to Ms. Neville's comments, which I agree
5 with, by the way, but in terms of the confirmation notice, I
6 believe I heard Ms. Lennox saying that the actual penning of
7 the ballots and the approval is going to await disclosure
8 statement. It seems to me to make sense to have the general
9 confirmation notice deferred as well, but I didn't hear that
10 mentioned and just --

11 THE COURT: You say confirmation notice. You mean
12 confirmation hearing notice?

13 MS. CECCOTTI: Yes, yes, to defer that as well.

14 THE COURT: Yeah.

15 MS. CECCOTTI: That way we have everything kind of
16 marching along without having to worry about whether the
17 wording in one and the other on key points that might apply
18 across the board are not worded differently.

19 THE COURT: Okay. Based on what I've heard so far,
20 I think we will convene a hearing next Tuesday at ten o'clock
21 to consider a stipulation to the extent you've been able to
22 reach one on how to resolve the who gets to vote issue --

23 MS. LENNOX: Um-hmm.

24 THE COURT: -- although I do want to hear from you
25 on why not solicit everyone and defer the issue if it's only

1 eight additional ballots.

2 MS. LENNOX: I think, your Honor, that's exactly
3 what people have proposed is that ballots would go out to
4 everyone, including the insurers.

5 THE COURT: All right. So if --

6 MS. LENNOX: The issue we have -- and it's an
7 issue -- I forget who raised it. Perhaps it was Mr. Dubrow,
8 but perhaps I got that wrong. There's one issue relating to
9 the amount of voting that if we're going to send out ballots
10 to the insurers at the same time, it's going to be sort of a
11 bigger issue than perhaps -- it may be a bigger issue because
12 I think what the insurers would like is that the ballots go
13 out -- and we can talk about this more next week, but the
14 ballots go out --

15 THE COURT: Yeah.

16 MS. LENNOX: -- in the full amount for principal and
17 interest that they insure, but they may not have paid all
18 that, and part of that is tied up in whether they're a holder
19 and whether they get to vote the whole claim or whether they
20 don't, so we're going to have to have some mechanism as part
21 of these procedures to figure out if they don't get the full
22 P&I amount of the vote, which I think would be some people's
23 position, then what is their lesser amount that they get to
24 vote, and is it subordinated under 509(c), so those issues
25 are going to have to be worked out, your Honor, as part of

1 these procedures, so --

2 THE COURT: Well, but I'm wondering why even that
3 can't be deferred in case --

4 MS. LENNOX: I think, your Honor --

5 THE COURT: -- and to deal with it only if it
6 actually become necessary in terms of determining acceptance
7 under the Bankruptcy Code?

8 MS. LENNOX: Well, one of the things that the
9 debtor -- or one of the things that the city doesn't want to
10 have happen because we are -- as you've heard today, at least
11 for just water and sewer, we have 66 subclasses and we have
12 337 or 377 CUSIPs, which somebody just mentioned making into
13 their own separate subclasses, and I want to talk about that
14 for a minute. When you're dealing with the kind of voting
15 that is this complicated and this many parties at this great
16 expense, leaving everything to the end of the day is kind of
17 a recipe for disaster. That's a bit of a free-for-all. The
18 more that we can have settled and certain about how things
19 are going to work up front, I'm not saying problems won't
20 arise, but it's less likely that problems will arise, and
21 when they do, they'll be manageable, so the city's original
22 position was -- and we put this in our motion -- we ought to
23 know who's going to vote before we solicit so it avoids
24 problems down the road, it's very clear, everybody knows.
25 Because the parties are willing to try to work out a

1 resolution process for this, we were willing to compromise on
2 that deadline, but what I don't want to have happen is to
3 sort of not resolve this at all and then have before -- when
4 the ballots are trying to be tabulated, then --

5 THE COURT: Well, I want to be very blunt with
6 you --

7 MS. LENNOX: Okay.

8 THE COURT: -- as if I'm, you know, not normally.
9 Is there any reasonable likelihood that any of these bond
10 classes will vote in favor of this plan or that any -- or
11 that any of these insurers will?

12 MS. LENNOX: Well, there's the rub, your Honor,
13 absolutely. We think there's a great possibility that
14 certain classes, particularly of the secured bonds, will vote
15 in favor of this plan, but maybe the insurers for other
16 reasons won't, and that's the kind of problem we don't want
17 to be arguing about seven days before the confirmation
18 hearing. We want to know what the rules are going to be well
19 before that because I do think that's a possibility, and we
20 are worried about it.

21 THE COURT: Okay.

22 MS. LENNOX: So I would suggest -- and I suppose we
23 can take this up next week, but I would suppose -- would
24 suggest that it would be highly impractical and totally
25 unnecessary to have a separate class for voting purposes for

1 each separate CUSIP in one series of bonds.

2 THE COURT: Well, I would agree with that, but
3 doesn't the law say that every claim in a given class has to
4 be treated similarly?

5 MS. LENNOX: And they are being treated similarly.
6 The different --

7 THE COURT: Oh, they're not getting different
8 interest rates?

9 MS. LENNOX: They are, but what we're saying is you
10 get a market interest rate, and what that chart is intended
11 to say is depending on when your bonds are due and what --
12 you know, what collateral they have, whether it's first
13 priority collateral, second priority collateral, this is what
14 the market says your interest rate should be, and it was
15 done -- and to be full disclosure, people can challenge it if
16 they want, but the treatment of the class is they get market
17 rate. They get market rate if they choose --

18 THE COURT: But the market rate is different
19 depending on when the bond is due?

20 MS. LENNOX: Correct, and the collateral position
21 because we have --

22 THE COURT: And that goes by CUSIP?

23 MS. LENNOX: And that goes by CUSIP, and one series
24 of bonds can have different CUSIPs, so I would suggest --

25 THE COURT: Because they have different maturity

1 dates?

2 MS. LENNOX: Correct. So hopefully we can work that
3 out consensually, but if not, if there's still an objection
4 to it, your Honor can -- we can discuss that next week. I
5 think that's all. With respect to the question of whether
6 beneficial holders have to file 3018's, I mean they certainly
7 can if they want. They're not required to. And in the plan
8 we already set forth amounts for bond claims of what we think
9 we're going to allow them in, so normally you do a 3018 if
10 there's a contingent claim or an objection to a claim, and
11 that doesn't seem to be the case here.

12 And I do want to clarify one thing that Ms. Neville
13 said. She said that this motion doesn't apply to the
14 retirees. In some senses it does. I mean if there's a
15 voting record date or dates that your Honor sets, I mean
16 those are going to apply to everybody, but I agree that, you
17 know, specific solicitation procedures we're going to work
18 out with them, so I just want to be clear about that, your
19 Honor.

20 THE COURT: Let me ask you this question about the
21 COPs --

22 MS. LENNOX: Yes.

23 THE COURT: -- because the city has filed an
24 adversary proceeding --

25 MS. LENNOX: Yes, sir.

1 THE COURT: -- which in some sort of conceptual
2 sense is an objection to any claim that they might file.

3 MS. LENNOX: Um-hmm.

4 THE COURT: Will there be a process -- do you
5 foresee a process to estimate that claim as part of the plan
6 confirmation process because it's unlikely the litigation
7 would be resolved before then?

8 MS. LENNOX: Right. That is a disputed claim right
9 now. I think we have procedures in the tabulation rules for
10 disputed claims. If they want to set up a 3018 procedure,
11 we're happy to talk about that with them, and perhaps we can
12 reach out and do that proactively, your Honor.

13 THE COURT: I would strongly recommend that in this
14 one-week period that you have allowed yourselves here.

15 MS. LENNOX: Thank you, your Honor.

16 THE COURT: Okay. So we'll reconvene next Tuesday
17 at two o'clock. I actually want to adjourn the hearing on --

18 MS. LENNOX: Tuesday at ten, your Honor?

19 THE COURT: Tuesday at ten. What did I say?

20 MS. LENNOX: Two.

21 THE COURT: No, not two, ten. Adjourn the hearing
22 on the solicitation and tabulation motion until then to see
23 what you've resolved here in the meantime.

24 MS. LENNOX: Okay.

25 THE COURT: And I'll make the same offer in

1 connection with either one of those matters. If you want to
2 get me on the phone to either sound me out on something or to
3 help you to resolve something, I'm very willing to do that.

4 MS. LENNOX: Thank you, your Honor. We appreciate
5 the offer.

6 THE COURT: All right. Then let's turn our
7 attention finally to the status conference on the city's
8 motion to approve the swaps compromise.

9 MR. HERTZBERG: Good afternoon, your Honor. Robert
10 Hertzberg on behalf of the City of Detroit. Your Honor,
11 we've asked for an order shortening time to deal with the
12 motion on the compromise that we've made with the banks. I'd
13 first like to indicate to the Court that during this period
14 that's provided for on page 2 of the term sheet the city is
15 continuing to make the payments through the collateral
16 account as previously done in that the money is being placed
17 in segregated accounts by the bank subject to further order
18 of the Court as provided on page 2 of the term sheet. We've
19 asked as part of the process to have the Court shorten notice
20 and set a hearing for March 20th to try and move the process
21 along in regard to the settlement. Our thought is is that a
22 lot of the testimony that was given at the prior hearing in
23 regard to the swap settlement that the Court previously
24 denied is good testimony in regard to background for this
25 settlement, and we believe that the Court can take judicial

1 notice of that under Federal Rule of Evidence 2001 and also
2 that it's available to be used under Federal Rule of Evidence
3 807, so we're -- what I would suggest to the Court is that we
4 put in a procedure in order to designate portions of that
5 prior testimony that was held before this Court for witnesses
6 and then a period of time, and I can give the Court some
7 suggested times, for counter-designation by anyone who
8 happens to file an objection. We only --

9 THE COURT: That sounds unnecessarily complex to me.

10 MR. HERTZBERG: I'm open to suggestions from the
11 Court on it.

12 THE COURT: Why don't we just say that all the
13 evidence that was submitted in connection with the prior
14 hearings on your prior motions is evidence on this one?

15 MR. HERTZBERG: That's satisfactory with us,
16 including the exhibits, your Honor. We will only be bringing
17 probably one live witness on a very short basis. We intend
18 on calling Kevyn Orr, and his direct examination I anticipate
19 taking anywhere from 30 to 45 minutes maximum. We're looking
20 at whether we need an additional witness of Mr. Malhotra, who
21 has appeared before this Court several times and given
22 testimony. I don't think we need it, but we need another day
23 or two to go through his prior testimony and make sure that
24 we have what we need to build a proper record.

25 THE COURT: So you'll make that decision by Friday?

1 MR. HERTZBERG: Yes, your Honor, absolutely. So
2 that takes care of the -- dealing with the prior testimony
3 and exhibits. What I suggest is --

4 THE COURT: Well, I want to -- I want to hear from
5 other parties before making a final decision on the evidence
6 issue.

7 MR. HERTZBERG: Understood. What we propose to the
8 Court is is that any objections to the proposed settlement be
9 filed by five o'clock on Friday, March 14th, and that the
10 city be given until March 18th to file its reply. And as I
11 indicated to the Court, that we're requesting that the
12 hearing take place on March 20th, and that's dependent
13 upon -- when I say March 20th, on the length of the hearing.
14 We don't believe that this hearing should take more than five
15 to six hours maximum, and let me tell you how I see it taking
16 place and give the Court an idea of how I see it unfolding on
17 that day. I believe that there's only -- or that it would
18 only be necessary for the city, at least, to give a ten- to
19 fifteen-minute at most opening statement, and I'd ask that
20 the Court limit any objectors to the same period of time and
21 if there's several of them, have them divide it up and have
22 it done within 30 minutes. We would then put on Mr. Orr, who
23 I indicated would only take 30 to 45 minutes on direct, and
24 I'd ask that the Court limit any cross-examination of Mr. Orr
25 to two hours. And then I believe it's more than sufficient

1 to allow 45 minutes to an hour on both sides for closing
2 argument. That way, based upon the record that has taken
3 place in the previous hearing and the new information that
4 has come out during this hearing, five to six hours is more
5 than sufficient time to put in the evidence and to hear the
6 parties' objections if there are any.

7 THE COURT: Thank you.

8 MR. HERTZBERG: Thank you.

9 THE COURT: Would anyone like to be heard regarding
10 this? Sir.

11 MR. HACKNEY: Good afternoon, your Honor. Stephen
12 Hackney on behalf of Syncora. Obviously, I lived the first
13 forbearance agreement hearing, and I sort of resolved today
14 that I would not attempt to argue the merits of the substance
15 of our objections. I don't think that's prudent, but I
16 wanted to come and share a view with you in terms of process.
17 This motion was just filed on Monday night, so it's a
18 relatively recently filed motion, and a couple points, I
19 think. The first is that there is no emergency. If you look
20 at the proposed deal that even -- even if it works as the
21 city says that it does, the deal provides that the city will
22 just continue doing what it has been doing for months since
23 July of last year with respect to the monthly account and
24 through the end of the bankruptcy, so there is not even the
25 sort of notional argument for speed that we heard the first

1 time around in terms of how we handle this. I think that we
2 should bear that in mind when we're considering allowing
3 parties to assess this new deal to determine whether they can
4 resolve their objections without the need for a hearing,
5 which is always in everyone's interest, and I was merely
6 coming to propose that we set a date a week from now at which
7 we would come back and revert to you on whether we've been
8 able to do that and, if not, what our proposed schedule was.

9 I do want to preview something with you, though,
10 with respect to Mr. Hertzberg's comments, which is the deal
11 has changed dramatically in terms of what claims are being
12 settled, so I think there will be real relevance questions
13 when it comes to the prior testimony compared to this deal.
14 Remember that under the prior agreement -- and it was
15 somewhat complicated because it was notionally only an
16 optional termination agreement, so you have to kind of couple
17 it with the performance under the agreement that was
18 anticipated to come with the order. You saw an actual
19 termination of the swap, a termination of the relations
20 between swap counterparties and the service corps, an impact
21 on the -- an impact that was somewhat murky on the
22 relationship between the service corps and the city, and then
23 termination of the collateral agreement by the terms of the
24 collateral agreement. That was the package of claims that
25 were being settled as part of the consideration. This deal

1 is very different. Number one, this deal proposes to leave
2 the swap in place. Number two, the city has now, I believe,
3 taken the view in the interim since the last forbearance
4 agreement that now the service corporations are sham entities
5 with whom there can be no deal, so despite the fact that they
6 included them the first time, they are now not included here,
7 and so the new term sheet, which is just the term sheet,
8 leaves the swap in place, and it also leaves undisturbed the
9 relationship between the service corporations and the city.
10 It still purports to eliminate --

11 THE COURT: Why is this anything you care about?

12 MR. HACKNEY: This is highly relevant to Syncora as
13 the insurer of the swap because we are not released from our
14 insurance, and yet the obligation becomes unsecured if it
15 works in the fashion they say. I actually don't think that
16 it works, for what it's worth, but I'm not going to argue the
17 merits to you. I do -- what I think --

18 THE COURT: All right. So you're not going to
19 settle. Let's just get to it.

20 MR. HACKNEY: I'm not sure. We've been -- we've had
21 conversations. I mean I'm not sure.

22 THE COURT: Seriously, come on.

23 MR. HACKNEY: No. I would -- I think I've --

24 THE COURT: Let's just get to it.

25 MR. HACKNEY: I've been, I would say, equally candid

1 with you from time to time when I've had the pleasure of --

2 THE COURT: What do you mean, from time to time?

3 MR. HACKNEY: Well, only not when --

4 THE COURT: You don't mean candid. You meant blunt,
5 yes. Okay.

6 MR. HACKNEY: I try to avoid --

7 THE COURT: Yes.

8 MR. HACKNEY: I never want to be rude.

9 THE COURT: You're not often --

10 MR. HACKNEY: I hope that I'm not. No. I think
11 that there's a real -- there's a likelihood maybe that we'll
12 object. We have very serious concerns, but I will tell you I
13 don't think it's a certainty. I mean we have been dialoguing
14 with the swap counterparties. We were not included in the
15 negotiation of the term sheet. We were sort of held at arm's
16 length.

17 THE COURT: Well, but you can negotiate and litigate
18 at the same time.

19 MR. HACKNEY: You can, but, your Honor --

20 THE COURT: It's what we lawyers do.

21 MR. HACKNEY: Well, but what I think is more
22 efficient, though, is I'm asking for a week. I mean, your
23 Honor, this was filed Monday night, and it's a different
24 deal. And I will tell you I've quite literally not spoken
25 with my client about the motion itself. We've been aware of

1 drafts of the term sheet for a week. I'm not going to tell
2 you that it fell on my lap at midnight, but I had a first day
3 in another case yesterday, so I just quite literally haven't
4 discussed it with my client. What I'd propose is this. Give
5 us one week to come back to you on status with a report on
6 were we able to cut a deal or not. And we will get down to
7 it with them and decide whether we're loving or fighting, and
8 if we are fighting with a view on can we agree on a schedule,
9 I don't think I'm going to be able to agree to Mr.
10 Hertzberg's schedule, but I also can't rule out that I won't
11 try to understand the idea to which prior testimony is
12 applicable and can come in. I mean I'm always willing to
13 engage at a practical level to streamline the trial of
14 something, but please hear me as saying there are material
15 changes in the deal, and this is already a complex structure,
16 so the way it all interacts is --

17 THE COURT: Well, but if some evidence in the prior
18 trial is irrelevant, so what?

19 MR. HACKNEY: It's more that the prior evidence, if
20 it is irrelevant or if some of it is irrelevant, is not on
21 point for what the claims are being settled. There could be
22 a failure --

23 THE COURT: Right, so you can point that out, and
24 we'll deal with it.

25 MR. HACKNEY: We can, but, your Honor, bear in mind

1 that in the last trial we didn't take discovery on the
2 underlying claims being settled. We took discovery on the
3 business judgment process by which the debtor went after --
4 elected to enter into the settlement, so I think, based on
5 the standard that was applied, there is a gap in the record
6 in terms -- and the Court noted it at the last hearing, which
7 is what is the evidence --

8 THE COURT: So do you want discovery here?

9 MR. HACKNEY: That's what I would hope to come back
10 to you in a week on, and I also have to evaluate what is the
11 nature of my own objection, you know, is it factual,
12 intensely factual, or is it legal. I mean there are a lot of
13 things I've thought about in the context of the last
14 agreement to be sure. I'm not a babe in the woods on this
15 issue, but this is a new deal, new structure, new claims, new
16 and different claims being settled. I do need a little time
17 to think it through and advise my client to try and
18 understand how this fits together. I don't think it's as
19 easy as Mr. Hertzberg says, which is we'll just remember all
20 the stuff we did together in December. We'll have another 45
21 minutes and, presto, we're done. I wanted to give you that
22 perspective, your Honor.

23 THE COURT: Thank you.

24 MS. NEVILLE: Carole Neville on behalf of the
25 retirees. Your Honor, we have a different concern, which is

1 the plan support agreement, which expressly creates an
2 impaired consenting class for \$85 million, which the city
3 expressly said they will use for cramming down any class that
4 doesn't accept the plan, so it may be --

5 THE COURT: So you'll object on that grounds?

6 MS. NEVILLE: Yes. We would object on that ground,
7 but we may want some discovery of Mr. Orr on that to see how
8 that --

9 THE COURT: What do you want?

10 MS. NEVILLE: -- plan support agreement was
11 formulated and what the discussions --

12 THE COURT: Like a deposition or --

13 MS. NEVILLE: Yes.

14 THE COURT: Anyone else? Sir.

15 MR. MARRIOTT: Yes, your Honor. Vince Marriott on
16 behalf of EEPK. Two quick points. One is to comment on
17 something that Mr. Hackney commented on. This case sort of
18 has emergency motion expedited hearings. I mean it's
19 fatiguing, and it seems that when it's unnecessary we ought
20 not to fall into the trap of doing everything on an expedited
21 basis just because we've been doing everything on an
22 expedited basis, and --

23 THE COURT: Um-hmm. I'm going to ask Mr. Hertzberg
24 when it's his turn to come back to explain why he needs a
25 hearing on March 20th.

