

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

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In re:	:	Chapter 9
	:	
CITY OF DETROIT, MICHIGAN,	:	Case No. 13-53846
	:	
Debtor.	:	Hon. Thomas J. Tucker
	:	
	X	

**CITY OF DETROIT'S STATUS REPORT  
WITH REGARD TO PREFERENCE ACTIONS**

The City of Detroit, Michigan (the "City") hereby submits its status report (the "Status Report") pursuant to this Court's *Order Approving Procedures for Adversary Proceedings to Avoid and Recover Preferential Transfers* (Docket No. 10280) (the "Procedures Order") and, in that connection, requests that the Court permit the process established by the Procedures Order to continue. For its Status Report, the City respectfully represents as follows:

**BACKGROUND**

1. The City filed its petition for relief under chapter 9 of title 11 of the United States Code (the "Bankruptcy Code") on July 18, 2013. On December 5, 2013, the Court entered an order for relief after finding that the City was eligible to be a debtor in a chapter 9 bankruptcy case (Docket No. 1946).



2. On November 12, 2014, the Court issued an Order confirming the *Eighth Amended Plan for the Adjustment of Debts of the City of Detroit* (the "Plan") (Docket No. 8272). On December 31, 2014, the Court entered the *Supplemental Opinion Regarding Plan Confirmation, Approving Settlements, and Approving Exit Financing* (Docket No. 8993).

3. The Plan provided, among other things, that the City would retain and enforce claims, rights and Causes of Action (as defined in the Plan), including claims to recover transfers that are avoidable and recoverable pursuant to sections 547 and 550 of the Bankruptcy Code (collectively, the "Preferential Transfers"). See Plan, Article III(D)(2).

4. The Plan expressly preserved the City's right to assert Causes of Action on account of Preferential Transfers against 324 parties identified in the City's nonexclusive schedule of parties against whom Causes of Action could be asserted, which schedule was filed as an exhibit to the Plan. See Plan, Exhibit III.D.2 (Docket No. 8192).

5. On December 10, 2014 (the "Effective Date"), the Plan became effective in accordance with its terms. See *Notice of (I) Entry of Order Confirming Eighth Amended Plan for the Adjustment of Debts of the City of Detroit and (II) Occurrence of Effective Date* (Docket No. 8649).

6. On February 26, 2015, the City filed the Post-Confirmation Status Report of the City of Detroit Michigan (Docket No. 9306) (the "Post-Confirmation Status Report"), which is incorporated herein by reference.

7. The Post-Confirmation Status Report stated that: (i) the City deferred the analysis of potential Preferential Transfers until after the Effective Date; (ii) only after the Effective Date was the City able to devote resources to its diligence regarding the Preferential Transfers; and (iii) as of February 26, 2015, the City had identified potential Preferential Transfers totaling approximately \$110 million made to approximately 300 transferees.

8. Thereafter, as a result of additional diligence, the City further reduced the number of parties from whom Preferential Transfers may be recovered to approximately 185 transferees (the “Transferees”), who received approximately \$55 million in potential Preferential Transfers.

#### **STATUS REGARDING PREFERENCE ACTIONS**

9. On November 14, 2015, the Court entered the Procedures Order (Docket No. 10280), which had been sought at the City’s request. The Procedures Order sets forth the process and procedures intended to promote amicable resolution of adversary proceedings brought in connection with the Preferential Transfers by the City against Transferees.

10. In or about December 2015, the City commenced 185 proceedings against the Transferees (the “Preference Actions”), seeking the avoidance and recovery of the Preferential Transfers, pursuant to sections 547 and 550 of the Bankruptcy Code.

11. Since the Preference Actions were commenced, the City has resolved 106 out of the 185 proceedings, whether through settlement,

discontinuance or otherwise. Consequently, as of today, only 79 Preference Actions remain unresolved, and the City and its counsel are working diligently with these remaining defendants to resolve the rapidly dwindling number of open cases as expeditiously as possible – all with virtually no need for judicial intervention or formal discovery.

12. Specifically, to date, the City has successfully achieved settlements in 59 of the Preference Actions. Attached as Exhibit “A” hereto is a schedule identifying the settled Preference Actions.