1 MR. MARRIOTT: And I think the other thing that was
2 missing from Mr. Hertzberg's timeline -- and Ms. Neville
3 addressed it in part -- we ought to be at least entitled to
4 depose the witnesses that the city intends to put forward at
5 the hearing. Thank you.

6 MR. HERTZBERG: Your Honor, I'm going to be blunt.
7 Syncora has said that they need more time to analyze this. I
8 want to give the Court a little background so it understands
9 when they stand before you and ask for more time because the
10 motion has been recently filed and they want to be able to
11 analyze the motion further and need to spend time going
12 through it. February 4th the banks told Syncora the amount
13 of the settlement with the permission, of course, of the city
14 and with confidentiality. February 18th they had a detailed
15 oral conversation, the banks, with Syncora and walked them
16 through the transaction that they were about to enter into
17 with the city. February 24th they received the term sheet,
18 which is now attached to the motion, so they've had the term
19 sheet for approximately ten days, eleven days. So when they
20 come before the Court and they say to the Court, "We need
21 time to analyze this," what have they been doing for the last
22 30 days? They've been brought into the process. The banks
23 deliberately brought them in to see if they could resolve
24 issues and not face an objection, and now they stand before
25 the Court and say to the Court, "We need more time to analyze

1 this." I suggest to the Court they've been looking at this
2 deal for a long time now, not just a couple days.

3 In regard to the Court's question of why we need a
4 hearing on an expedited basis, we need to get down to the
5 settlement and figure out whether the Court is going to
6 approve it or not. It drives the plan process. It's
7 important to the plan. If the Court does not approve it --
8 and I believe the Court will approve it based upon what we
9 filed before the Court, but if for some reason the Court
10 didn't, we need to find out what the alternatives are, and we
11 need to know now. We can't be in a position of paying this
12 money out and not having certainty of what we're doing, so I
13 ask that the Court expedite the hearing on the schedule that
14 we asked for.

15 THE COURT: All right. Thank you.

16 MR. HERTZBERG: Thank you.

17 THE COURT: Anything further from anyone?

18 MR. MARRIOTT: Just quickly, your Honor. This case
19 is not the City versus Syncora, although it may seem that way
20 sometimes. There are other objectors who were not given all
21 of this or potential objectors who were not given this
22 preview. Second, this has been going on since July. Why
23 something has to be decided by March 20th versus, for
24 example, April 20th or even an additional 30 days would be a
25 much more sane way to approach this is entirely unclear to

1 me.

2 MR. HACKNEY: Very brief. I hate to get the Court
3 into all of the sort of back and forth, but what I -- I do
4 want to respond to the notion which is we had actually asked
5 to be involved in the negotiations. We weren't allowed to
6 be, and we've been asking for the term sheet. We had to wait
7 weeks to get it. I don't think I misrepresented to the
8 Court. I didn't say I just got the term sheet Monday night.
9 We had gotten it sometime last week. We have been looking at
10 it. We do have serious questions about it. It wasn't the
11 motion that was filed itself until Monday night that we could
12 see where they had finally landed, so I don't think that I
13 misstated anything to you, but I wanted to clarify the record
14 to the extent I had.

15 THE COURT: Thank you, sir.

16 MR. GOLDBERG: Jerome Goldberg appearing on
17 interested party David Sole. I have no idea what discussions
18 have been with Syncora, but I know I participated in this
19 trial on behalf of my client because of our very strong
20 concern of the role of the swaps in the crisis in Detroit and
21 the role of the banks in the crisis, which in many ways is
22 even sharper in light of the cuts that have been announced to
23 retirees that I think are being looked at very sharply, and I
24 would just ask for at least a little extra time so we could
25 have some time to prepare. We just saw this yesterday. I

1 tried to talk about it to determine whether we're in a
2 position to intervene, and I think having a trial by March
3 20th is not reasonable, at least some extra time to give some
4 time, especially when there are other answers that have to be
5 done in the next week or two relative to the disclosure
6 statement.

7 THE COURT: All right. Thank you. I'll enter a
8 scheduling order in the next day or so. Is there anything
9 else anyone would like to bring up? All right. We're in
10 recess.

11 MR. HERTZBERG: Thank you, Judge.

12 THE CLERK: All rise. Court is adjourned.

13 (Proceedings concluded at 4:17 p.m.)

INDEX

WITNESSES:

None

EXHIBITS:

None

I certify that the foregoing is a correct transcript from the sound recording of the proceedings in the above-entitled matter.

/s/ Lois Garrett

March 10, 2014

Lois Garrett

EXHIBIT B

Suite 1800
4000 Town Center
Southfield, MI 48075-1505
248.359.7300
Fax 248.359.7700

Deborah Kovsky-Apap
direct dial: 248.359.7331
direct fax: 313.731.1572
kovskyd@pepperlaw.com@pepperlaw.com

March 18, 2014

Via Email

Hugh M. Davis
info@conlitpc.com

Thomas Moers Mayer
tmayer@kramerlevin.com

Jerome Goldberg
apclawyer@sbcglobal.net

Jennifer Green
jgreen@clarkhill.com

Vincent J. Marriott III
marriott@ballardspahr.com

Sharon L. Levine
slevine@lowenstein.com

Anthony Ullman
anthony.ullman@dentons.com

Heath Rosenblat
heath.rosenblat@dbb.com

Stephen C. Hackney
shackney@kirkland.com

**Re: City of Detroit's Motion for Approval of Settlement and Plan Support Agreement
(the "9019 Motion")**

Dear Counsel:

As you are aware, the Court has extended the deadline for depositions in connection with the 9019 Motion until March 31, 2014. The City's witnesses, Kevyn Orr and Gaurav Malhotra, will both be available for deposition on the afternoon of March 31 at our offices in Southfield. We'll revert to you as soon as possible with the precise times that each will be available.

We plan to produce to you, on or before March 26, the final execution draft of the swap settlement agreement, any exhibits that we plan to use in examining Mr. Malhotra at the hearing, and an updated version of the privilege log that was previously produced, reflecting emails and memoranda reviewed by Mr. Orr in connection with the settlement.

Kindly notify us by March 26 of any rebuttal witnesses you intend to call, as well as any exhibits you intend to use at the hearing.

Page 2
March 18, 2014

If you have any questions, please don't hesitate to call me.

Sincerely,

A handwritten signature in black ink, appearing to read "D Kovsky-Apap". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Deborah Kovsky-Apap

EXHIBIT C

Kovsky-Apap, Deborah

From: Hertzberg, Robert S.
Sent: Thursday, February 27, 2014 6:38 PM
To: Huebner, Marshall S.
Cc: Corinne Ball; Daniel J Kramer (DKramer@paulweiss.com); Smith, Edwin E. (edwin.smith@bingham.com); 'kcornish@paulweiss.com' (kcornish@paulweiss.com); Richard A Rosen (rrosen@paulweiss.com); Moskowitz, Elliot
Subject: Re: status conference

Setting a conference with the Judge at 4:30 or 5:00 will probably not work but I will ask.

Sent from my iPad

> On Feb 27, 2014, at 6:03 PM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:
>
> If I have to, I can catch an earlier flight from dc tuesday -- and we could also have the conference at 430 or 5.
> Right now, the weather looks clear on both sides.
>
>
> -----Original Message-----
> From: Corinne Ball [<mailto:cball@jonesday.com>]
> Sent: Thursday, February 27, 2014 5:15 PM
> To: Hertzberg, Robert S.; Huebner, Marshall S.
> Cc: 'Daniel J Kramer' (DKramer@paulweiss.com); 'Smith, Edwin E.' (edwin.smith@bingham.com); 'kcornish@paulweiss.com' (kcornish@paulweiss.com); 'Richard A Rosen' (rrosen@paulweiss.com); Moskowitz, Elliot
> Subject: RE: status conference
>
>
> given winter travel experiences in Detroit. I would strongly recommend Wed midmorning or afternoon. Tuesday you are cutting it very close.
>
>
>
> ***This e-mail (including any attachments) may contain information that is private, confidential, or protected by attorney-client or other privilege.
> If you received this e-mail in error, please delete it from your system without copying it and notify sender by reply e-mail, so that our records can be corrected.***
>
>
> ----- Original Message -----
>
> From : "Hertzberg, Robert S." <Hertzber@pepperlaw.com>
> To : "'Huebner, Marshall S.'" <marshall.huebner@davispolk.com>, <cball@jonesday.com> <cball@jonesday.com>
> Cc : "'Daniel J Kramer' (DKramer@paulweiss.com)'" <DKramer@paulweiss.com>, "'Smith, Edwin E.' (edwin.smith@bingham.com)'" <edwin.smith@bingham.com>, <kcornish@paulweiss.com> <kcornish@paulweiss.com> <kcornish@paulweiss.com>, "'Richard A Rosen' (rrosen@paulweiss.com)'" <rrosen@paulweiss.com>

> <rrosen@paulweiss.com>, "Moskowitz, Elliot"

> <elliott.moskowitz@davispolk.com>

> Sent on : 02/27 12:33:18 PM EST

> Subject : RE: status conference

>

>

>

> Sounds good. I will make it happen. Which one is your first choice?

>

>

>

> From: Huebner, Marshall S. [<mailto:marshall.huebner@davispolk.com>]

> Sent: Thursday, February 27, 2014 12:31 PM

> To: Hertzberg, Robert S.; cball@jonesday.com

> Cc: 'Daniel J Kramer (DKramer@paulweiss.com)'; 'Smith, Edwin E. (edwin.smith@bingham.com)';

> 'kcornish@paulweiss.com' (kcornish@paulweiss.com); 'Richard A Rosen (rrosen@paulweiss.com)'; Moskowitz, Elliot

> Subject: status conference

>

>

>

> For me, Tuesday afternoon at 3:30 or 4 would be great (I could be on a flight from dc that lands at 2:10).

>

>

>

> Alternatively, some time Wednesday that would allow same day flights coming and going would work.

>

>

>

> This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

>

>

Kovsky-Apap, Deborah

From: Huebner, Marshall S. <marshall.huebner@davispolk.com>
Sent: Wednesday, March 12, 2014 4:40 PM
To: Hertzberg, Robert S.
Subject: RE: Tel message from Robert Hertzberg

We have a confirmation hearing tmrw am. Let me check. Also, where is the promised blackline??

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Wednesday, March 12, 2014 4:38 PM
To: Huebner, Marshall S.
Subject: RE: Tel message from Robert Hertzberg

No. Can you free up at 11 for the call? Corinne is out of the box after 12.

From: Huebner, Marshall S. [<mailto:marshall.huebner@davispolk.com>]
Sent: Wednesday, March 12, 2014 4:37 PM
To: Hertzberg, Robert S.
Subject: FW: Tel message from Robert Hertzberg

Do you still need me to call?

From: DeStefano, Roseann **On Behalf Of** DPW.Tel
Sent: Wednesday, March 12, 2014 3:57 PM
To: Huebner, Marshall S.
Subject: Tel message from Robert Hertzberg

From: Robert Hertzberg Phone: 248-359-7333 by DeStefano, Roseann: Call Back

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

Kovsky-Apap, Deborah

From: Hertzberg, Robert S.
Sent: Tuesday, March 04, 2014 10:57 AM
To: 'Huebner, Marshall S.'
Subject: RE: Pls play your work vm.

Court just sent out a notice. Tomorrow at 2:30.

-----Original Message-----

From: Huebner, Marshall S. [<mailto:marshall.huebner@davispolk.com>]
Sent: Tuesday, March 04, 2014 8:35 AM
To: Hertzberg, Robert S.
Subject: Re: Pls play your work vm.

Thanks.

----- Original Message -----

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Tuesday, March 04, 2014 08:10 AM
To: Huebner, Marshall S.
Subject: Re: Pls play your work vm.

Got it will do my best

Sent from my iPhone

> On Mar 4, 2014, at 7:57 AM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:
>
>

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

Kovsky-Apap, Deborah

From: Hertzberg, Robert S.
Sent: Tuesday, March 04, 2014 9:13 AM
To: 'Huebner, Marshall S.'
Subject: RE: Pls play your work vm.

Talked to the court. Should hear back shortly.

-----Original Message-----

From: Huebner, Marshall S. [<mailto:marshall.huebner@davispolk.com>]
Sent: Tuesday, March 04, 2014 8:35 AM
To: Hertzberg, Robert S.
Subject: Re: Pls play your work vm.

Thanks.

----- Original Message -----

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Tuesday, March 04, 2014 08:10 AM
To: Huebner, Marshall S.
Subject: Re: Pls play your work vm.

Got it will do my best

Sent from my iPhone

> On Mar 4, 2014, at 7:57 AM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:
>
>

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

Kovsky-Apap, Deborah

From: Hertzberg, Robert S.
Sent: Tuesday, March 04, 2014 9:16 AM
To: 'Huebner, Marshall S.'
Subject: RE: Pls play your work vm.

I did. Either before or after the 10 hearing.

-----Original Message-----

From: Huebner, Marshall S. [<mailto:marshall.huebner@davispolk.com>]
Sent: Tuesday, March 04, 2014 9:14 AM
To: Hertzberg, Robert S.
Subject: Re: Pls play your work vm.

Thank you. Did you ask for tomorrow morning?

----- Original Message -----

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Tuesday, March 04, 2014 09:13 AM
To: Huebner, Marshall S.
Subject: RE: Pls play your work vm.

Talked to the court. Should hear back shortly.

-----Original Message-----

From: Huebner, Marshall S. [<mailto:marshall.huebner@davispolk.com>]
Sent: Tuesday, March 04, 2014 8:35 AM
To: Hertzberg, Robert S.
Subject: Re: Pls play your work vm.

Thanks.

----- Original Message -----

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Tuesday, March 04, 2014 08:10 AM
To: Huebner, Marshall S.
Subject: Re: Pls play your work vm.

Got it will do my best

Sent from my iPhone

> On Mar 4, 2014, at 7:57 AM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:
>
>

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

Kovsky-Apap, Deborah

From: Hertzberg, Robert S.
Sent: Tuesday, March 04, 2014 9:29 AM
To: 'Huebner, Marshall S.'
Subject: RE: Pls play your work vm.

nope

-----Original Message-----

From: Huebner, Marshall S. [<mailto:marshall.huebner@davispolk.com>]
Sent: Tuesday, March 04, 2014 9:27 AM
To: Hertzberg, Robert S.
Subject: Re: Pls play your work vm.

Any sense of likelihood?

----- Original Message -----

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Tuesday, March 04, 2014 09:15 AM
To: Huebner, Marshall S.
Subject: RE: Pls play your work vm.

I did. Either before or after the 10 hearing.

-----Original Message-----

From: Huebner, Marshall S. [<mailto:marshall.huebner@davispolk.com>]
Sent: Tuesday, March 04, 2014 9:14 AM
To: Hertzberg, Robert S.
Subject: Re: Pls play your work vm.

Thank you. Did you ask for tomorrow morning?

----- Original Message -----

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Tuesday, March 04, 2014 09:13 AM
To: Huebner, Marshall S.
Subject: RE: Pls play your work vm.

Talked to the court. Should hear back shortly.

-----Original Message-----

From: Huebner, Marshall S. [<mailto:marshall.huebner@davispolk.com>]
Sent: Tuesday, March 04, 2014 8:35 AM
To: Hertzberg, Robert S.
Subject: Re: Pls play your work vm.

Thanks.

----- Original Message -----

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Tuesday, March 04, 2014 08:10 AM
To: Huebner, Marshall S.
Subject: Re: Pls play your work vm.

Got it will do my best

Sent from my iPhone

> On Mar 4, 2014, at 7:57 AM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:
>
>

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

Kovsky-Apap, Deborah

From: Hertzberg, Robert S.
Sent: Tuesday, March 04, 2014 10:34 AM
To: 'Huebner, Marshall S.'
Subject: RE: Pls play your work vm.

Still waiting to hear back from the Judge. There is nothing I can do.

-----Original Message-----

From: Huebner, Marshall S. [<mailto:marshall.huebner@davispolk.com>]
Sent: Tuesday, March 04, 2014 10:23 AM
To: Hertzberg, Robert S.
Subject: Re: Pls play your work vm.

Bob - is there any way to get an update? Running out of time pretty soon here.

----- Original Message -----

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Tuesday, March 04, 2014 09:15 AM
To: Huebner, Marshall S.
Subject: RE: Pls play your work vm.

I did. Either before or after the 10 hearing.

-----Original Message-----

From: Huebner, Marshall S. [<mailto:marshall.huebner@davispolk.com>]
Sent: Tuesday, March 04, 2014 9:14 AM
To: Hertzberg, Robert S.
Subject: Re: Pls play your work vm.

Thank you. Did you ask for tomorrow morning?

----- Original Message -----

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Tuesday, March 04, 2014 09:13 AM
To: Huebner, Marshall S.
Subject: RE: Pls play your work vm.

Talked to the court. Should hear back shortly.

-----Original Message-----

From: Huebner, Marshall S. [<mailto:marshall.huebner@davispolk.com>]
Sent: Tuesday, March 04, 2014 8:35 AM
To: Hertzberg, Robert S.
Subject: Re: Pls play your work vm.

Thanks.

----- Original Message -----

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Tuesday, March 04, 2014 08:10 AM
To: Huebner, Marshall S.
Subject: Re: Pls play your work vm.

Got it will do my best

Sent from my iPhone

> On Mar 4, 2014, at 7:57 AM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:
>
>

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

Kovsky-Apap, Deborah

From: Hertzberg, Robert S.
Sent: Sunday, March 02, 2014 1:20 PM
To: Huebner, Marshall S.
Subject: Re:

Nothing new

Sent from my iPhone

> On Mar 2, 2014, at 12:55 PM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>

> ! So what does the message mean?

>

> ----- Original Message -----

> From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]

> Sent: Sunday, March 02, 2014 11:47 AM

> To: Huebner, Marshall S.

> Subject:

>

> Busted.

> Either do I but my wife and 6 year old are fluent in Spanish.

>

> Sent from my iPad

>

>> On Mar 2, 2014, at 11:30 AM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>>

>> Uh oh. I don't actually speak spanish. English?!

>>

>> ----- Original Message -----

>> From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]

>> Sent: Sunday, March 02, 2014 11:19 AM

>> To: Huebner, Marshall S.

>> Subject: Re:

>>

>> Ockey me voy a tratar de llamale todo el dia y si puedo encontrarla para discutir la situacion, te llamaria. Esta bien?

>>

>> Sent from my iPhone

>>

>>> On Mar 2, 2014, at 10:47 AM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>>>

>>> Ok. Pls let me know, as I need to discuss w bofa. I did not even want to raise this court order point with them until it was solved, to keep people on the planet.

>>>

>>> Are the documents otherwise 100% done?

>>>

>>> ----- Original Message -----

>>> From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]

>>> Sent: Sunday, March 02, 2014 10:34 AM

>>> To: Huebner, Marshall S.

>>> Subject: Re:

>>>

>>> Will have clearance from client later today. I have not been able to reach Corinne.

>>>

>>> Sent from my iPad

>>>

>>>> On Mar 2, 2014, at 10:19 AM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>>>>

>>>> Bob -

>>>>

>>>> Donde estamos?

>>>

>>> _____

>>>

>>> This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

>>

>> _____

>>

>> This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

>

> _____

>

> This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

Kovsky-Apap, Deborah

From: Hertzberg, Robert S.
Sent: Sunday, March 02, 2014 1:33 PM
To: Huebner, Marshall S.
Subject: Re:

What number can I reach you at .

Sent from my iPhone

> On Mar 2, 2014, at 12:55 PM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>

> ! So what does the message mean?

>

> ----- Original Message -----

> From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]

> Sent: Sunday, March 02, 2014 11:47 AM

> To: Huebner, Marshall S.

> Subject:

>

> Busted.

> Either do I but my wife and 6 year old are fluent in Spanish.

>

> Sent from my iPad

>

>> On Mar 2, 2014, at 11:30 AM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>>

>> Uh oh. I don't actually speak spanish. English?!

>>

>> ----- Original Message -----

>> From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]

>> Sent: Sunday, March 02, 2014 11:19 AM

>> To: Huebner, Marshall S.

>> Subject: Re:

>>

>> Ockey me voy a tratar de llamale todo el dia y si puedo encontrarla para discutir la situacion, te llamaria. Esta bien?

>>

>> Sent from my iPhone

>>

>>> On Mar 2, 2014, at 10:47 AM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>>>

>>> Ok. Pls let me know, as I need to discuss w bofa. I did not even want to raise this court order point with them until it was solved, to keep people on the planet.

>>>

>>> Are the documents otherwise 100% done?

>>>

>>> ----- Original Message -----

>>> From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]

>>> Sent: Sunday, March 02, 2014 10:34 AM

>>> To: Huebner, Marshall S.

>>> Subject: Re:

>>>

>>> Will have clearance from client later today. I have not been able to reach Corinne.

>>>

>>> Sent from my iPad

>>>

>>>> On Mar 2, 2014, at 10:19 AM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>>>>

>>>> Bob -

>>>>

>>>> Donde estamos?

>>>

>>> _____

>>>

>>> This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

>>

>> _____

>>

>> This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

>

> _____

>

> This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

Kovsky-Apap, Deborah

From: Hertzberg, Robert S.
Sent: Wednesday, January 29, 2014 1:27 PM
To: cball@jonesday.com
Subject: FW: Detroit

Is she from Paul Weiss?

From: Huebner, Marshall S. [mailto:marshall.huebner@davispolk.com]
Sent: Wednesday, January 29, 2014 1:18 PM
To: 'Corinne Ball'
Cc: Hertzberg, Robert S.; 'kcornish@paulweiss.com'
Subject: RE: Detroit

Thanks. Kelley Cornish will be joining (for UBS).

From: Corinne Ball [mailto:cball@jonesday.com]
Sent: Wednesday, January 29, 2014 9:28 AM
To: Huebner, Marshall S.
Cc: hertzberg@pepperlaw.com
Subject: RE: Detroit

can we use the following dial in at 1:30.. I have asked Bob Hertzberg to join us.
1 866 448 1308
57002419#
Talk to you at 1:30

Corinne Ball ([bio](#))
Partner
JONES DAY® - One Firm WorldwideSM
222 East 41st Street
New York, New York 10017
Office: (212) 326-7844 • Fax: (212) 755-7306
and
21 Tudor Street • London EC4Y 0DJ
Direct: +44 (0) 20.7039.5136 • Fax: +44.20.7039.5999
cball@jonesday.com

From: "Huebner, Marshall S." <marshall.huebner@davispolk.com>
To: "Corinne Ball" <cball@jonesday.com>,
Date: 01/29/2014 02:08 PM
Subject: RE: Detroit

Great. Should I call your office?

> -----Original Message-----
> From: Corinne Ball [<mailto:cball@jonesday.com>]
> Sent: Wednesday, January 29, 2014 9:08 AM
> To: Huebner, Marshall S.
> Subject: RE: Detroit
>
>
> Hello Marshall -- let's aim for 1:30 EST?
>
>
>
> a***This e-mail (including any attachments) may contain information that is
> private, confidential, or protected by attorney-client or other privilege.
> If you received this e-mail in error, please delete it from your system
> without copying it and notify sender by reply e-mail, so that our records
> can be corrected.***
>
>
> ----- Original Message -----
>
> From : "Huebner, Marshall S." <marshall.huebner@davispolk.com>
> To : "cball@jonesday.com" <cball@jonesday.com>
> Cc :
> Sent on : 01/29 08:57:50 AM EST
> Subject : Detroit
>
>
>
> Corinne -
>
>
>
> Long time no speak. I hope that all is well with you and yours.
>
>
>
> I have been asked to assist BAML on Detroit issues.
>
>
>
> What time(s) today might you available for a conversation? I free up
> around 1.
>
>
>
> Thanks.
>
>
>
> Marshall
>
>
>
> |-----
> | Marshall S. Huebner
> |
> | Davis Polk & Wardwell LLP
> | 450 Lexington Avenue
> | New York, NY 10017
> |
> | 212 450 4099 tel

> |
> | 212 701 5099 fax
> |
> | marshall.huebner@davispolk.com
> |
> | Davis Polk
> |
> |
> | Confidentiality Note: This email is intended only for the person or entity
> | to which it is addressed and may contain information that is privileged,
> | confidential or otherwise protected from disclosure. Unauthorized use,
> | dissemination, distribution or copying of this email or the information
> | herein or taking any action in reliance on the contents of this email or
> | the information herein, by anyone other than the intended recipient, or an
> | employee or agent responsible for delivering the message to the intended
> | recipient, is strictly prohibited. If you have received this email in
> | error, please notify the sender immediately and destroy the original
> | message, any attachments thereto and all copies. Please refer to the
> | firm's privacy policy located at www.davispolk.com for important
> | information on this policy.
> |
> | -----
> |
> |
> |

=====

This e-mail (including any attachments) may contain information that is private, confidential, or protected by attorney-client or other privilege. If you received this e-mail in error, please delete it from your system without copying it and notify sender by reply e-mail, so that our records can be corrected.

=====

Kovsky-Apap, Deborah

From: Hertzberg, Robert S.
Sent: Sunday, March 02, 2014 2:11 PM
To: Huebner, Marshall S.
Subject: Re:

Don't know what happened what your number

Sent from my iPhone

> On Mar 2, 2014, at 2:03 PM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>

> Got vm.

>

> ----- Original Message -----

> From: Hertzberg, Robert S. [mailto:Hertzber@pepperlaw.com]

> Sent: Sunday, March 02, 2014 01:36 PM

> To: Huebner, Marshall S.

> Subject: Re:

>

> 248 842-0270 after 3:30 would be best.

>

> Sent from my iPhone

>

>> On Mar 2, 2014, at 1:35 PM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>>

>> I will need to call you during a break (at a conference w daughter). #?

>>

>> ----- Original Message -----

>> From: Hertzberg, Robert S. [mailto:Hertzber@pepperlaw.com]

>> Sent: Sunday, March 02, 2014 01:33 PM

>> To: Huebner, Marshall S.

>> Subject: Re:

>>

>> What number can I reach you at .

>>

>> Sent from my iPhone

>>

>>> On Mar 2, 2014, at 12:55 PM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>>>

>>> ! So what does the message mean?

>>>

>>> ----- Original Message -----

>>> From: Hertzberg, Robert S. [mailto:Hertzber@pepperlaw.com]

>>> Sent: Sunday, March 02, 2014 11:47 AM

>>> To: Huebner, Marshall S.

>>> Subject:

>>>

>>> Busted.

>>> Either do I but my wife and 6 year old are fluent in Spanish.

>>>

>>> Sent from my iPad

>>>

>>>> On Mar 2, 2014, at 11:30 AM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>>>>

>>>> Uh oh. I don't actually speak spanish. English?!

>>>>

>>>> ----- Original Message -----

>>>> From: Hertzberg, Robert S. [mailto:Hertzber@pepperlaw.com]

>>>> Sent: Sunday, March 02, 2014 11:19 AM

>>>> To: Huebner, Marshall S.

>>>> Subject: Re:

>>>>

>>>> Ockey me voy a tratar de llamale todo el dia y si puedo encontrarla para discutir la situacion, te llamaria. Esta bien?

>>>>

>>>> Sent from my iPhone

>>>>

>>>>> On Mar 2, 2014, at 10:47 AM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>>>>>

>>>>> Ok. Pls let me know, as I need to discuss w bofa. I did not even want to raise this court order point with them until it was solved, to keep people on the planet.

>>>>>

>>>>> Are the documents otherwise 100% done?

>>>>>

>>>>> ----- Original Message -----

>>>>> From: Hertzberg, Robert S. [mailto:Hertzber@pepperlaw.com]

>>>>> Sent: Sunday, March 02, 2014 10:34 AM

>>>>> To: Huebner, Marshall S.

>>>>> Subject: Re:

>>>>>

>>>>> Will have clearance from client later today. I have not been able to reach Corinne.

>>>>>

>>>>> Sent from my iPad

>>>>>

>>>>>> On Mar 2, 2014, at 10:19 AM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>>>>>>

>>>>>> Bob -

>>>>>>

>>>>>> Donde estamos?

>>>>>>

>>>>>> _____

>>>>>>

>>>>>> This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

>>>>

>>>> _____

>>>>

>>>> This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

>>>

>>> _____

>>>

>>> This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

>>

>> _____

>>

>> This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

>

> _____

>

> This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

Kovsky-Apap, Deborah

From: Hertzberg, Robert S.
Sent: Sunday, March 02, 2014 1:45 PM
To: Huebner, Marshall S.
Subject: Re:

Ok

Sent from my iPhone

> On Mar 2, 2014, at 1:39 PM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>

> Break is in 10 minutes.

>

> ----- Original Message -----

> From: Hertzberg, Robert S. [mailto:Hertzber@pepperlaw.com]

> Sent: Sunday, March 02, 2014 01:36 PM

> To: Huebner, Marshall S.

> Subject: Re:

>

> 248 842-0270 after 3:30 would be best.

>

> Sent from my iPhone

>

>> On Mar 2, 2014, at 1:35 PM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>>

>> I will need to call you during a break (at a conference w daughter). #?

>>

>> ----- Original Message -----

>> From: Hertzberg, Robert S. [mailto:Hertzber@pepperlaw.com]

>> Sent: Sunday, March 02, 2014 01:33 PM

>> To: Huebner, Marshall S.

>> Subject: Re:

>>

>> What number can I reach you at .

>>

>> Sent from my iPhone

>>

>>> On Mar 2, 2014, at 12:55 PM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>>>

>>> ! So what does the message mean?

>>>

>>> ----- Original Message -----

>>> From: Hertzberg, Robert S. [mailto:Hertzber@pepperlaw.com]

>>> Sent: Sunday, March 02, 2014 11:47 AM

>>> To: Huebner, Marshall S.

>>> Subject:

>>>

>>> Busted.

>>> Either do I but my wife and 6 year old are fluent in Spanish.

>>>

>>> Sent from my iPad

>>>

>>>> On Mar 2, 2014, at 11:30 AM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>>>>

>>>> Uh oh. I don't actually speak spanish. English?!

>>>>

>>>> ----- Original Message -----

>>>> From: Hertzberg, Robert S. [mailto:Hertzber@pepperlaw.com]

>>>> Sent: Sunday, March 02, 2014 11:19 AM

>>>> To: Huebner, Marshall S.

>>>> Subject: Re:

>>>>

>>>> Ockey me voy a tratar de llamale todo el dia y si puedo encontrarla para discutir la situacion, te llamaria. Esta bien?

>>>>

>>>> Sent from my iPhone

>>>>

>>>>> On Mar 2, 2014, at 10:47 AM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>>>>>

>>>>> Ok. Pls let me know, as I need to discuss w bofa. I did not even want to raise this court order point with them until it was solved, to keep people on the planet.

>>>>>

>>>>> Are the documents otherwise 100% done?

>>>>>

>>>>> ----- Original Message -----

>>>>> From: Hertzberg, Robert S. [mailto:Hertzber@pepperlaw.com]

>>>>> Sent: Sunday, March 02, 2014 10:34 AM

>>>>> To: Huebner, Marshall S.

>>>>> Subject: Re:

>>>>>

>>>>> Will have clearance from client later today. I have not been able to reach Corinne.

>>>>>

>>>>> Sent from my iPad

>>>>>

>>>>>> On Mar 2, 2014, at 10:19 AM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>>>>>>

>>>>>> Bob -

>>>>>>

>>>>>> Donde estamos?

>>>>>>

>>>>>> _____

>>>>>>

>>>>>> This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

>>>>

>>>> _____

>>>>

>>>> This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

>>>

>>> _____

>>>

>>> This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

>>

>> _____

>>

>> This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

>

> _____

>

> This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

Kovsky-Apap, Deborah

From: Hertzberg, Robert S.
Sent: Thursday, January 30, 2014 9:58 AM
To: 'Huebner, Marshall S.'; 'Kelley A Cornish'; Corrine Ball; Schaible, Damian S.
Subject: RE: Detroit

Marshall

I have a meeting with my client at 3:00 and it would be very helpful if I had a proposal to show him. Can you get me something by 2:30?

Bob

From: Huebner, Marshall S. [<mailto:marshall.huebner@davispolk.com>]
Sent: Thursday, January 30, 2014 9:47 AM
To: Hertzberg, Robert S.; 'Kelley A Cornish'; Corrine Ball; Schaible, Damian S.
Subject: RE: Detroit

Bob – we are working on the proposal and should have something to you today.

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Thursday, January 30, 2014 9:43 AM
To: 'Kelley A Cornish'; Huebner, Marshall S.; Corrine Ball
Subject: RE: Detroit

Kelley

When do you think we will hear back?

Bob

Robert S. Hertzberg
Pepper Hamilton LLP
Suite 1800
4000 Town Center
Southfield, MI 48075-1505
248.359.7333 - Direct
248.842.0270 - Cell
248.359-7300 - Main
248.359.7700 - Fax
hertzberg@pepperlaw.com
www.pepperlaw.com
and
The New York Times Building
37th Floor
620 Eighth Avenue
New York, NY 10018-1405
212.808.2704 (direct)
212.286.9806 (fax)

From: Kelley A Cornish [<mailto:KCornish@paulweiss.com>]
Sent: Wednesday, January 29, 2014 10:29 PM
To: Hertzberg, Robert S.; Marshall S. Huebner; Corrine Ball
Subject: Re: Detroit

Thanks Bob. We'll be back in touch tomorrow.

IRS Circular 230 disclosure:

To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

Kelley A. Cornish | Partner
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas | New York, NY 10019-6064
(212) 373-3493 (Direct Phone) | (212) 492-0493 (Direct Fax)
kcornish@paulweiss.com | www.paulweiss.com

From: "Hertzberg, Robert S." [Hertzber@pepperlaw.com]
Sent: 01/29/2014 10:50 PM GMT
To: "Huebner, Marshall S." <marshall.huebner@davispolk.com>; "Corinne Ball" <cball@jonesday.com>
Cc: Kelley Cornish
Subject: RE: Detroit

Kelley and Marshall

I left you both messages. I would like to talk to you about your thoughts on a standstill agreement.
If you want to talk tonight I can be reached on the cell (248 842 0270)
Bob

From: Huebner, Marshall S. [<mailto:marshall.huebner@davispolk.com>]
Sent: Wednesday, January 29, 2014 1:18 PM
To: 'Corinne Ball'
Cc: Hertzberg, Robert S.; 'kcornish@paulweiss.com'
Subject: RE: Detroit

Thanks. Kelley Cornish will be joining (for UBS).

From: Corinne Ball [<mailto:cball@jonesday.com>]
Sent: Wednesday, January 29, 2014 9:28 AM
To: Huebner, Marshall S.
Cc: hertzberg@pepperlaw.com
Subject: RE: Detroit

can we use the following dial in at 1:30.. I have asked Bob Hertzberg to join us.
1 866 448 1308
57002419#
Talk to you at 1:30

Corinne Ball ([bio](#))
Partner

JONES DAY® - One Firm WorldwideSM
222 East 41st Street
New York, New York 10017
Office: (212) 326-7844 • Fax: (212) 755-7306
and
21 Tudor Street • London EC4Y 0DJ
Direct: +44 (0) 20.7039.5136 • Fax: +44.20.7039.5999
cball@jonesday.com

From: "Huebner, Marshall S." <marshall.huebner@davispolk.com>
To: "Corinne Ball" <cball@jonesday.com>,
Date: 01/29/2014 02:08 PM
Subject: RE: Detroit

Great. Should I call your office?

> -----Original Message-----

> From: Corinne Ball [<mailto:cball@jonesday.com>]
> Sent: Wednesday, January 29, 2014 9:08 AM
> To: Huebner, Marshall S.
> Subject: RE: Detroit

>
>
> Hello Marshall -- let's aim for 1:30 EST?

>
>
> a***This e-mail (including any attachments) may contain information that is
> private, confidential, or protected by attorney-client or other privilege.
> If you received this e-mail in error, please delete it from your system
> without copying it and notify sender by reply e-mail, so that our records
> can be corrected.***

>
>
> ----- Original Message -----

>
> From : "Huebner, Marshall S." <marshall.huebner@davispolk.com>
> To : "cball@jonesday.com" <cball@jonesday.com>
> Cc :
> Sent on : 01/29 08:57:50 AM EST
> Subject : Detroit

>
>
>
> Corinne -

>
>
>
> Long time no speak. I hope that all is well with you and yours.

>
>
>
> I have been asked to assist BAML on Detroit issues.

>
>

>
> What time(s) today might you available for a conversation? I free up
> around 1.
>
>
>
> Thanks.
>
>
>
> Marshall
>
>
>
> |-----|
> | Marshall S. Huebner
> | Davis Polk & Wardwell LLP
> | 450 Lexington Avenue
> | New York, NY 10017
> |
> | 212 450 4099 tel
> |
> | 212 701 5099 fax
> |
> | marshall.huebner@davispolk.com
> |
> | Davis Polk
> |
> |
> | Confidentiality Note: This email is intended only for the person or entity
> | to which it is addressed and may contain information that is privileged,
> | confidential or otherwise protected from disclosure. Unauthorized use,
> | dissemination, distribution or copying of this email or the information
> | herein or taking any action in reliance on the contents of this email or
> | the information herein, by anyone other than the intended recipient, or an
> | employee or agent responsible for delivering the message to the intended
> | recipient, is strictly prohibited. If you have received this email in
> | error, please notify the sender immediately and destroy the original
> | message, any attachments thereto and all copies. Please refer to the
> | firm's privacy policy located at www.davispolk.com for important
information on this policy.
>
>
>

=====

This e-mail (including any attachments) may contain information that is private, confidential, or protected by attorney-client or other privilege. If you received this e-mail in error, please delete it from your system without copying it and notify sender by reply e-mail, so that our records can be corrected.

=====

minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

This message is intended only for the use of the Addressee and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that any dissemination of this communication is strictly prohibited. If you have received this communication in error, please erase all copies of the message and its attachments and notify us immediately.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

Kovsky-Apap, Deborah

From: Hertzberg, Robert S.
Sent: Monday, February 03, 2014 9:47 PM
To: Huebner, Marshall S.
Cc: Smith, Edwin E.; Schaible, Damian S.; kcornish@paulweiss.com; mark.ellenberg@cwt.com; Moskowitz, Elliot
Subject: Re: Wraps

Ok

Sent from my iPhone

> On Feb 3, 2014, at 9:44 PM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>

> Bob -- this 530 is for the banks, not you. We will drop you from this chain going forward.

>

>> -----Original Message-----

>> From: Huebner, Marshall S.

>> Sent: Monday, February 03, 2014 9:42 PM

>> To: 'Smith, Edwin E.'; Hertzberg, Robert S.

>> Cc: Schaible, Damian S.; kcornish@paulweiss.com;

>> mark.ellenberg@cwt.com; Moskowitz, Elliot

>> Subject: RE: Wraps

>>

>> How about 530 tmrw at dpw? (I am blocked out 2-5.) But we will need an opener.

>>

>>> -----Original Message-----

>>> From: Smith, Edwin E. [mailto:edwin.smith@bingham.com]

>>> Sent: Monday, February 03, 2014 9:38 PM

>>> To: Hertzberg, Robert S.

>>> Cc: Huebner, Marshall S.; Schaible, Damian S.;

>>> kcornish@paulweiss.com; mark.ellenberg@cwt.com; Moskowitz, Elliot

>>> Subject: Re: Wraps

>>>

>>> Let's try to set up a meeting tomorrow afternoon or Wednesday

>>> morning with the insurers

>>>

>>> Sent from my iPhone

>>>

>>> On Feb 3, 2014, at 9:33 PM, "Hertzberg, Robert S."

>>> <Hertzber@pepperlaw.commailto:Hertzber@pepperlaw.com>> wrote:

>>>

>>> As to talking to the Wraps, you should go it alone at first. If you

>>> are making any progress and you think it would be helpful for us to

>>> join let us know. We are

>> willing

>>> to participate as needed.