13. The City has also obtained default judgments in a further 18 actions and discontinued (with prejudice) and additional 29 actions. Attached as Exhibits “B” and “C” hereto are schedules identifying the Preference Actions where the City has obtained a default judgment or discontinued the action.

14. Currently, 79 Preference Actions remain open. Attached hereto as Exhibit “D” is a schedule identifying the open Preference Actions.

15. The City continues to work to resolve these Preference Actions on an amicable basis with the Transferees. As the City believes that the process established by the Procedures Order has been very effective so far in facilitating the resolution of the Preference Actions without the need for costly and time consuming litigation and/or third-party mediation, the City believes the Court should provide a further opportunity for the process the Court established to proceed. The City, therefore, believes that the terms and conditions of the Procedures Order should not be modified. The City is cautiously optimistic

that a further period of time without the distraction and costs of formal discovery, litigation and/or mediation will facilitate the resolution of many of the remaining open Preference Actions.

16. The City will be prepared to discuss this Status Report and the remaining Preference Actions at the Status Conference currently scheduled for May 18, 2015.

17. A copy of this Status Report has been served on all Transferees listed on Exhibit "D" hereto, including their respective counsel.

Dated: April 29, 2016  
New York, New York

Respectfully submitted,

TOGUT, SEGAL & SEGAL LLP  
By:

/s/ Scott E. Ratner  
ALBERT TOGUT (AT-9759)  
SCOTT E. RATNER (SER-0015)  
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*Counsel for the City of Detroit, Michigan*

**City of Detroit, Michigan, Case No. 15-53846**  
**Settled Actions as of 4.29.16**

	<b>Adv Pro Number</b>	<b>Defendant Name</b>
1	15-05241	1 WAY SERVICE INC
2	15-05240	ABM TOTAL BUILDING SERVICE
3	15-05307	AMERICAN SUPERCONDUCTOR CORP
4	15-05301	APPLIED INDUSTRIAL TECHNOLOGIES
5	15-05270	ARGUS GROUP INC DBA ARGUS HAZCO
6	15-05287	ARROW OFFICE SUPPLY CO
7	15-05274	CAMDEN INSURANCE AGENCY INC
8	15-05364	CAPP INC/CAPP USA
9	15-05273	CINTAS CORPORATION
10	15-05254	CLOW WATER SYSTEMS COMPANY
11	15-05268	COMMUNICATIONS PROFESSIONALS INC
12	15-05325	CUMMINS BRIDGEWAY LLC
13	15-05226	DECANTER MACHINE INC
14	15-05289	ELECTION SYSTEMS & SOFTWARE
15	15-05267	ELECTRONIC DATA MAGNETICS
16	15-05311	EXAMWORKS INC
17	15-05343	FOSTER SWIFT COLLINS & SMITH PC
18	15-05174	G4S SECURE SOLUTIONS USA INC
19	15-05314	GILLIG CORPORATION
20	15-05309	GRAINGER
21	15-05215	GREAT LAKES POWER INC
22	15-05304	GUARDIAN GUARD SERVICE INC
23	15-05358	HINSHON ENVIRONMENTAL CONSULTING INC
24	15-05189	HUBB SYSTEMS LLC
25	15-05368	Infinite Strategic Innovations dba ISI
26	15-05209	INFLECTION POINT SOLUTIONS
27	15-05164	INLAND WATERS POLLUTION CONTROL INC
28	15-05217	ITERIS MICHIGAN LLC
29	15-05332	JEFFREY J ELLISON PLLC
30	15-05229	JENKINS CONSTRUCTION INC
31	15-05290	KIRK'S AUTOMOTIVE INC
32	15-05253	LEXIS NEXIS
33	15-05295	MACOMB PIPE & SUPPLY
34	15-05336	MICHIGAN CAT
35	15-05300	MOORE MEDICAL CORP
36	15-05259	MORTON SALT INC
37	15-05214	NEXTEL COMMUNICATIONS
38	15-05232	OLIVE DELIVERY SERVICE LLC