>>>

>>> Sent from my iPhone

>>>
>>> On Feb 3, 2014, at 9:11 PM, "Huebner, Marshall S."
>>> <marshall.huebner@davispolk.com<mailto:marshall.huebner@davispolk.co
>>> m>>
>>> wrote:
>>>
>>> Bob/Corrine – please let us know asap (1) when we can discuss/what
>>> you concluded on your 4pm call re Feb 19 (we have views) and (2)
>>> whether we
>> should
>>> talk to the wraps with or without you? They seem ready to chat.
>>>
>>> From: Huebner, Marshall S.
>>> Sent: Monday, February 03, 2014 5:59 PM
>>> To: 'Hertzberg, Robert S.';
>>> 'edwin.smith@bingham.com<mailto:edwin.smith@bingham.com>';
>>> 'cball@jonesday.com<mailto:cball@jonesday.com>'
>>> Cc: Schaible, Damian S.;
>>> 'kcornish@paulweiss.com<mailto:kcornish@paulweiss.com>';
>>> 'mark.ellenberg@cwt.com<mailto:mark.ellenberg@cwt.com>'
>>> Subject: RE: Wraps
>>>
>>> Please let us know.
>>>
>>> From: Hertzberg, Robert S. [mailto:Hertzber@pepperlaw.com]
>>> Sent: Monday, February 03, 2014 2:40 PM
>>> To: Huebner, Marshall S.;
>>> 'edwin.smith@bingham.com<mailto:edwin.smith@bingham.com>';
>>> 'cball@jonesday.com<mailto:cball@jonesday.com>'
>>> Cc: Schaible, Damian S.;
>>> 'kcornish@paulweiss.com<mailto:kcornish@paulweiss.com>';
>>> 'mark.ellenberg@cwt.com<mailto:mark.ellenberg@cwt.com>'
>>> Subject: RE: Wraps
>>>
>>> Let me talk to Corinne on whether 2 way or 3 way. We will get back to you.
>>>
>>> From: Huebner, Marshall S. [mailto:marshall.huebner@davispolk.com]
>>> Sent: Monday, February 03, 2014 2:29 PM
>>> To: Hertzberg, Robert S.;
>>> 'edwin.smith@bingham.com<mailto:edwin.smith@bingham.com>';
>>> 'cball@jonesday.com<mailto:cball@jonesday.com>'
>>> Cc: Schaible, Damian S.;
>>> 'kcornish@paulweiss.com<mailto:kcornish@paulweiss.com>';
>>> 'mark.ellenberg@cwt.com<mailto:mark.ellenberg@cwt.com>'
>>> Subject: Wraps
>>>
>>>
>>> Both FGIC and Syncora have reverted that they are ready to talk
>>> without preconditions and, while they don't think a written
>>> standstill is needed or worth
>> the
>>> time, do not plan to take additional actions this week.

>>>
>>> We welcome your thoughts, including as to 2 way vs 3 way.
>>>
>>> From: Hertzberg, Robert S. [mailto:Hertzber@pepperlaw.com]
>>> Sent: Friday, January 31, 2014 02:53 PM
>>> To: 'Smith, Edwin E.'
>>> <edwin.smith@bingham.com<mailto:edwin.smith@bingham.com>>; Corinne
>> Ball
>>> <cball@JonesDay.com<mailto:cball@JonesDay.com>>
>>> Cc: Schaible, Damian S.; Kelley A Cornish
>>> <KCornish@paulweiss.com<mailto:KCornish@paulweiss.com>>; 'Ellenberg,
>>> Mark' <Mark.Ellenberg@cwt.com<mailto:Mark.Ellenberg@cwt.com>>;
>>> Huebner, Marshall S.
>>> Subject: RE: Can we chat at 2? If not, 2:15.
>>>
>>> Let's dial back in at 3:00
>>>
>>> From: Smith, Edwin E. [mailto:edwin.smith@bingham.com]
>>> Sent: Friday, January 31, 2014 2:32 PM
>>> To: Corinne Ball; Hertzberg, Robert S.
>>> Cc: Schaible, Damian S.; Kelley A Cornish; 'Ellenberg, Mark';
>>> 'Huebner,
>> Marshall
>>> S.'
>>> Subject: RE: Can we chat at 2? If not, 2:15.
>>>
>>> Toll-free dial-in number (U.S. and Canada):
>>> (866) 203-0920
>>>
>>> International dial-in number:
>>> Conference code:
>>> 6179518615
>>>
>>>
>>>
>>> Edwin E. Smith
>>> Partner
>>> T 212.705.7044 (New York)
>>> T 617.951.8615 (Boston)
>>> F 617.951.8736
>>> edwin.smith@bingham.com<mailto:edwin.smith@bingham.com>
>>>
>>> B I N G H A M
>>> Bingham McCutchen LLP
>>> 399 Park Avenue
>>> New York, NY 10022-4689
>>>
>>> One Federal Street
>>> Boston, MA 02110-1726
>>> From: Corinne Ball [mailto:cball@JonesDay.com]
>>> Sent: Friday, January 31, 2014 2:31 PM
>>> To: Hertzberg, Robert S.

>>> Cc: Schaible, Damian S.; Smith, Edwin E.; Kelley A Cornish;
>>> 'Ellenberg, Mark'; 'Huebner, Marshall S.'
>>> Subject: RE: Can we chat at 2? If not, 2:15.
>>>
>>> number?
>>>
>>>
>>> -----
>>> Corinne Ball (bio)<<http://www.jonesday.com/cball/>>
>>> Partner
>>> JONES DAY® - One Firm WorldwideSM
>>> 222 East 41st Street
>>> New York, New York 10017
>>> Office: (212) 326-7844 • Fax: (212) 755-7306
>>> and
>>> 21 Tudor Street • London EC4Y 0DJ
>>> Direct: +44 (0) 20.7039.5136 • Fax: +44.20.7039.5999
>>> cball@jonesday.com<<mailto:cball@jonesday.com>>
>>> From:
>>>
>>> "Hertzberg, Robert S."
>>> <Hertzber@pepperlaw.com<<mailto:Hertzber@pepperlaw.com>>>
>>>
>>> To:
>>>
>>> "'Huebner, Marshall S.'"
>> <marshall.huebner@davispolk.com<<mailto:marshall.huebner@davispolk.com>>
>> >>,
>>> "'Ellenberg, Mark'"
>>> <Mark.Ellenberg@cwt.com<<mailto:Mark.Ellenberg@cwt.com>>>, "Smith,
>>> Edwin E."
>>> <edwin.smith@bingham.com<<mailto:edwin.smith@bingham.com>>>,
>>>
>>> Cc:
>>>
>>> Kelley A Cornish
>>> <KCornish@paulweiss.com<<mailto:KCornish@paulweiss.com>>>,
>>> "cball@jonesday.com<<mailto:cball@jonesday.com>>"
>>> <cball@jonesday.com<<mailto:cball@jonesday.com>>>, "Schaible, Damian S."
>>> <damian.schaible@davispolk.com<<mailto:damian.schaible@davispolk.com>>
>>> >
>>>
>>> Date:
>>>
>>> 01/31/2014 02:01 PM
>>>
>>> Subject:
>>>
>>> RE: Can we chat at 2? If not, 2:15.
>>>
>>>

>>> _____
>>>
>>>
>>>
>>> Can we do 2:30?
>>>
>>> From: Huebner, Marshall S. [mailto:marshall.huebner@davispolk.com]
>>> Sent: Friday, January 31, 2014 1:51 PM
>>> To: 'Ellenberg, Mark'; 'Smith, Edwin E.'; Hertzberg, Robert S.
>>> Cc: Kelley A Cornish; cball@jonesday.com<mailto:cball@jonesday.com>;
>>> Schaible, Damian S.
>>> Subject: Can we chat at 2? If not, 2:15.
>>>
>>> Bob/Corrine – please advise.
>>>
>>> Thanks
>>>
>>>
>>>
>>>
>>>
>>> _____
>>>
>>> This email is for the use of the intended recipient(s) only. If you
>>> have received
>> this
>>> email in error, please notify the sender immediately and then delete
>>> it. If you are not the intended recipient, you must not keep, use,
>>> disclose, copy or distribute
>> this
>>> email without the author's prior permission. We have taken
>>> precautions to minimize the risk of transmitting software viruses,
>>> but we advise you to carry
>> out
>>> your own virus checks on any attachment to this message. We cannot
>>> accept liability for any loss or damage caused by software viruses.
>>> The information contained in this communication may be confidential
>>> and may be subject to the attorney-client privilege. If you are the
>>> intended recipient and you do not wish to receive similar electronic
>>> messages from us in the future then please respond to the sender to this effect.
>>>
>>>
>>> =====
>>> This e-mail (including any attachments) may contain information that
>>> is private, confidential, or protected by attorney-client or other
>>> privilege. If you received
>> this
>>> e-mail in error, please delete it from your system without copying
>>> it and notify sender by reply e-mail, so that our records can be corrected.
>>> =====
>>>
>>> _____

>>> Confidentiality Notice: The information in this e-mail (including
>>> attachments, if
>>> any) is considered confidential and is intended only for the
>>> recipient(s) listed above. Any review, use, disclosure, distribution
>>> or copying of this e-mail is prohibited except by or on behalf of
>>> the intended recipient. If you have received this email in error,
>>> please notify me immediately by reply email, delete this
>> email,
>>> and do not disclose its contents to anyone.
>>>
>>> Bingham McCutchen LLP Circular 230 Notice: To ensure compliance with
>>> IRS requirements, we inform you that any U.S. federal tax advice
>>> contained in this communication is not intended or written to be
>>> used, and cannot be used by any taxpayer, for the purpose of
>>> avoiding any federal tax penalties. Any legal advice expressed in
>>> this message is being delivered to you solely for your use in
>>> connection with the matters addressed herein and may not be relied
>>> upon by any other person or entity or used for any other purpose without our prior written consent.
>>>
>>> _____
>>>
>>> This email is for the use of the intended recipient(s) only. If you
>>> have received
>> this
>>> email in error, please notify the sender immediately and then delete
>>> it. If you are not the intended recipient, you must not keep, use,
>>> disclose, copy or distribute
>> this
>>> email without the author's prior permission. We have taken
>>> precautions to minimize the risk of transmitting software viruses,
>>> but we advise you to carry
>> out
>>> your own virus checks on any attachment to this message. We cannot
>>> accept liability for any loss or damage caused by software viruses.
>>> The information contained in this communication may be confidential
>>> and may be subject to the attorney-client privilege. If you are the
>>> intended recipient and you do not wish to receive similar electronic
>>> messages from us in the future then please respond to the sender to this effect.
>>>
>>> _____
>>>
>>> This email is for the use of the intended recipient(s) only. If you
>>> have received
>> this
>>> email in error, please notify the sender immediately and then delete
>>> it. If you are not the intended recipient, you must not keep, use,
>>> disclose, copy or distribute
>> this
>>> email without the author's prior permission. We have taken
>>> precautions to minimize the risk of transmitting software viruses,
>>> but we advise you to carry
>> out

>>> your own virus checks on any attachment to this message. We cannot
>>> accept liability for any loss or damage caused by software viruses.
>>> The information contained in this communication may be confidential
>>> and may be subject to the attorney-client privilege. If you are the
>>> intended recipient and you do not wish to receive similar electronic
>>> messages from us in the future then please respond to the sender to this effect.
>>>
>>> _____
>>>
>>> This email is for the use of the intended recipient(s) only. If you
>>> have received
>> this
>>> email in error, please notify the sender immediately and then delete
>>> it. If you are not the intended recipient, you must not keep, use,
>>> disclose, copy or distribute
>> this
>>> email without the author's prior permission. We have taken
>>> precautions to minimize the risk of transmitting software viruses,
>>> but we advise you to carry
>> out
>>> your own virus checks on any attachment to this message. We cannot
>>> accept liability for any loss or damage caused by software viruses.
>>> The information contained in this communication may be confidential
>>> and may be subject to the attorney-client privilege. If you are the
>>> intended recipient and you do not wish to receive similar electronic
>>> messages from us in the future then please respond to the sender to this effect.

Kovsky-Apap, Deborah

From: Hertzberg, Robert S.
Sent: Monday, February 03, 2014 9:30 PM
To: Huebner, Marshall S.
Cc: edwin.smith@bingham.com; cball@jonesday.com; Schaible, Damian S.; kcornish@paulweiss.com; mark.ellenberg@cwt.com; Moskowitz, Elliot
Subject: Re: Wraps

The problem is we are trying to sort out what to do with the Syncora hearings on February 19th. We have an internal call at 11.

Sent from my iPhone

On Feb 3, 2014, at 9:23 PM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

Can we not chat tonight? That would mean we end up losing all of tmrw.

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Monday, February 03, 2014 09:21 PM
To: Huebner, Marshall S.
Cc: edwin.smith@bingham.com <edwin.smith@bingham.com>; cball@jonesday.com <cball@jonesday.com>; Schaible, Damian S.; kcornish@paulweiss.com <kcornish@paulweiss.com>; mark.ellenberg@cwt.com <mark.ellenberg@cwt.com>; Moskowitz, Elliot
Subject: Re: Wraps

Can we set a call for 11:45 tomorrow if your side and Corinne are available?

Sent from my iPad

On Feb 3, 2014, at 9:11 PM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

Bob/Corrine – please let us know asap (1) when we can discuss/what you concluded on your 4pm call re Feb 19 (we have views) and (2) whether we should talk to the wraps with or without you? They seem ready to chat.

From: Huebner, Marshall S.
Sent: Monday, February 03, 2014 5:59 PM
To: 'Hertzberg, Robert S.'; 'edwin.smith@bingham.com'; 'cball@jonesday.com'
Cc: Schaible, Damian S.; 'kcornish@paulweiss.com'; 'mark.ellenberg@cwt.com'
Subject: RE: Wraps

Please let us know.

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Monday, February 03, 2014 2:40 PM
To: Huebner, Marshall S.; 'edwin.smith@bingham.com'; 'cball@jonesday.com'
Cc: Schaible, Damian S.; 'kcornish@paulweiss.com'; 'mark.ellenberg@cwt.com'
Subject: RE: Wraps

Let me talk to Corinne on whether 2 way or 3 way. We will get back to you.

From: Huebner, Marshall S. [<mailto:marshall.huebner@davispolk.com>]
Sent: Monday, February 03, 2014 2:29 PM
To: Hertzberg, Robert S.; 'edwin.smith@bingham.com'; 'cball@jonesday.com'
Cc: Schaible, Damian S.; 'kcornish@paulweiss.com'; 'mark.ellenberg@cwt.com'
Subject: Wraps

Both FGIC and Syncora have reverted that they are ready to talk without preconditions and, while they don't think a written standstill is needed or worth the time, do not plan to take additional actions this week.

We welcome your thoughts, including as to 2 way vs 3 way.

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Friday, January 31, 2014 02:53 PM
To: 'Smith, Edwin E.' <edwin.smith@bingham.com>; Corinne Ball <cball@JonesDay.com>
Cc: Schaible, Damian S.; Kelley A Cornish <KCornish@paulweiss.com>; 'Ellenberg, Mark' <Mark.Ellenberg@cwt.com>; Huebner, Marshall S.
Subject: RE: Can we chat at 2? If not, 2:15.

Let's dial back in at 3:00

From: Smith, Edwin E. [<mailto:edwin.smith@bingham.com>]
Sent: Friday, January 31, 2014 2:32 PM
To: Corinne Ball; Hertzberg, Robert S.
Cc: Schaible, Damian S.; Kelley A Cornish; 'Ellenberg, Mark'; 'Huebner, Marshall S.'
Subject: RE: Can we chat at 2? If not, 2:15.

Toll-free dial-in number (U.S. and Canada):
(866) 203-0920

International dial-in number:
Conference code:
6179518615

Edwin E. Smith
Partner
T 212.705.7044 (New York)
T 617.951.8615 (Boston)
F 617.951.8736
edwin.smith@bingham.com

B I N G H A M
Bingham McCutchen LLP
399 Park Avenue
New York, NY 10022-4689

One Federal Street
Boston, MA 02110-1726
From: Corinne Ball [<mailto:cball@JonesDay.com>]
Sent: Friday, January 31, 2014 2:31 PM
To: Hertzberg, Robert S.
Cc: Schaible, Damian S.; Smith, Edwin E.; Kelley A Cornish; 'Ellenberg, Mark'; 'Huebner,

Marshall S.'

Subject: RE: Can we chat at 2? If not, 2:15.

number?

Corinne Ball ([bio](#))

Partner

JONES DAY® - One Firm WorldwideSM

222 East 41st Street

New York, New York 10017

Office: (212) 326-7844 • Fax: (212) 755-7306

and

21 Tudor Street • London EC4Y 0DJ

Direct: +44 (0) 20.7039.5136 • Fax: +44.20.7039.5999

cball@jonesday.com

From: "Hertzberg, Robert S." <Hertzber@pepperlaw.com>

To: "'Huebner, Marshall S.'" <marshall.huebner@davispolk.com>, "Ellenberg, Mark" <Mark.Ellenberg@cwt.com>, "Smith, Edwin E." <edwin.smith@bingham.com>,

Cc: Kelley A Cornish <KCornish@paulweiss.com>, "cball@jonesday.com" <cball@jonesday.com>, "Schaible, Damian S." <damian.schaible@davispolk.com>

Date: 01/31/2014 02:01 PM

Subject: RE: Can we chat at 2? If not, 2:15.

Can we do 2:30?

From: Huebner, Marshall S. [<mailto:marshall.huebner@davispolk.com>]

Sent: Friday, January 31, 2014 1:51 PM

To: 'Ellenberg, Mark'; 'Smith, Edwin E.'; Hertzberg, Robert S.

Cc: Kelley A Cornish; cball@jonesday.com; Schaible, Damian S.

Subject: Can we chat at 2? If not, 2:15.

Bob/Corrine – please advise.

Thanks

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

=====

This e-mail (including any attachments) may contain information that is private, confidential, or protected by attorney-client or other privilege. If you received this e-mail in error, please delete it from your system without copying it and notify sender by reply e-mail, so that our records can be corrected.

=====

Confidentiality Notice: The information in this e-mail (including attachments, if any) is considered confidential and is intended only for the recipient(s) listed above. Any review, use, disclosure, distribution or copying of this e-mail is prohibited except by or on behalf of the intended recipient. If you have received this email in error, please notify me immediately by reply email, delete this email, and do not disclose its contents to anyone.

Bingham McCutchen LLP Circular 230 Notice: To ensure compliance with IRS requirements, we inform you that any U.S. federal tax advice contained in this communication is not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding any federal tax penalties. Any legal advice expressed in this message is being delivered to you solely for your use in connection with the matters addressed herein and may not be relied upon by any other person or entity or used for any other purpose without our prior written consent.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

Kovsky-Apap, Deborah

From: Hertzberg, Robert S.
Sent: Thursday, February 20, 2014 9:28 PM
To: Huebner, Marshall S.
Subject: Re:

Will do my best

Sent from my iPhone

> On Feb 20, 2014, at 9:18 PM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

>

> Thanks. I disappear tomorrow at 4:40. Will we be able to finish up the termsheet before then? Getting the city's thoughts in the morning would be useful. Thoughts?

>

> ----- Original Message -----

> From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]

> Sent: Thursday, February 20, 2014 09:01 PM

> To: Huebner, Marshall S.

> Subject:

>

> Marshall

> We are good on the plan. TBD

> Bob

>

> Sent from my iPhone

>

> _____

>

> This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

Kovsky-Apap, Deborah

From: Hertzberg, Robert S.
Sent: Monday, February 03, 2014 9:46 PM
To: Huebner, Marshall S.
Cc: edwin.smith@bingham.com; cball@jonesday.com; Schaible, Damian S.; kcornish@paulweiss.com; mark.ellenberg@cwt.com; Moskowitz, Elliot
Subject: Re: Wraps

We are leaning that way but want to review pleadings to make sure. We have not talked to Syncora.

Sent from my iPhone

On Feb 3, 2014, at 9:40 PM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

Ok. Let's slot 11:45. DPW's current view is that they are all very moot and should either be dismissed as such or adjourned. Have you guys talked to Syncora about this?

Elliot – can you pls have someone send an invite/code.

Thx.

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Monday, February 03, 2014 9:36 PM
To: Huebner, Marshall S.
Cc: edwin.smith@bingham.com; cball@jonesday.com; Schaible, Damian S.; kcornish@paulweiss.com; mark.ellenberg@cwt.com; Moskowitz, Elliot
Subject: Re: Wraps

We did have the call at 4:00. We needed to take an additional look at the pending motions to see if they are still relevant. We are going to look at them and talk internally again at 11 tomorrow.

Sent from my iPhone

On Feb 3, 2014, at 9:32 PM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

We have views re feb 19 and would like to share. Also, I thought you had the 4pm call today about that?

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Monday, February 03, 2014 9:30 PM
To: Huebner, Marshall S.
Cc: edwin.smith@bingham.com; cball@jonesday.com; Schaible, Damian S.; kcornish@paulweiss.com; mark.ellenberg@cwt.com; Moskowitz, Elliot
Subject: Re: Wraps

The problem is we are trying to sort out what to do with the Syncora hearings on February 19th. We have an internal call at 11.

Sent from my iPhone

On Feb 3, 2014, at 9:23 PM, "Huebner, Marshall S."
<marshall.huebner@davispolk.com> wrote:

Can we not chat tonight? That would mean we end up losing all of tmrw.

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Monday, February 03, 2014 09:21 PM
To: Huebner, Marshall S.
Cc: edwin.smith@bingham.com <edwin.smith@bingham.com>; cball@jonesday.com <cball@jonesday.com>; Schaible, Damian S.; kcornish@paulweiss.com <kcornish@paulweiss.com>; mark.ellenberg@cwt.com <mark.ellenberg@cwt.com>; Moskowitz, Elliot
Subject: Re: Wraps

Can we set a call for 11:45 tomorrow if your side and Corinne are available?

Sent from my iPad

On Feb 3, 2014, at 9:11 PM, "Huebner, Marshall S."
<marshall.huebner@davispolk.com> wrote:

Bob/Corrine – please let us know asap (1) when we can discuss/what you concluded on your 4pm call re Feb 19 (we have views) and (2) whether we should talk to the wraps with or without you? They seem ready to chat.

From: Huebner, Marshall S.
Sent: Monday, February 03, 2014 5:59 PM
To: 'Hertzberg, Robert S.'; 'edwin.smith@bingham.com'; 'cball@jonesday.com'
Cc: Schaible, Damian S.; 'kcornish@paulweiss.com'; 'mark.ellenberg@cwt.com'
Subject: RE: Wraps

Please let us know.

From: Hertzberg, Robert S.
[<mailto:Hertzber@pepperlaw.com>]
Sent: Monday, February 03, 2014 2:40 PM
To: Huebner, Marshall S.; 'edwin.smith@bingham.com'; 'cball@jonesday.com'
Cc: Schaible, Damian S.; 'kcornish@paulweiss.com'; 'mark.ellenberg@cwt.com'
Subject: RE: Wraps

Let me talk to Corinne on whether 2 way or 3 way. We will get back to you.

From: Huebner, Marshall S.
[<mailto:marshall.huebner@davispolk.com>]
Sent: Monday, February 03, 2014 2:29 PM
To: Hertzberg, Robert S.; 'edwin.smith@bingham.com';

'cball@jonesday.com'

Cc: Schaible, Damian S.; 'kcornish@paulweiss.com'; 'mark.ellenberg@cwt.com'

Subject: Wraps

Both FGIC and Syncora have reverted that they are ready to talk without preconditions and, while they don't think a written standstill is needed or worth the time, do not plan to take additional actions this week.

We welcome your thoughts, including as to 2 way vs 3 way.

From: Hertzberg, Robert S.

[<mailto:Hertzber@pepperlaw.com>]

Sent: Friday, January 31, 2014 02:53 PM

To: 'Smith, Edwin E.' <edwin.smith@bingham.com>; Corinne Ball <cball@JonesDay.com>

Cc: Schaible, Damian S.; Kelley A Cornish <KCornish@paulweiss.com>; 'Ellenberg, Mark' <Mark.Ellenberg@cwt.com>; Huebner, Marshall S.

Subject: RE: Can we chat at 2? If not, 2:15.

Let's dial back in at 3:00

From: Smith, Edwin E.

[<mailto:edwin.smith@bingham.com>]

Sent: Friday, January 31, 2014 2:32 PM

To: Corinne Ball; Hertzberg, Robert S.

Cc: Schaible, Damian S.; Kelley A Cornish; 'Ellenberg, Mark'; 'Huebner, Marshall S.'

Subject: RE: Can we chat at 2? If not, 2:15.

Toll-free dial-in number (U.S. and Canada):
(866) 203-0920

International dial-in number:
Conference code:
6179518615

Edwin E. Smith

Partner

T 212.705.7044 (New York)

T 617.951.8615 (Boston)

F 617.951.8736

edwin.smith@bingham.com

B I N G H A M

Bingham McCutchen LLP

399 Park Avenue

New York, NY 10022-4689

One Federal Street
Boston, MA 02110-1726
From: Corinne Ball [<mailto:cball@JonesDay.com>]
Sent: Friday, January 31, 2014 2:31 PM
To: Hertzberg, Robert S.
Cc: Schaible, Damian S.; Smith, Edwin E.; Kelley A Cornish; 'Ellenberg, Mark'; 'Huebner, Marshall S.'
Subject: RE: Can we chat at 2? If not, 2:15.

number?

Corinne Ball ([bio](#))
Partner
JONES DAY® - One Firm WorldwideSM
222 East 41st Street
New York, New York 10017
Office: (212) 326-7844 • Fax: (212) 755-7306
and
21 Tudor Street • London EC4Y 0DJ
Direct: +44 (0) 20.7039.5136 • Fax:
+44.20.7039.5999
cball@jonesday.com

From: "Hertzberg, Robert S." <Hertzber@pepperlaw.com>
To: "'Huebner, Marshall S.'" <marshall.huebner@davispolk.com>, "'Ellenberg, Mark'" <Mark.Ellenberg@cwt.com>, "'Smith, E" <edwin.smith@bingham.com>,
Cc: Kelley A Cornish <K.Cornish@paulweiss.com>, "cball@jonesday.com" <cball@jonesday.com>, "Schaible, Damian S." <damian.schaible@davispolk.com>
Date: 01/31/2014 02:01 PM
Subject: RE: Can we chat at 2? If not, 2:15.

Can we do 2:30?

From: Huebner, Marshall S.
[<mailto:marshall.huebner@davispolk.com>]
Sent: Friday, January 31, 2014 1:51 PM
To: 'Ellenberg, Mark'; 'Smith, Edwin E.'; Hertzberg, Robert S.
Cc: Kelley A Cornish; cball@jonesday.com; Schaible, Damian S.
Subject: Can we chat at 2? If not, 2:15.

Bob/Corrine – please advise.

Thanks

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

=====

This e-mail (including any attachments) may contain information that is private, confidential, or protected by attorney-client or other privilege. If you received this e-mail in error, please delete it from your system without copying it and notify sender by reply e-mail, so that our records can be corrected.

=====

Confidentiality Notice: The information in this e-mail (including attachments, if any) is considered confidential and is intended only for the recipient(s) listed above. Any review, use, disclosure, distribution or copying of this e-mail is prohibited except by or on behalf of the intended recipient. If you have received this email in error, please notify me immediately by reply email, delete this email, and do not disclose its contents to anyone.

Bingham McCutchen LLP Circular 230 Notice: To ensure compliance with IRS requirements, we inform you that any U.S. federal tax advice contained in this communication is not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding any federal tax penalties. Any legal advice expressed in this message is being delivered to you solely for your use in connection with the matters addressed herein and may not be relied upon by any other person or entity or used for any other purpose without our prior written consent.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this

communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

Kovsky-Apap, Deborah

From: Huebner, Marshall S. <marshall.huebner@davispolk.com>
Sent: Monday, February 03, 2014 9:45 PM
To: Hertzberg, Robert S.
Cc: edwin.smith@bingham.com; cball@jonesday.com; Schaible, Damian S.; kcornish@paulweiss.com; mark.ellenberg@cwt.com; Moskowitz, Elliot
Subject: RE: Wraps

Corrine – pls advise, because that might be part of the solution here (as per Jamie).

From: Hertzberg, Robert S. [mailto:Hertzber@pepperlaw.com]
Sent: Monday, February 03, 2014 9:44 PM
To: Huebner, Marshall S.
Cc: edwin.smith@bingham.com; cball@jonesday.com; Schaible, Damian S.; kcornish@paulweiss.com; mark.ellenberg@cwt.com; Moskowitz, Elliot
Subject: Re: Wraps

I was part of it. Corinne would have a better take on how close we were .

Sent from my iPhone

On Feb 3, 2014, at 9:37 PM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

Ok. Though Jamie has mentioned prior commutation negotiations re the wraps/cops. Were you a part of that? Were people close to a deal?

From: Hertzberg, Robert S. [mailto:Hertzber@pepperlaw.com]
Sent: Monday, February 03, 2014 9:33 PM
To: Huebner, Marshall S.
Cc: edwin.smith@bingham.com; cball@jonesday.com; Schaible, Damian S.; kcornish@paulweiss.com; mark.ellenberg@cwt.com; Moskowitz, Elliot
Subject: Re: Wraps

As to talking to the Wraps, you should go it alone at first. If you are making any progress and you think it would be helpful for us to join let us know. We are willing to participate as needed.

Sent from my iPhone

On Feb 3, 2014, at 9:11 PM, "Huebner, Marshall S." <marshall.huebner@davispolk.com> wrote:

Bob/Corrine – please let us know asap (1) when we can discuss/what you concluded on your 4pm call re Feb 19 (we have views) and (2) whether we should talk to the wraps with or without you? They seem ready to chat.

From: Huebner, Marshall S.
Sent: Monday, February 03, 2014 5:59 PM
To: 'Hertzberg, Robert S.'; 'edwin.smith@bingham.com'; 'cball@jonesday.com'
Cc: Schaible, Damian S.; 'kcornish@paulweiss.com'; 'mark.ellenberg@cwt.com'
Subject: RE: Wraps

Please let us know.

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Monday, February 03, 2014 2:40 PM
To: Huebner, Marshall S.; 'edwin.smith@bingham.com'; 'cball@jonesday.com'
Cc: Schaible, Damian S.; 'kcornish@paulweiss.com'; 'mark.ellenberg@cwt.com'
Subject: RE: Wraps

Let me talk to Corinne on whether 2 way or 3 way. We will get back to you.

From: Huebner, Marshall S. [<mailto:marshall.huebner@davispolk.com>]
Sent: Monday, February 03, 2014 2:29 PM
To: Hertzberg, Robert S.; 'edwin.smith@bingham.com'; 'cball@jonesday.com'
Cc: Schaible, Damian S.; 'kcornish@paulweiss.com'; 'mark.ellenberg@cwt.com'
Subject: Wraps

Both FGIC and Syncora have reverted that they are ready to talk without preconditions and, while they don't think a written standstill is needed or worth the time, do not plan to take additional actions this week.

We welcome your thoughts, including as to 2 way vs 3 way.

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Friday, January 31, 2014 02:53 PM
To: 'Smith, Edwin E.' <edwin.smith@bingham.com>; Corinne Ball <cball@JonesDay.com>
Cc: Schaible, Damian S.; Kelley A Cornish <KCornish@paulweiss.com>; 'Ellenberg, Mark' <Mark.Ellenberg@cwt.com>; Huebner, Marshall S.
Subject: RE: Can we chat at 2? If not, 2:15.

Let's dial back in at 3:00

From: Smith, Edwin E. [<mailto:edwin.smith@bingham.com>]
Sent: Friday, January 31, 2014 2:32 PM
To: Corinne Ball; Hertzberg, Robert S.
Cc: Schaible, Damian S.; Kelley A Cornish; 'Ellenberg, Mark'; 'Huebner, Marshall S.'
Subject: RE: Can we chat at 2? If not, 2:15.

Toll-free dial-in number (U.S. and Canada):
(866) 203-0920

International dial-in number:
Conference code:
6179518615

Edwin E. Smith
Partner
T 212.705.7044 (New York)
T 617.951.8615 (Boston)
F 617.951.8736
edwin.smith@bingham.com

B I N G H A M
Bingham McCutchen LLP
399 Park Avenue

New York, NY 10022-4689

One Federal Street
Boston, MA 02110-1726

From: Corinne Ball [<mailto:cball@JonesDay.com>]

Sent: Friday, January 31, 2014 2:31 PM

To: Hertzberg, Robert S.

Cc: Schaible, Damian S.; Smith, Edwin E.; Kelley A Cornish; 'Ellenberg, Mark'; 'Huebner, Marshall S.'

Subject: RE: Can we chat at 2? If not, 2:15.

number?

Corinne Ball ([bio](#))

Partner

JONES DAY® - One Firm WorldwideSM

222 East 41st Street

New York, New York 10017

Office: (212) 326-7844 • Fax: (212) 755-7306

and

21 Tudor Street • London EC4Y 0DJ

Direct: +44 (0) 20.7039.5136 • Fax: +44.20.7039.5999

cball@jonesday.com

From: "Hertzberg, Robert S." <Hertzber@pepperlaw.com>

To: "'Huebner, Marshall S.'" <marshall.huebner@davispolk.com>, "'Ellenberg, Mark'" <Mark.Ellenberg@cwt.com>, "'Smith, Edwin E.'" <edwin.smith@bingham.com> ,

Cc: Kelley A Cornish <KCornish@paulweiss.com>, "cball@jonesday.com" <cball@jonesday.com>, "Schaible, Damian S." <damian.schaible@davispolk.com>

Date: 01/31/2014 02:01 PM

Subject: RE: Can we chat at 2? If not, 2:15.

Can we do 2:30?

From: Huebner, Marshall S. [<mailto:marshall.huebner@davispolk.com>]

Sent: Friday, January 31, 2014 1:51 PM

To: 'Ellenberg, Mark'; 'Smith, Edwin E.'; Hertzberg, Robert S.

Cc: Kelley A Cornish; cball@jonesday.com; Schaible, Damian S.

Subject: Can we chat at 2? If not, 2:15.

Bob/Corrine – please advise.

Thanks

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

=====

This e-mail (including any attachments) may contain information that is private, confidential, or protected by attorney-client or other privilege. If you received this e-mail in error, please delete it from your system without copying it and notify sender by reply e-mail, so that our records can be corrected.

=====

Confidentiality Notice: The information in this e-mail (including attachments, if any) is considered confidential and is intended only for the recipient(s) listed above. Any review, use, disclosure, distribution or copying of this e-mail is prohibited except by or on behalf of the intended recipient. If you have received this email in error, please notify me immediately by reply email, delete this email, and do not disclose its contents to anyone.

Bingham McCutchen LLP Circular 230 Notice: To ensure compliance with IRS requirements, we inform you that any U.S. federal tax advice contained in this communication is not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding any federal tax penalties. Any legal advice expressed in this message is being delivered to you solely for your use in connection with the matters addressed herein and may not be relied upon by any other person or entity or used for any other purpose without our prior written consent.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information

contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

Kovsky-Apap, Deborah

From: Huebner, Marshall S. <marshall.huebner@davispolk.com>
Sent: Monday, March 03, 2014 3:07 PM
To: Hertzberg, Robert S.; Schaible, Damian S.
Cc: Klein, Darren S.; 'brosenblum@jonesday.com'; 'cball@jonesday.com'; 'DKramer@paulweiss.com'; 'edwin.smith@bingham.com'; Moskowitz, Elliot; 'Howard.Hawkins@cwt.com'; McClammy, James I.; 'jared.clark@bingham.com'; 'kcornish@paulweiss.com'; Kovsky-Apap, Deborah; 'marcus.marsh@bingham.com'; 'mark.ellenberg@cwt.com'; 'rrosen@paulweiss.com'; Coco, Kevin J.
Subject: Re: Detroit - Motion to Shorten

What is left to do other than file?

From: Hertzberg, Robert S. [mailto:Hertzber@pepperlaw.com]
Sent: Monday, March 03, 2014 02:50 PM
To: Schaible, Damian S.
Cc: Klein, Darren S.; Benjamin Rosenblum <brosenblum@jonesday.com>; cball@jonesday.com <cball@jonesday.com>; DKramer@paulweiss.com <DKramer@paulweiss.com>; edwin.smith@bingham.com <edwin.smith@bingham.com>; Moskowitz, Elliot; Howard.Hawkins@cwt.com <Howard.Hawkins@cwt.com>; McClammy, James I.; jared.clark@bingham.com <jared.clark@bingham.com>; kcornish@paulweiss.com <kcornish@paulweiss.com>; Kovsky-Apap, Deborah <kovskyd@pepperlaw.com>; marcus.marsh@bingham.com <marcus.marsh@bingham.com>; mark.ellenberg@cwt.com <mark.ellenberg@cwt.com>; Huebner, Marshall S.; rrosen@paulweiss.com <rrosen@paulweiss.com>; Coco, Kevin J.; Schaible, Damian S.
Subject: Re: Detroit - Motion to Shorten

I get on a plane at 4. If we don't do it before it might have to wait until I land. I should be on email on the plane.

Sent from my iPhone

On Mar 3, 2014, at 2:45 PM, "Schaible, Damian S." <damian.schaible@davispolk.com> wrote:

City Team:

As we heard Corinne seem to suggest at the end of the call, we went back to our clients and asked them to try to get comfortable accepting the City's language on the post-emergence stretch-out if the City could live with a \$120 mm cap on the DIP dollars that we could be left behind. We've done so and with the important caveat below, they've agreed, if this gets the documents closed and is the least issue, to permit a filing promptly today.

The below language largely adopts the City's proposed language of last night, along with our clarification on the \$120 from last night. The only things we've done are: (1) add a best efforts construct to pay us off promptly, along the lines of the mentions on our call and (2) clarify that the "permitted by law" construct is for things other than City ordinances/resolutions. So hopefully that closes the language and therefore the deal and documents.

The important caveat is that, as Corinne and Bob readily understood and stated on the call, the lien validation is absolutely critical to the clients being comfortable with any stretch-out. Absent full validation of the liens, per the form order we've agreed, we would need to completely revisit the stretch-out concept and its' protections, limitations and economics. But so long as the liens are validated per the agreed order, our clients can live with the below.

Let us know if done, and we can proceed to filing (and also please let us know your thinking on timing of the status conference – at Wednesday's 10 am hearing?)

Thanks,

Damian

ORDERED that the City shall use best efforts to secure sufficient exit financing to pay the Net Amount on or promptly following the Effective Date, and failing that, as soon thereafter as possible;

ORDERED that, if the Net Amount is not paid in connection with the Effective Date, other than with respect to net proceeds used to repay up to \$120 million principal amount (plus all interest and fees) of the City's quality-of-life post-petition financing facility [Order to refer to docket number of motion or order regarding facility], to the extent permitted by law but without taking into consideration any limitations imposed by the City, including in any ordinance or resolution of the City, the first dollars of any net cash proceeds of any financing or refinancing (in excess consummated in connection with, or subsequent to, the consummation of the City's plan of adjustment and either (i) supported by the full faith and credit of the City or (ii) payable from the general fund of the City shall be used to pay the Net Amount;

Damian S. Schaible | Davis Polk & Wardwell LLP | 450 Lexington Avenue | New York, NY 10017
212 450 4580 tel | 212 701 5580 fax | damian.schaible@davispolk.com

Confidentiality Note: This email is intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. Unauthorized use, dissemination, distribution or copying of this email or the information herein or taking any action in reliance on the contents of this email or the information herein, by anyone other than the intended recipient, or an employee or agent responsible for delivering the message to the intended recipient, is strictly prohibited. If you have received this email in error, please notify the sender immediately and destroy the original message, any attachments thereto and all copies. Please refer to the firm's [privacy policy](#) located at www.davispolk.com for important information on this policy.

From: Klein, Darren S.
Sent: Monday, March 03, 2014 11:44 AM
To: 'Benjamin Rosenblum'; Schaible, Damian S.
Cc: cball@jonesday.com; DKramer@paulweiss.com; edwin.smith@bingham.com; Moskowitz, Elliot; Hertzber@pepperlaw.com; Howard.Hawkins@cwt.com; McClammy, James I.; jared.clark@bingham.com; kcornish@paulweiss.com; kovskyd@pepperlaw.com; marcus.marsh@bingham.com; mark.ellenberg@cwt.com; Huebner, Marshall S.; rrosen@paulweiss.com; Coco, Kevin J.
Subject: RE: Detroit - Motion to Shorten

Ben,

Attached is a revised draft of the settlement motion (clean, blk and changed pages), showing our very few comments. It's all clean-up except for the deletion in paragraph 73.

On the motion to shorten time, our only question is whether the following sentence in para 6 is too strongly put given (1) the changes to the deal structure and (2) the City's motion describing the deal by its own terms and not in comparison to the last deal.

"The proposed compromise simply does not raise any new issues of fact or law in the City's view."

Note that the attached does not address the open business points on the stretch out.

From: Benjamin Rosenblum [<mailto:brosenblum@jonesday.com>]
Sent: Monday, March 03, 2014 8:54 AM
To: Schaible, Damian S.
Cc: cball@jonesday.com; Klein, Darren S.; DKramer@paulweiss.com; edwin.smith@bingham.com; Moskowitz, Elliot; Hertzber@pepperlaw.com; Howard.Hawkins@cwt.com; McClammy, James I.; jared.clark@bingham.com; kcornish@paulweiss.com; kovskyd@pepperlaw.com; marcus.marsh@bingham.com; mark.ellenberg@cwt.com; Huebner, Marshall S.; rosen@paulweiss.com
Subject: Re: Detroit - Motion to Shorten

Attached is a clean and blackline of the motion to compromise and motion to shorten. Motion to compromise includes updated swap valuation as of end of day Friday, segregation language and a conforming change to the summary on the exculpation language.

Ben

Benjamin Rosenblum
Associate
[JONES DAY® - One Firm WorldwideSM](#)
222 East 41st Street
New York, NY 10017
Office (212) 326-8312

From: "Schaible, Damian S." <damian.schaible@davispolk.com>
To: Benjamin Rosenblum <brosenblum@jonesday.com>,
Cc: "cball@jonesday.com" <cball@jonesday.com>, "Klein, Darren S." <darren.klein@davispolk.com>, "DKramer@paulweiss.com" <DKramer@paulweiss.com>, "edwin.smith@bingham.com" <edwin.smith@bingham.com>, "Moskowitz, Elliot" <elliott.moskowitz@davispolk.com>, "Hertzber@pepperlaw.com" <Hertzber@pepperlaw.com>, "Howard.Hawkins@cwt.com" <Howard.Hawkins@cwt.com>, "McClammy, James I." <james.mcclammy@davispolk.com>, "jared.clark@bingham.com" <jared.clark@bingham.com>, "kcornish@paulweiss.com" <kcornish@paulweiss.com>, "kovskyd@pepperlaw.com" <kovskyd@pepperlaw.com>, "marcus.marsh@bingham.com" <marcus.marsh@bingham.com>, "mark.ellenberg@cwt.com" <mark.ellenberg@cwt.com>, "Huebner, Marshall S." <marshall.huebner@davispolk.com>, "rosen@paulweiss.com" <rosen@paulweiss.com>
Date: 03/03/2014 06:33 AM
Subject: Re: Detroit - Motion to Shorten

Thanks. Do you want to send around a redline of the main motion or do you want us to work it in?

On Mar 3, 2014, at 12:14 AM, "Benjamin Rosenblum" <brosenblum@jonesday.com> wrote:

We are OK with moving this language to the main motion.

Benjamin Rosenblum
Associate
[JONES DAY® - One Firm WorldwideSM](#)
222 East 41st Street
New York, NY 10017
Office (212) 326-8312

From: "Schaible, Damian S." <damian.schaible@davispolk.com>
To: Benjamin Rosenblum <brosenblum@jonesday.com>,
Cc: "cball@jonesday.com" <cball@jonesday.com>, "Klein, Darren S." <darren.klein@davispolk.com>, "DKramer@paulweiss.com" <DKramer@paulweiss.com>, "edwin.smith@bingham.com" <edwin.smith@bingham.com>, "Moskowitz, Elliot" <elliott.moskowitz@davispolk.com>, "Hertzber@pepperlaw.com" <Hertzber@pepperlaw.com>, "Howard.Hawkins@cwt.com" <Howard.Hawkins@cwt.com>, "McClammy, James I." <james.mcclammy@davispolk.com>, "jared.clark@bingham.com" <jared.clark@bingham.com>, "kcornish@paulweiss.com" <kcornish@paulweiss.com>, "kovskyd@pepperlaw.com" <kovskyd@pepperlaw.com>, "marcus.marsh@bingham.com" <marcus.marsh@bingham.com>, "mark.ellenberg@cwt.com" <mark.ellenberg@cwt.com>, "Huebner, Marshall S." <marshall.huebner@davispolk.com>, "rosen@paulweiss.com" <rosen@paulweiss.com>
Date: 03/02/2014 12:17 PM
Subject: Re: Detroit - Motion to Shorten

That was a reference to the main motion, where we describe the deal. This is an aspect of the deal. It doesn't fit in the motion to shorten time.

Does the existing motion draft include a sentence or two on the payment segregation? If not you can draft something to add and send around or we can if easier. Let me know and pls send around a final shorten motion deleting that section header and those paras so we can send to clients. Thanks.

On Mar 2, 2014, at 6:37 PM, "Benjamin Rosenblum" <brosenblum@jonesday.com> wrote:

I thought we agreed in Marshall's 2:23 recap that the motion to shorten time "can/will say 'the banks have agreed'"? References in the title of the motion and order have been struck.

Ben

Benjamin Rosenblum
Associate
JONES DAY® - One Firm WorldwideSM
222 East 41st Street
New York, NY 10017
Office (212) 326-8312

From: "Schaible, Damian S." <damian.schaible@davispolk.com>
To: Benjamin Rosenblum <brosenblum@jonesday.com>,
Cc: "cball@jonesday.com" <cball@jonesday.com>, "Klein, Darren S." <darren.klein@davispolk.com>, "DKramer@paulweiss.com" <DKramer@paulweiss.com>, "edwin.smith@bingham.com" <edwin.smith@bingham.com>, "Moskowitz, Elliot" <elliott.moskowitz@davispolk.com>, "Hertzber@pepperlaw.com" <Hertzber@pepperlaw.com>, "Howard.Hawkins@cwt.com" <Howard.Hawkins@cwt.com>, "McClammy, James I." <james.mcclammy@davispolk.com>, "jared.clark@bingham.com" <jared.clark@bingham.com>, "kcornish@paulweiss.com" <kcornish@paulweiss.com>, "kovskyd@pepperlaw.com" <kovskyd@pepperlaw.com>, "marcus.marsh@bingham.com" <marcus.marsh@bingham.com>, "mark.ellenberg@cwt.com" <mark.ellenberg@cwt.com>, "Huebner, Marshall S." <marshall.huebner@davispolk.com>, "rosen@paulweiss.com" <rosen@paulweiss.com>
Date: 03/02/2014 06:32 PM
Subject: Re: Detroit - Motion to Shorten

Please delete paras 6 and 7 and any reference to the segregated account issue if it still exists in the motion title (can't tell on iPhone). Each is inconsistent with discussions. This motion shld only seek shortened time and not discuss the segregation agmt. Thanks.

On Mar 2, 2014, at 5:51 PM, "Benjamin Rosenblum" <brosenblum@jonesday.com> wrote:

Attached is a revised motion and order shortening time, with a blackline against the last draft.

Ben

Benjamin Rosenblum
Associate

[JONES DAY® - One Firm WorldwideSM](#)

222 East 41st Street
New York, NY 10017
Office (212) 326-8312

From: "Schaible, Damian S." <damian.schaible@davispolk.com>

To: Benjamin Rosenblum <brosenblum@jonesday.com>,

Cc: "Klein, Darren S." <darren.klein@davispolk.com>, "cball@jonesday.com" <cball@jonesday.com>, "DKramer@paulweiss.com" <DKramer@paulweiss.com>, "edwin.smith@bingham.com" <edwin.smith@bingham.com>, "Moskowitz, Elliot" <elliott.moskowitz@davispolk.com>, "Hertzber@pepperlaw.com" <Hertzber@pepperlaw.com>, "Howard.Hawkins@cwt.com" <Howard.Hawkins@cwt.com>, "McClammy, James I." <james.mcclammy@davispolk.com>, "jared.clark@bingham.com" <jared.clark@bingham.com>, "kcornish@paulweiss.com" <kcornish@paulweiss.com>, "kovskyd@pepperlaw.com" <kovskyd@pepperlaw.com>, "marcus.marsh@bingham.com" <marcus.marsh@bingham.com>, "mark.ellenberg@cwt.com" <mark.ellenberg@cwt.com>, "Huebner, Marshall S." <marshall.huebner@davispolk.com>, "rosen@paulweiss.com" <rosen@paulweiss.com>

Date: 03/02/2014 04:20 PM

Subject: Re: Detroit - Motion to Shorten

Given the emails this afternoon, I assume you will send around a revised motion and order just addressing the shortening of time? Happy to take a look at that whenever ready. Thanks.

On Feb 28, 2014, at 9:28 PM, "Benjamin Rosenblum" <brosenblum@jonesday.com> wrote:

Attached is a motion to shorten notice and approve the segregation of the March 14 payment. It is provided as a courtesy copy and we are not looking for suggested changes to the motion.

Ben

Benjamin Rosenblum
Associate

[JONES DAY® - One Firm WorldwideSM](#)

222 East 41st Street
New York, NY 10017
Office (212) 326-8312

=====

This e-mail (including any attachments) may contain information that is private, confidential, or protected by attorney-client or other privilege. If you received this e-mail in error, please delete it from your system without copying it and notify sender by reply e-mail, so that our records can be corrected.

=====

<NYI_4572915_3_Shorten Notice (Settlement and Plan Support Agreement Motion).DOCX>

=====

This e-mail (including any attachments) may contain information that is private, confidential, or protected by attorney-client or other privilege. If you received this e-mail in error, please delete it from your system without copying it and notify sender by reply e-mail, so that our records can be corrected.

=====

<NYI_4572915_4_Shorten Notice (Settlement and Plan Support Agreement Motion).DOCX>

<NYI_4574365_1_Blackline Motion to Shorten.DOCX>

=====

This e-mail (including any attachments) may contain information that is private, confidential, or protected by attorney-client or other privilege. If you received this e-mail in error, please delete it from your system without copying it and notify sender by reply e-mail, so that our records can be corrected.

=====

=====

This e-mail (including any attachments) may contain information that is private, confidential, or protected by attorney-client or other privilege. If you received this e-mail in error, please delete it from your system without copying it and notify sender by reply e-mail, so that our records can be corrected.

=====

=====

This e-mail (including any attachments) may contain information that is private, confidential, or protected by attorney-client or other privilege. If you received this e-mail in error, please delete it from your system without copying it and notify sender by reply e-mail, so that our records can be corrected.

=====

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

Kovsky-Apap, Deborah

From: Huebner, Marshall S. <marshall.huebner@davispolk.com>
Sent: Thursday, January 30, 2014 2:43 PM
To: Hertzberg, Robert S.; 'edwin.smith@bingham.com'; 'cball@jonesday.com'
Cc: 'KCornish@paulweiss.com'; 'mark.ellenberg@cwt.com'; Schaible, Damian S.
Subject: Re: Detroit - FOR SETTLEMENT PURPOSES; SUBJECT TO FRE 408

Bob - is the city also standing down for the period? And yes, I think we should discuss.

From: Hertzberg, Robert S. [mailto:Hertzber@pepperlaw.com]
Sent: Thursday, January 30, 2014 02:39 PM
To: Huebner, Marshall S.; 'edwin.smith@bingham.com' <edwin.smith@bingham.com>; 'cball@jonesday.com' <cball@jonesday.com>
Cc: 'KCornish@paulweiss.com' <KCornish@paulweiss.com>; 'mark.ellenberg@cwt.com' <mark.ellenberg@cwt.com>
Subject: RE: Detroit - FOR SETTLEMENT PURPOSES; SUBJECT TO FRE 408

I have to leave for a meeting with my client. I can do a call after around 5. If we are all serious about settling 7 days should be more than enough time. Happy to talk about it.

From: Huebner, Marshall S. [mailto:marshall.huebner@davispolk.com]
Sent: Thursday, January 30, 2014 2:37 PM
To: Hertzberg, Robert S.; 'edwin.smith@bingham.com'; 'cball@jonesday.com'
Cc: 'KCornish@paulweiss.com'; 'mark.ellenberg@cwt.com'
Subject: Re: Detroit - FOR SETTLEMENT PURPOSES; SUBJECT TO FRE 408

Bob - this is but a week. Nor does it seems to limit the city at all. All it does is give you all the money and a one week breathing spell for yourselves.

I am not following how/why this would work.

We are trying to create a brief but realistic time period to negotiate a revised deal - which we thought our proposal did.

Happy to get on a call if useful.

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Thursday, January 30, 2014 02:32 PM
To: Huebner, Marshall S.; 'edwin.smith@bingham.com' <edwin.smith@bingham.com>; 'cball@jonesday.com' <cball@jonesday.com>
Cc: 'KCornish@paulweiss.com' <KCornish@paulweiss.com>; 'mark.ellenberg@cwt.com' <mark.ellenberg@cwt.com>
Subject: RE: Detroit - FOR SETTLEMENT PURPOSES; SUBJECT TO FRE 408

Subject to my client's approval (which I hope to have by 5:00 today) we will agree to a Standstill with the following revisions:

1. It must be signed by all parties (including FGIC & Syncora) by 4:00pm tomorrow.
2. At the end of the Standstill period any money remaining in or credited to the Sub-Account will be turned over to the City.
3. The Standstill Period will expire on February 7th @ 5:00pm.
4. Syncora and FGIC will take no affirmative action on any of their pending legal matters against the City.

Bob

From: Huebner, Marshall S. [<mailto:marshall.huebner@davispolk.com>]
Sent: Thursday, January 30, 2014 2:05 PM
To: Hertzberg, Robert S.; 'edwin.smith@bingham.com'; 'cball@jonesday.com'
Cc: 'KCornish@paulweiss.com'; 'mark.ellenberg@cwt.com'
Subject: Re: Detroit - FOR SETTLEMENT PURPOSES; SUBJECT TO FRE 408

Bob - we discussed this last night. We understand that the judge said that the prior deal was not close and do have flexibility on the way forward.

We will not be able to provide a number or numerical range today - that is the point of the window (while we permit 100% access to the revenues to the city).

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Thursday, January 30, 2014 02:00 PM
To: 'Smith, Edwin E.' <edwin.smith@bingham.com>; Corinne Ball (cball@JonesDay.com) <cball@JonesDay.com>
Cc: Huebner, Marshall S.; Kelley A Cornish (KCornish@paulweiss.com) <KCornish@paulweiss.com>; Ellenberg, Mark (Mark.Ellenberg@cwt.com) <Mark.Ellenberg@cwt.com>
Subject: RE: Detroit - FOR SETTLEMENT PURPOSES; SUBJECT TO FRE 408

I have done an initial review of the proposal. One thing missing from the proposal is an indication of range of settlement. I don't know if I will be able to move my client forward without this. I understand the difficulty of this request but my client is most likely going to require this before making a decision. We have a short window to get this agreement in place.

Bob

From: Smith, Edwin E. [<mailto:edwin.smith@bingham.com>]
Sent: Thursday, January 30, 2014 1:33 PM
To: Corinne Ball (cball@JonesDay.com); Hertzberg, Robert S.
Cc: Marshall S. Huebner (marshall.huebner@davispolk.com); Kelley A Cornish (KCornish@paulweiss.com); Ellenberg, Mark (Mark.Ellenberg@cwt.com)
Subject: Detroit - FOR SETTLEMENT PURPOSES; SUBJECT TO FRE 408

Corinne and Bob, attached is a proposal from the banks for a short-term standstill to allow the City access to the casino revenues while deferring any litigation. If this proposal is of interest to the City, we would plan to approach Syncora and FGIC on an expedited basis. We look forward to hearing from you. Ed

Edwin E. Smith
Partner
T 212.705.7044 (New York)
T 617.951.8615 (Boston)
F 617.951.8736
edwin.smith@bingham.com

B I N G H A M
Bingham McCutchen LLP
399 Park Avenue
New York, NY 10022-4689

One Federal Street
Boston, MA 02110-1726

Confidentiality Notice: The information in this e-mail (including attachments, if any) is considered confidential and is intended only for the recipient(s) listed above. Any review, use, disclosure, distribution or copying of this e-mail is prohibited except by or on behalf of the intended recipient. If you have received this email in error, please notify me immediately by reply email, delete this email, and do not disclose its contents to anyone.

Bingham McCutchen LLP Circular 230 Notice: To ensure compliance with IRS requirements, we inform you that any U.S. federal tax advice contained in this communication is not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding any federal tax penalties. Any legal advice expressed in this message is being delivered to you solely for your use in connection with the matters addressed herein and may not be relied upon by any other person or entity or used for any other purpose without our prior written consent.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

Kovsky-Apap, Deborah

From: Huebner, Marshall S. <marshall.huebner@davispolk.com>
Sent: Thursday, January 30, 2014 2:05 PM
To: Hertzberg, Robert S.; 'edwin.smith@bingham.com'; 'cball@jonesday.com'
Cc: 'KCornish@paulweiss.com'; 'mark.ellenberg@cwt.com'
Subject: Re: Detroit - FOR SETTLEMENT PURPOSES; SUBJECT TO FRE 408

Bob - we discussed this last night. We understand that the judge said that the prior deal was not close and do have flexibility on the way forward.

We will not be able to provide a number or numerical range today - that is the point of the window (while we permit 100% access to the revenues to the city).

From: Hertzberg, Robert S. [<mailto:Hertzber@pepperlaw.com>]
Sent: Thursday, January 30, 2014 02:00 PM
To: 'Smith, Edwin E.' <edwin.smith@bingham.com>; Corinne Ball (cball@JonesDay.com) <cball@JonesDay.com>
Cc: Huebner, Marshall S.; Kelley A Cornish (KCornish@paulweiss.com) <KCornish@paulweiss.com>; Ellenberg, Mark (Mark.Ellenberg@cwt.com) <Mark.Ellenberg@cwt.com>
Subject: RE: Detroit - FOR SETTLEMENT PURPOSES; SUBJECT TO FRE 408

I have done an initial review of the proposal. One thing missing from the proposal is an indication of range of settlement. I don't know if I will be able to move my client forward without this. I understand the difficulty of this request but my client is most likely going to require this before making a decision. We have a short window to get this agreement in place.

Bob

From: Smith, Edwin E. [<mailto:edwin.smith@bingham.com>]
Sent: Thursday, January 30, 2014 1:33 PM
To: Corinne Ball (cball@JonesDay.com); Hertzberg, Robert S.
Cc: Marshall S. Huebner (marshall.huebner@davispolk.com); Kelley A Cornish (KCornish@paulweiss.com); Ellenberg, Mark (Mark.Ellenberg@cwt.com)
Subject: Detroit - FOR SETTLEMENT PURPOSES; SUBJECT TO FRE 408

Corinne and Bob, attached is a proposal from the banks for a short-term standstill to allow the City access to the casino revenues while deferring any litigation. If this proposal is of interest to the City, we would plan to approach Syncora and FGIC on an expedited basis. We look forward to hearing from you. Ed

Edwin E. Smith
Partner
T 212.705.7044 (New York)
T 617.951.8615 (Boston)
F 617.951.8736
edwin.smith@bingham.com

B I N G H A M
Bingham McCutchen LLP
399 Park Avenue
New York, NY 10022-4689

Confidentiality Notice: The information in this e-mail (including attachments, if any) is considered confidential and is intended only for the recipient(s) listed above. Any review, use, disclosure, distribution or copying of this e-mail is prohibited except by or on behalf of the intended recipient. If you have received this email in error, please notify me immediately by reply email, delete this email, and do not disclose its contents to anyone.

Bingham McCutchen LLP Circular 230 Notice: To ensure compliance with IRS requirements, we inform you that any U.S. federal tax advice contained in this communication is not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding any federal tax penalties. Any legal advice expressed in this message is being delivered to you solely for your use in connection with the matters addressed herein and may not be relied upon by any other person or entity or used for any other purpose without our prior written consent.

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

Kovsky-Apap, Deborah

From: Smith, Edwin E. <edwin.smith@bingham.com>
Sent: Thursday, January 30, 2014 1:33 PM
To: Corinne Ball (cball@JonesDay.com); Hertzberg, Robert S.
Cc: Marshall S. Huebner (marshall.huebner@davispolk.com); Kelley A Cornish (KCornish@paulweiss.com); Ellenberg, Mark (Mark.Ellenberg@cwt.com)
Subject: Detroit - FOR SETTLEMENT PURPOSES; SUBJECT TO FRE 408
Attachments: Standstill term sheet.DOCX

Corinne and Bob, attached is a proposal from the banks for a short-term standstill to allow the City access to the casino revenues while deferring any litigation. If this proposal is of interest to the City, we would plan to approach Syncora and FGIC on an expedited basis. We look forward to hearing from you. Ed

Edwin E. Smith

Partner

T 212.705.7044 (New York)

T 617.951.8615 (Boston)

F 617.951.8736

edwin.smith@bingham.com

B I N G H A M

Bingham McCutchen LLP

399 Park Avenue

New York, NY 10022-4689

One Federal Street

Boston, MA 02110-1726

Confidentiality Notice: The information in this e-mail (including attachments, if any) is considered confidential and is intended only for the recipient(s) listed above. Any review, use, disclosure, distribution or copying of this e-mail is prohibited except by or on behalf of the intended recipient. If you have received this email in error, please notify me immediately by reply email, delete this email, and do not disclose its contents to anyone.

Bingham McCutchen LLP Circular 230 Notice: To ensure compliance with IRS requirements, we inform you that any U.S. federal tax advice contained in this communication is not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding any federal tax penalties. Any legal advice expressed in this message is being delivered to you solely for your use in connection with the matters addressed herein and may not be relied upon by any other person or entity or used for any other purpose without our prior written consent.

For Settlement Purposes
Subject to FRE 408

CITY OF DETROIT

Term Sheet
For Standstill with Swap Counterparties

This is a term sheet for discussion purposes. It is not intended to be a commitment by any party to a standstill unless reduced to a definitive written agreement signed by all parties. No right or remedy is being waived.

Parties: The City of Detroit, the Service Corporations, the Swap Counterparties, FGIC and Syncora.

Standstill Period: Commencing on the date of execution of the standstill agreement by all parties and ending on March 1, 2014.

Access to Casino Revenues: During the Standstill Period, the City will receive casino revenues credited to the General Receipts Sub-Account under the Collateral Agreement, as and when credited and immediately available, even though the City has not made the City Payment into the Holdback Account under the Collateral Agreement.

City's Undertaking: During the Standstill Period, the City will not commence litigation against the Swap Counterparties, FGIC or Syncora relating to the Swaps or other dealings with the City.

Forbearance: During the Standstill Period, none of the Swap Counterparties, FGIC or Syncora will either cause the termination of the Swaps or seek to prevent the City from obtaining the casino revenues credited to the General Receipts Sub-Account.

Reservation of Rights: No party will have any claim or obtain any right against any other party merely for entering into and performing the standstill

agreement. Otherwise, all rights, claims, remedies and defenses of each party against any other party are preserved, and the Standstill Period itself will toll any applicable periods for the lapse or expiration of any right, claim, remedy or defense.

Implementation:

Execution and delivery of a standstill agreement that would constitute either an amendment to the Collateral Agreement, consented to by the Collateral Custodian, or a stipulation to be ordered by the bankruptcy court with respect to the Collateral Custodian.

Kovsky-Apap, Deborah

From: Huebner, Marshall S. <marshall.huebner@davispolk.com>
Sent: Thursday, February 20, 2014 3:51 PM
To: Hertzberg, Robert S.; Mark Ellenberg (Mark.Ellenberg@cwt.com); Smith, Edwin E. (edwin.smith@bingham.com); 'kcornish@paulweiss.com' (kcornish@paulweiss.com)
Cc: cball@jonesday.com; Schaible, Damian S.; Moskowitz, Elliot; Klein, Darren S.
Subject: RE: Detroit - Plan Treatment of Swap Claims

Actually, when do you contemplate "filing" the plan (as per the below). And does that mean publicly? Isnt the deadline March 1?

From: Hertzberg, Robert S. [mailto:Hertzber@pepperlaw.com]
Sent: Thursday, February 20, 2014 2:52 PM
To: Huebner, Marshall S.; Mark Ellenberg (Mark.Ellenberg@cwt.com); Smith, Edwin E. (edwin.smith@bingham.com); 'kcornish@paulweiss.com' (kcornish@paulweiss.com)
Cc: cball@jonesday.com
Subject: FW: Detroit - Plan Treatment of Swap Claims

We have agreed to keep the terms of the settlement with your clients confidential until everyone has signed off on the term sheet. It looks like that will not take place prior to the filing of the Plan. We are going to put in the following placeholder in the Plan that we are filing. Once we finalize our settlement we can make the appropriate changes to the plan. If you have any questions or concerns give me a ring.

Bob

- a. **Class 5 – COP Swap Claims.**
- i. **Disputed.**

The COP Swap Claims are Disputed Claims and are not Allowed by the Plan, and the City reserves all rights to object to, subordinate, avoid or avoid any lien securing such Claims on any or all available grounds, including through the assertion of any or all claims for relief pled in any COP Swap Litigation.

- ii. **Establishment of COP Swap Claims Reserve.**

On or as soon as reasonably practicable following the Effective Date, the City shall establish the COP Swap Claims Reserve. On (a) the first Business Day of the first calendar month after the Effective Date and (b) the first Business Day of each succeeding calendar month, the City shall deposit the amount of \$4.2 million into the COP Swap Claims Reserve; provided that the City shall have no obligation to fund the COP Swap Claims Reserve (A) in an amount in excess of the COP Swap Termination Amount or (B) at any time following the entry of judgment by the trial court having jurisdiction over any COP Swap Litigation.

- iii. **Treatment if COP Swap Claim is Allowed as a Secured Claim.**

To the extent that any COP Swap Claim is Allowed as a Secured Claim, the Holder thereof, in full satisfaction of such Allowed Claim, shall receive: (A) the lesser of (1) a Pro Rata share of any funds held in the COP Swap Claims Reserve and (2) the amount of such Holder's COP Swap Claim that is Allowed as a Secured Claim; and (B) if the amount distributed pursuant to the preceding clause (A) is less than the amount of such Holder's Allowed Secured COP Swap Claim, a Pro Rata share of the New COP Swap Bonds equal to the difference.

A. **Distribution of Excess Funds in Disputed COP Swap Claims Reserve**

As soon as reasonably practicable after the entry of a judgment by the trial court having jurisdiction over any COP Swap Litigation determining that all or any portion of the COP Swap Claims are not Allowed as Secured Claims, unless such judgment has been

stayed pending an appeal, the relevant portion of the COP Swap Claims Reserve shall revert to the City and be transferred to the General Fund.

iv. **Treatment if COP Swap Claim is Allowed as an Unsecured Claim.**

To the extent that a COP Swap Claim is Allowed as an Unsecured Claim, such Allowed Unsecured COP Swap Claim shall be deemed classified in Class [13] and each Holder of an Allowed Unsecured COP Swap Claim shall receive the treatment accorded Class [13] Claims, provided that, with respect to any Distribution of New B Notes to any such Holder of Allowed COP Swap Claims pursuant to Section [II.B.3.y.i], (A) the value of such Distribution shall be reduced by the aggregate amount of any Postpetition COP Swap Payments received by such Holder and (B) the amount of New B Notes to be distributed shall be calculated by reference to the New B Notes Valuation.

v. **Treatment if Allowed as Subordinated Claims.**

If COP Swap Claims are Allowed as Subordinated Claims, such Allowed Subordinated COP Swap Claims shall be deemed classified in Class [15] and each Holder of an Allowed Subordinated COP Swap Claim shall receive the treatment accorded Class [15] Claims.

=====

This e-mail (including any attachments) may contain information that is private, confidential, or protected by attorney-client or other privilege. If you received this e-mail in error, please delete it from your system without copying it and notify sender by reply e-mail, so that our records can be corrected.

=====

This email is for the use of the intended recipient(s) only. If you have received this email in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not keep, use, disclose, copy or distribute this email without the author's prior permission. We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. The information contained in this communication may be confidential and may be subject to the attorney-client privilege. If you are the intended recipient and you do not wish to receive similar electronic messages from us in the future then please respond to the sender to this effect.

Kovsky-Apap, Deborah

From: Huebner, Marshall S. <marshall.huebner@davispolk.com>
Sent: Thursday, March 13, 2014 5:59 PM
To: 'Corinne Ball'
Cc: Hertzberg, Robert S.
Subject: RE: Detroit: QOL loan/Swap settlement

1. Please call me.
2. Who do they represent?

-----Original Message-----

From: Corinne Ball [<mailto:cball@jonesday.com>]
Sent: Thursday, March 13, 2014 5:34 PM
To: Huebner, Marshall S.
Subject: FW: Detroit: QOL loan/Swap settlement

more of the City difficulties. i think it is pretty clear, but we will keep you advised.

***This e-mail (including any attachments) may contain information that is private, confidential, or protected by attorney-client or other privilege.

If you received this e-mail in error, please delete it from your system without copying it and notify sender by reply e-mail, so that our records can be corrected.***

----- Forwarded by Corinne Ball/JonesDay on 03/13/2014 05:34:12 PM-----

----- Original Message -----

From : "Gordon, Robert D." <RGordon@ClarkHill.com>
To : "Corinne Ball (cball@jonesday.com)" <cball@jonesday.com>, "Brad B. Erens" <bberens@JonesDay.com>
Cc : "Deeby, Shannon L." <SDeeby@ClarkHill.com>, "Green, Jennifer K." <JGreen@ClarkHill.com>, "Price, William C." <wprice@clarkhill.com>, "Guadagnino, Frank J." <fguadagnino@ClarkHillThorpReed.com>, "Heather Lennox (hlennox@jonesday.com)" <hlennox@jonesday.com> Sent on : 03/13 04:06:06 PM EDT Subject : Detroit: QOL loan/Swap settlement

Hi, Corinne and Brad. We have a narrow concern that the QOL not be used to pay off the Swap settlement in lieu of QOL initiatives and in lieu of the Swaps being paid out via a liquidity event under a confirmed plan. While the point may be clear to you, it isn't necessarily so to us. Can we agree to add some clarifying language to the QOL financing order? In the meantime, while we discuss this, can we agree to adjourn our objection deadline from today through Saturday? Regards,

Robert D. Gordon
CLARK HILL PLC

151 South Old Woodward Avenue

Suite 200 | Birmingham, Michigan 48009

248.988.5882 (direct) | 248.988.2502 (fax)

rgordon@clarkhill.com | www.clarkhill.com

LEGAL NOTICE: This e-mail is for the exclusive use of the intended recipient(s), and may contain privileged and confidential information. If you are not an intended recipient, please notify the sender, delete the e-mail from your computer and do not copy or disclose it to anyone else.

Your receipt of this message is not intended to waive any applicable privilege. Neither this e-mail nor any attachment(s) establish an attorney-client relationship, constitute an electronic signature or provide consent to contract electronically, unless expressly so stated by a Clark Hill attorney in the body of this e-mail or an attachment.

FEDERAL TAX ADVICE DISCLAIMER: Under U. S. Treasury Regulations, we are informing you that, to the extent this message includes any federal tax advice, this message is not intended or written by the sender to be used, and cannot be used, for the purpose of avoiding federal tax penalties.

EXHIBIT D

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

IN RE: CITY OF DETROIT, . Docket No. 13-53846
MICHIGAN, .
 . Detroit, Michigan
 . March 20, 2014
Debtor. . 10:00 a.m.
.

HEARING RE. MOTION OF THE OFFICIAL COMMITTEE OF
RETIREES TO COMPEL THE PRODUCTION OF DOCUMENTS REQUESTED
IN CONNECTION WITH THE DEPOSITION OF KEVIN ORR AS
RELATES TO THE CITY'S PROPOSED SETTLEMENT AND PLAN SUPPORT
AGREEMENT WITH THE SWAP COUNTERPARTIES (DOCKET #3071)
BEFORE THE HONORABLE STEVEN W. RHODES
UNITED STATES BANKRUPTCY COURT JUDGE

APPEARANCES:

For the Debtor: Pepper Hamilton, LLP
By: ROBERT S. HERTZBERG
4000 Town Center, Suite 1800
Southfield, MI 48075-1505
(248) 359-7333

For the Official Committee of Retirees: Dentons US, LLP
By: SAM J. ALBERTS
1301 K Street, NW, Suite 600, East Tower
Washington, DC 20005
(202) 408-7004

Court Recorder: Letrice Calloway
United States Bankruptcy Court
211 West Fort Street
21st Floor
Detroit, MI 48226-3211
(313) 234-0068

Transcribed By: Lois Garrett
1290 West Barnes Road
Leslie, MI 49251
(517) 676-5092

Proceedings recorded by electronic sound recording,
transcript produced by transcription service.

1 THE CLERK: All rise. Court is in session. Please
2 be seated. Case Number 13-53846, City of Detroit, Michigan.

3 MR. ALBERTS: Good morning, your Honor.

4 THE COURT: Good morning.

5 MR. ALBERTS: Sam Alberts from Dentons on behalf of
6 the Official Committee of Retirees. We're here this morning
7 on the committee's motion for the production of documents
8 requested in connection with the deposition of Kevyn Orr,
9 which relates to the city's proposed plan and settlement
10 agreement with the swap counterparties. It can be found at
11 ECF 3072. First of all, I'd like to thank the Court for
12 holding this on an expedited basis.

13 Your Honor, I think fundamentally, you know, we have
14 read the opposition, and we believe that what we are seeking
15 here is both very relevant to the motion and the need for us
16 to support our objection and is different than what has come
17 before the Court given the new elements of the city's
18 proposed swap agreement. And, in fact, unlike the past where
19 one could say just look at the terms of the swap agreement,
20 determine whether it's fair and reasonable, that's why actual
21 written discovery is not necessary, what the city is
22 proposing to do with the current swap agreement, in addition
23 to some elements of the past, is to give the swap
24 counterparties a claim which would then be voted as an
25 impaired secured claim, and the stated purpose of it, very

1 clearly from the debtor's papers, is to provide the debtor
2 with an impaired consenting class for a cramdown. We
3 believe, your Honor, that that is improper. It's an improper
4 purpose. And the reason why discovery is important on this
5 matter, your Honor, is that in order -- courts oftentimes
6 look to one of two standards to determine artificial
7 impairment. One is under 1129(a)(10), and the majority of
8 those courts talk about artificial impairment being per se
9 impermissible and that that does not create an impaired class
10 for the purposes of that provision. Other courts, however,
11 look at a good faith standard under 1129(a)(3), and they look
12 to see whether the plan is proposed in good faith. And in
13 doing that, they oftentimes look at whether or not votes
14 should be designated or disallowed for voting purposes under
15 1129 -- 1126(e). In particular, a case we cited for this
16 proposition is the Quigley case out of the Southern District
17 of New York, 437 Bankruptcy Reporter 102, and the real
18 interesting pieces of that appear at 129 and 132.

19 Your Honor, the facts that we are seeking to gain
20 information go right to the heart of that issue of good faith
21 or lack of good faith, and so what we did is in our request
22 for the deposition of Kevyn Orr, we added also a request for
23 production under 11 categories, all of which relate to the
24 settlement agreement, the proposed support agreement, and why
25 the creditor is being treated as an impaired secured claim.

1 THE COURT: Well, I'm not opposed to document
2 discovery in principle in connection with Mr. Orr's
3 deposition. I have to say, however, that the relevance of
4 the particular documents that you have asked for does not
5 jump off the page at me, so I need to be persuaded.

6 MR. ALBERTS: Okay.

7 THE COURT: So let's just go through them.

8 MR. ALBERTS: Okay. Thank you, your Honor.

9 THE COURT: For example, number one, drafts of the
10 settlement agreement.

11 MR. ALBERTS: Right. Your Honor, why we think that
12 is relevant is because we would like to see where in the
13 process the provision was added, if it was added during it,
14 as to the consideration that the city has requested from the
15 impaired creditor that they should be deemed impaired and
16 allowed to vote on the plan in such a way. We'd like to see
17 the --

18 THE COURT: Well, but what's the relevance of the
19 history of the negotiations?

20 MR. ALBERTS: Well, your Honor, I think that goes to
21 an issue of whether or not we're really dealing with an
22 impaired claim or a new claim. One of our objections, your
23 Honor, is that really what the city is doing here is they're
24 creating a new claim.

25 THE COURT: Well, we can deal with that, but why is

1 the history of the negotiation relevant to that?

2 MR. ALBERTS: Well, I think it goes to the issue of
3 good faith, your Honor, or lack of good faith. What was in
4 the city's -- what is motivating the city to create this
5 impaired class?

6 THE COURT: Oh, you can certainly ask that, but
7 that's a different question than the history of the
8 negotiations.

9 MR. ALBERTS: Well, I think, your Honor, getting the
10 documents would be used to perhaps refresh Mr. Orr's
11 recollection, could be used to impeach him.

12 THE COURT: Regarding what?

13 MR. ALBERTS: Regarding the motivations behind the
14 structure of this deal, again, good faith or lack thereof.

15 THE COURT: I don't see it. What's number two?

16 MR. ALBERTS: Number two?

17 THE COURT: Draft of the settlement and plan support
18 agreement term sheet? Again, this is a history question.

19 MR. ALBERTS: Yes, but it goes -- and, your Honor,
20 in terms of how burdensome it is versus what it's to produce,
21 there should be very readily available drafts of these
22 agreements. We're not talking about documents that go
23 back --

24 THE COURT: Well, but if they're irrelevant, it
25 doesn't matter how burdensome they are.

1 MR. ALBERTS: Well, your Honor, that's where we
2 would differ with the debtor on that. We do think it's
3 relevant as to the good faith issue. We think all of this,
4 the history does go to good faith and motivation.

5 THE COURT: All right. I'm going to sustain the
6 city's objection to number two. How about number three,
7 documents that refer to or discuss treatment of the swap
8 counterparties as creditors under the plan? What kinds of
9 documents might those be?

10 MR. ALBERTS: Your Honor, they could be
11 communications between the city and the swap counterparties.
12 They could be communications between the city and other
13 lenders. One of our issues -- one of our concerns is that
14 they are being classified as secured, and we don't really
15 think there's ever been a security interest. And now we
16 think the city is attempting to elevate them by providing a
17 security interest in what the Court had previously, I
18 believe, found to be improper, which was the casino revenues.

19 THE COURT: Well, but that's an argument you can
20 make based on the settlement agreement.

21 MR. ALBERTS: Your Honor, in terms of the nature,
22 yes, that is true, but going, again, to the issue of good
23 faith or lack thereof, you know, the history of this
24 agreement, how the city has referred to these parties in the
25 past goes to whether or not this is just a gratuitous attempt

1 to create a cramdown situation.

2 THE COURT: I'll hold on number three and hear from
3 Mr. Hertzberg on that one.

4 MR. ALBERTS: Okay. Your Honor --

5 THE COURT: Documents that refer to or discuss the
6 allowance, priority, and treatment. Is that different from
7 number three?

8 MR. ALBERTS: It's a little bit narrower, but
9 they're tied together. I think we can --

10 THE COURT: All right. Let's hold on --

11 MR. ALBERTS: We can treat them together.

12 THE COURT: Let's hold on four then. Documents that
13 refer to or discuss the swap counterparties as being a
14 separate class as part of the plan.

15 MR. ALBERTS: Right. I think that goes to the
16 impairment issue, your Honor.

17 THE COURT: All right. We'll hold on that one, too.

18 MR. ALBERTS: All right.

19 THE COURT: Six, documents that refer to or discuss
20 a decision or agreement by the city to allow the claim as
21 part of the plan or the reasons for such decision or
22 agreement.

23 MR. ALBERTS: I think --

24 THE COURT: We'll hold on that one, too.

25 MR. ALBERTS: Okay.

1 THE COURT: Seven, decision or agreement by the city
2 to treat them as a separate class. All right. We'll hold on
3 that one. Reasons why the city decided to enter into the
4 settlement agreement. Okay. We'll hold on that one.
5 Documents referring to or discussing the actual or potential
6 import of a vote in favor of the plan of the swap
7 counterparties as a class under the plan or cramdown.

8 MR. ALBERTS: That goes to the same impairment
9 issue, your Honor.

10 THE COURT: It strikes me that all such documents
11 would be attorney-client privilege, but we'll find out.

12 MR. ALBERTS: Yeah. To the extent that they're
13 attorney-client privilege, your Honor, we're not seeking
14 them.

15 THE COURT: That was nine. Ten, referring to or
16 discussing the amount of the allowed claim or the calculation
17 or rationale of the amount. Okay. Eleven, discussing the
18 consideration of the swap counterparties for their agreement.

19 MR. ALBERTS: Your Honor, this goes to our view that
20 it does not appear that separate consideration is being
21 provided to the swap counterparties for their agreement to be
22 impaired and to vote the way they are; that this is a -- this
23 was sort of an ask by the debtor not for any financial reason
24 but for itself to get to plan confirmation, and it's not
25 supported by consideration.

1 THE COURT: Mr. Hertzberg, may I hear from you
2 regarding requests three through eleven?

3 MR. HERTZBERG: Yes, your Honor. Robert Hertzberg,
4 Pepper Hamilton, on behalf of the city. I think a little
5 background is important on this. All the requests go to plan
6 confirmation issues, impairment, classification,
7 confirmation, standards, good faith. In order to try and
8 relieve the -- and free up the issue before the Court on the
9 swap settlement, which is whether the Court will approve a
10 swap settlement with the city at 85 million with releases, we
11 yesterday went to the Retirees' Committee and said these are
12 only plan issues. Let's deal with these at the plan. And we
13 said we'll put in language in the order which settles the --
14 if the Court approves the settlement, that reads as follows,
15 "Ordered that nothing in this order constitutes a finding or
16 ruling with respect to impairment under Section 1124 of the
17 Bankruptcy Code or classification under 1122 of the
18 Bankruptcy Code or prejudice, (i) any party's right to object
19 to the plan of adjustment proposed in the city's bankruptcy
20 case on the basis that the secured claims are not properly
21 classified therein or are not impaired under 1124 of the
22 Bankruptcy Code, or (ii) any party's right to contest any
23 such objection." If you look at every single one of the
24 requests, they all go to impairment. Counsel acknowledged
25 that to the Court. They go to good faith. They go to

1 classification. They go to impairment. Those are plan
2 confirmation issues. They have nothing to do with the swap
3 settlement.

4 THE COURT: Well, ordinarily you're right except
5 that your swap settlement binds this creditor to vote for the
6 plan.

7 MR. HERTZBERG: But it doesn't bind them to be
8 impaired. All it does is settle a claim, and it's not
9 improper to settle a claim and ask the party as part of the
10 settlement that you're going to vote in favor of the plan.
11 Whether it's impaired or not is an ultimate decision that
12 this Court will make at the confirmation hearing, and all of
13 those rights to object to that and do proper discovery, which
14 is not attorney-client privilege, which a lot of these issues
15 are, will be open. You already have set a lengthy discovery
16 process for plan confirmation. It's not improper to ask a
17 creditor as part of a settlement to vote their claim in favor
18 of a plan. It's just not wrong. You would always ask. Why
19 would you settle with a creditor and say, "Okay, we're going
20 to settle this claim at \$85 million. You're going to have a
21 secured claim, but you can go vote against the plan"? That
22 would be terrible negotiations on behalf of the city. We
23 have to have them vote in favor or why would we settle with
24 them? Have them try and beat our plan or have the Court deny
25 confirmation? That wouldn't make sense.

1 So when you look at all the ones -- and I can go
2 through each of them if the Court feels necessary -- they're
3 clearly impairment issues. They're clearly classification
4 issues. They're clearly good faith issues. These are all
5 already set for discovery, written discovery, depositions.
6 You've put forth, I believe, a four-page schedule on all of
7 this, and it should be covered on that. We don't want to
8 come before this Court when we have the hearing -- I believe
9 it's on April 3rd -- and be in a position of arguing whether
10 this is impaired or not. That's why we offered this
11 language. We want to come before this Court with a clean
12 slate saying, okay, we want to settle this claim at \$85
13 million, give the Court the reason, put on Mr. Orr, put on
14 Mr. Malhotra, and we want to grant releases and why the
15 releases should be granted. We're not asking the Court to
16 say this is an impaired claim, and, therefore, it'll be
17 treated this way in the plan. That will be a later decision.
18 I can walk through, if the Court now feels necessary, each of
19 those requests, but I think counsel explicitly stated to this
20 Court that it was dealing with impairment in each of them,
21 that it was dealing with classification, and that they were
22 dealing with good faith.

23 Further, this Court didn't open up discovery. If
24 you look at the transcript, which I pulled before I came, you
25 asked counsel, Ms. Neville, what did she want, and she

1 clearly said she wanted discovery. And you asked her what
2 did she want to do in discovery. "Well, I want to take a
3 deposition." She didn't say she wanted to send 11 -- a page
4 and a half with 11 different items of document production.
5 There's a lot of documents. We'll have to sort e-mails.
6 We'll have to sort through a ton of information in order to
7 comply with plan confirmation issues at this stage. She
8 never indicated that she wanted documents.

9 Also, when they say -- they're a little -- it's a
10 little misleading the Court when they say that we voluntarily
11 have already offered up some of the documents to parties.
12 No, we haven't. What we told the parties is -- all of them
13 is when the settlement agreement is finalized, we will give
14 you a copy before the depositions because that's only fair.
15 We would not hold back the settlement agreement and have them
16 depose our witnesses, so we said when that's done, we'll give
17 it to you. As to Mr. Malhotra, we intend on entering an
18 exhibit for his use during his testimony, and we said we will
19 give that to you, too, before you take the deposition of Mr.
20 Malhotra because that would only be fair. We don't want to
21 surprise anyone. We want an open kimono here, and we want
22 the parties to be able to look at the documents we intend on
23 using at the hearing. This is stuff that goes to the plan,
24 and I'd ask that the Court deny it.

25 THE COURT: What is the status of the settlement

1 agreement?

2 MR. HERTZBERG: We are in negotiations. We have
3 indicated in the notice that we sent out to all the objectors
4 that we would have the settlement agreement to them by
5 Wednesday next week along with Mr. Malhotra's exhibits. The
6 depositions are then set for March -- I believe that is -- I'm not
7 sure what Wednesday's date is, but five days later, March
8 31st, the depositions will take place as the Court has
9 allowed two hours per witness, which is four days before the
10 hearing.

11 THE COURT: I have to ask why you filed a motion to
12 approve an agreement that isn't an agreement.

13 MR. HERTZBERG: Because what normally takes place is
14 parties have term sheets. We had a term sheet which outlines
15 the settlement parameters. The settlement agreement is a
16 lengthy document that's being negotiated. It doesn't change
17 anything that's in the term sheet. The Court will see it's
18 only the binding part of the agreement. Term sheets are
19 normally used in these situations once parties reach an
20 agreement, and the parties have reached an agreement. And
21 that's why we filed the motion.

22 THE COURT: That doesn't quite answer my question.
23 Why didn't you wait until you had an agreement to file a
24 motion to approve it?

25 MR. HERTZBERG: Well, because I believe we had an

1 agreement. The term sheet is an agreement. The parties
2 agreed to the --

3 THE COURT: Well, but it's not the term sheet you're
4 going to ask me to approve. It's the agreement that's not
5 yet done.

6 MR. HERTZBERG: That's correct. I don't think --
7 I've done this many times, Judge, and I think it's proper.

8 THE COURT: Well, but that doesn't make it right.

9 MR. HERTZBERG: Well, I don't think -- I agree, but
10 I don't think that's improper either. Parties a lot of times
11 will negotiate a settlement and enter in terms of the
12 settlement and then document it into a settlement agreement.
13 The motion -- I can assure the Court the settlement agreement
14 will read the same as the motion we filed for approval.

15 THE COURT: And this will be done when?

16 MR. HERTZBERG: By Wednesday next week.

17 THE COURT: Why hasn't it already been done?

18 MR. HERTZBERG: It's been a struggle. It's been a
19 lengthy negotiation. We are hoping. We have a call today
20 we're setting up.

21 THE COURT: If it's been a struggle, how can I
22 accept your assurance that it will be done by any particular
23 date?

24 MR. HERTZBERG: You can only take my representation
25 that I'm working hard on it. I have a call this afternoon

1 with the parties. We are very close to finalizing
2 everything.

3 THE COURT: And when is the hearing on the --

4 MR. HERTZBERG: The hearing is Thursday, April 3rd,
5 I believe is the date, nine o'clock. You've set aside one
6 day.

7 THE COURT: So we're going to get the hearing a week
8 and day before -- we're going to get the agreement a week and
9 a day before the hearing?

10 MR. HERTZBERG: Yes, eight days before, your Honor,
11 and it follows the term sheet and the motion, so it's not
12 like anyone is going to be surprised by anything, and they're
13 going to have five days to digest it before they depose
14 Mr. Orr. It's not like we're giving it to them the morning
15 before. They'll have more than adequate opportunity.

16 THE COURT: All right. Beginning with three,
17 explain to me why each category of document isn't relevant to
18 whether or not the settlement should be approved.

19 MR. HERTZBERG: Okay. Let me grab that sheet that
20 outlines each of them. Number three asks for all documents
21 that refer to or discuss treatment of the swap parties --
22 counterparties as creditors under the plan, treatment,
23 classification, impairment, good faith, so those are plan
24 issues, and they specifically say the plan. Four, all
25 documents that refer to or discuss allowance, priority,

1 treatment of the swap counterparties under the plan,
2 treatment again. That's classification. Five, all documents
3 that refer to or discuss swap counterparties' treatment as a
4 separate class as part of the plan. These are all plan
5 issues. I mean they end each sentence with "the plan."
6 Number -- and they also indicated to you -- number five, I
7 believe, counsel indicated -- and I tried to take the notes,
8 but it was moving pretty quick as you moved through them. I
9 think he used the word "impairment issues" on that,
10 impairments to plan. Six, all documents that refer to or
11 discuss a decision or agreement by the city to allow the swap
12 counterparties' claim as part of the plan or the reasons for
13 such decision. I believe they were referring to these as
14 good faith issues when they discussed it with the Court.
15 Good faith goes to plan confirmation. All documents
16 referring to or discuss a decision or agreement by the city
17 to treat the swap counterparties as part of the plan or the
18 reason the decision or such agreement. Once again, plan,
19 confirmation, classification, impairment, good faith. Number
20 nine, I think they said it's -- they want to know about the
21 vote impairment, and I think --

22 THE COURT: You skipped number eight.

23 MR. HERTZBERG: Oh, I'm sorry, your Honor. All
24 documents that refer to or discuss the reason why the city
25 decided or agreed to enter into the settlement agreement.

1 That's a deposition. That's what Mr. Orr is there for.
2 There aren't documents that relate to that. I mean that's
3 going to be what they're going to question. They're going to
4 say to Mr. Orr, "Please explain to me," when he's here live
5 and in his deposition.

6 THE COURT: Well, but if there are no documents,
7 isn't that the right answer to this, not to object to it?

8 MR. HERTZBERG: I guess we could produce, but it's
9 going to be subject to the attorney-client privilege, I mean,
10 because any documents that go back and forth between my
11 office or Jones Day with Mr. Orr on why we're going to do the
12 settlement are clearly attorney-client privilege or work
13 product, so I guess on eight we could, but I don't know if
14 there's anything. I can't off the top of my head really
15 think of anything on that, but we can search if the Court
16 wants. Nine is -- I think counsel indicated that's
17 impairment, and the Court also indicated isn't that attorney-
18 client privilege. You're both right on that one. It deals
19 with the impairment issue, and the Court is right. That
20 would go to attorney-client privilege issues on number nine.
21 Number 10, I'm not sure I understand what it means by "the
22 plan." It talks about discussing the amount of the proposed
23 allowed claim for the swap counterparties under the plan. I
24 mean it says 85 million on the settlement papers. I don't
25 know what they're driving at, but it's, once again, I think,

1 going to the good faith issue and the impairment issue or the
2 calculation or rationale for such amount. That's, once
3 again, Mr. Orr is going to testify to why he believed \$85
4 million was in the best interest of the city and should be
5 settled. They can ask him at his deposition. They can ask
6 him in court. And, finally, all documents referring to or
7 discussing the consideration to the swap parties for their
8 agreement to vote in favor of the plan. This is, once again,
9 driving at the separate classification, the consideration,
10 and the vote is what they said, which is the impairment
11 issue. It's the back door way of asking for documents on
12 impairment, good faith, and classification. They all end
13 with the word "plan" because it's all dealing with the plan,
14 and I'm not going to read the paragraph again to the Court,
15 but as I indicated when I first addressed the Court, we've
16 agreed that all plan issues, classification, and all these
17 items will be --

18 THE COURT: Well, but 11 seems to go to documents
19 that relate to the swap counterparties' agreement to vote in
20 favor of the plan, which is part of the settlement agreement.

21 MR. HERTZBERG: I can look for documents, but I
22 don't know if there's any under 11. I mean it's -- it was a
23 term sheet which they have which says you'll vote in favor,
24 but I can look and see if there's any other backup documents,
25 agreement, or whatever, but it's really the term sheet is

1 part of the negotiations. If we're going to settle, you're
2 going to vote your claim in favor of the plan.

3 THE COURT: All right.

4 MR. HERTZBERG: Thank you, your Honor.

5 THE COURT: So Mr. Hertzberg argues that much of
6 what you request goes to plan confirmation and not to whether
7 this settlement agreement should be approved.

8 MR. ALBERTS: Your Honor, I would disagree with that
9 in part and agree with that in part, but the agreement in
10 part is because that's what they've created. And let me say,
11 first of all, good faith goes to the settlement agreement
12 itself. It's not just good faith in confirmation or
13 disallowance of their claim, but there is good faith in the
14 settlement agreement process. But, your Honor, if you look
15 at what they are seeking in their proposed order attached to
16 the motion, it's incredibly broad and binding on this Court
17 and on creditors. For example, just even paragraph 1 of
18 their proposed order ordered that the motion is granted in
19 its entirety, and any objections to the motion not previously
20 withdrawn, waived or settled, and all reservations of right
21 included therein, are hereby overruled with prejudice.
22 There's a conflict between what they have proposed as you're
23 not giving up anything in the first paragraph of their
24 proposed order.

25 THE COURT: Well, but we can clarify that.

1 MR. ALBERTS: Well, your Honor, this order is so
2 broad, what I would suggest is if really what the city is
3 seeking is approval of --

4 THE COURT: Well --

5 MR. ALBERTS: -- a settlement agreement, let them
6 seek the approval of a settlement agreement, but in terms of
7 this Court classifying --

8 THE COURT: Well, but let's talk about that at the
9 hearing on the settlement agreement.

10 MR. ALBERTS: Well, I think that is an important
11 point, but we should be able to get into the underlying
12 agreement why this was added. Why is this being tucked in at
13 this stage? And if there are documents on that, I think
14 we're entitled to receive that, and --

15 THE COURT: And when you say "this," you mean the
16 agreement to vote for the plan.

17 MR. ALBERTS: Agreement to vote for the plan. I
18 mean --

19 THE COURT: So that's Number 11.

20 MR. ALBERTS: That's Number 11. I think it is
21 number eight as you've discussed, number six, number five, in
22 fact, all of it, because the problem is, your Honor, yes, we
23 used the term "plan," but that's because that's what the
24 settlement agreement seeks to do. It seeks to tie up this
25 creditor in a certain way and have the Court authorize it,

1 which becomes a fait accompli for the structure of the plan.
2 Findings of good faith are in this proposed order by the
3 city. Let me see if I could cite to that specifically.
4 Ordered that the settlement agreement and compromise set
5 forth in the agreement are fair and reasonable to, in the
6 best interests of the city, its residents and its creditors,
7 and in entering into the agreement, the parties have acted in
8 a commercially reasonable manner and exercised their
9 respective rights and powers, and used the same degree of
10 care and skill in their exercise as a prudent person under
11 the circumstances. There are other provisions in the order
12 which would, in effect, bind what this creditor is apart --
13 you know, which I think is much further than simply saying,
14 "Well, we're allowing a settlement agreement." It really is
15 fixing the stage later on.

16 So, your Honor, I think that all of the requests
17 really go to that point, go to the good faith nature of the
18 settlement agreement and the conduct that was -- that
19 occurred between the parties negotiating it, and I think,
20 frankly, this is the time to get into it, not at plan
21 confirmation. We have enough to do at plan confirmation.
22 This is something that really applies to this settlement
23 agreement.

24 THE COURT: All right. I'll take this under
25 advisement for a few minutes, and then I'll be right back out

1 with a decision for you.

2 MR. HERTZBERG: Thank you, your Honor.

3 THE CLERK: All rise. Court is in recess.

4 (Recess at 10:29 a.m., until 10:39 a.m.)

5 THE CLERK: Court is in session. Please be seated.

6 THE COURT: All right. Everyone is present. It
7 appears to the Court that the 11 requests for documents can
8 reasonably be broken down into three categories: first,
9 documents that relate to the history of the negotiations;
10 second, documents that relate to potential plan confirmation
11 issues and do not relate to whether this settlement agreement
12 should be approved; and, third, documents that do relate to
13 the rationale for various aspects of this settlement
14 agreement and, therefore, are related to the motion to
15 approve the settlement agreement.

16 In the first category are document requests number
17 one and two. In the second category are document requests
18 three, four, five, and nine. The Court will deny the motion
19 to compel as to those six categories.

20 As to categories -- or document requests six, seven,
21 eight, ten, and eleven, the Court concludes that the motion
22 to compel should be granted subject, however -- because they
23 are in the third category -- subject, however, to any proper
24 claim of attorney-client privilege and the production of a
25 privilege log. The Court will prepare an order. Anything

1 further?

2 MR. HERTZBERG: Nothing, your Honor. Thank you.

3 MR. ALBERTS: No, your Honor. Thank you.

4 THE COURT: All right. We'll be in recess.

5 THE CLERK: All rise. Court is adjourned.

6 (Proceedings concluded at 10:43 a.m.)

INDEX

WITNESSES:

None

EXHIBITS:

None

I certify that the foregoing is a correct transcript from the sound recording of the proceedings in the above-entitled matter.

/s/ Lois Garrett

March 24, 2014

Lois Garrett

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re:)	Chapter 9
)	
CITY OF DETROIT, MICHIGAN,)	Case No. 13-53846
)	
Debtor.)	Hon. Steven W. Rhodes

CERTIFICATE OF SERVICE

I hereby certify that on March 31, 2014, I caused the foregoing City of Detroit's Response to Motion of Objectors for Adjournment of the Hearing Regarding the City's Motion for Entry of an Order Approving Settlement and Plan Support Agreement to be electronically filed with the Clerk of the Court using the ECF system, which will send notification of such filing to all counsel registered to receive notice in this bankruptcy case.

/s/ Robert S. Hertzberg
Robert S. Hertzberg (P30261)
Deborah Kovsky-Apap (P68258)
PEPPER HAMILTON LLP
4000 Town Center
Southfield, Michigan 48075
Telephone: (248) 359-7300
Facsimile: (248) 359-7700
hertzbergr@pepperlaw.com
kovskyd@pepperlaw.com

*ATTORNEYS FOR THE CITY OF
DETROIT*