39	15-05296	OSBURN ASSOCIATES INC
40	15-05187	PLANTE & MORAN LLP
41	15-05327	PMSI INC
42	15-05321	ROBERT W BAIRD & CO
43	15-05228	RS TECHNICAL SERVICES INC
44	15-05334	SAFETY SERVICES INC
45	15-05341	SEHI COMPUTER PRODUCTS INC
46	15-05222	SEMCO ENERGY GAS CO
47	15-05251	SIEMENS INDUSTRY INC
48	15-05302	SPRINT
49	15-05264	SPS WOODBRIDGE COMPANY LLC
50	15-05225	SYSTEMS & SOFTWARE INC
51	15-05280	TETRA TECH MPS
52	15-05284	TMESYS INC
53	15-05193	TUCKER YOUNG JACKSON TULL INC
54	15-05276	VALLEY TRUCK PARTS INC
55	15-05279	W C DUCOMB CO
56	15-05170	WASTE MANAGEMENT OF MICHIGAN INC
57	15-05200	WCI CONTRACTORS
58	15-05244	WRIGHT TOOL CO
59	15-05275	YTI OFFICE EXPRESS

City of Detroit, Michigan, Case No. 13-53846 Clerks Entry of Default as of 4.29.16		
	Adv Pro Number	Defendant Name
1	15-05261	CLAYTON INDUSTRIES INC
2	15-05315	1959 EAST JEFFERSON LLC
3	15-05339	APPLIED POWER & CONTROLS INC
4	15-05281	ATWOOD TRUCKING CO
5	15-05328	BILL JOHNSON GROUP
6	15-05294	C & H BUILDERS
7	15-05305	DETROIT ROLLING DOOR & GATE INC
8	15-05323	GLORIA STOKES
9	15-05298	GOVERNMENTAL CONSULTANT SERVICES INC
10	15-05330	H C M INC
11	15-05338	JEANETTE POWELL
12	15-05361	JULIAN WATKINS DANIEL REID
13	15-05357	LORENZO TATE
14	15-05297	NEW TECHNOLOGY DEVELOPMENT LIMITED PARTNERSHIP
15	15-5359	NUTECH GRAPHICS & SYSTEM
16	15-05246	PROJECT INNOVATIONS
17	15-05269	TJA STAFFING SERVICES INC
18	15-05277	YOLANDA JOHNSON

**City of Detroit, Michigan, Case No. 13-53846**  
**Dismissed Actions as of 4.25.16**

	<b>Adv Pro Number</b>	<b>Defendant Name</b>
1	15-05221	BAUER & HUNTER PLLC
2	15-05235	BDM LLC
3	15-05201	CADILLAC TOWER MI LLC
4	15-05335	CRANBROOK GENERAL UNDERWRITERS AGENCY
5	15-05237	DAVID WM RUSKIN
6	15-05169	DEMARIA BUILDING COMPANY
7	15-05356	DETROIT RADIO TEAM
8	15-05177	DTE ENERGY
9	15-05218	FREEDMAN LESSING KUTINSKY
10	15-05272	GEORGE T ROUMELL JR
11	15-05248	INGRAM LIBRARY SERVICES
12	15-05278	JAMES G JOHNSON
13	15-05308	JIMMY SEALS
14	15-05249	KOTZ SANGSTER WYSOCKI & BERG PC
15	15-05282	MCNAUGHTON MCKAY ELECTRIC COMPANY
16	15-05207	MOTOROLA SOLUTIONS INC
17	15-05316	NAPA DETROIT DISTRIBUTION and Genuine Parts Company
18	15-05234	NEW ENGLAND FERTILIZER COMPANY
19	15-05306	NOVITEX ENTERPRISE SOLUTIONS INC
20	15-05286	OVERDRIVE INC
21	15-05256	PES GROUP PC
22	15-05329	RICKARD DENNEY GARNO & ASSOCIATES
23	15-05242	ROBINSON & ASSOCIATES PC
24	15-05252	SBC GLOBAL SERVICES
25	15-05355	SMART
26	15-05197	STRATEGIC STAFFING SOLUTIONS
27	15-05322	TELNET WORLDWIDE INC
28	15-05191	WALKERS HEATING & COOLING
29	15-05168	TRINITY ENVIRONMENTAL SOLUTIONS LLC

**City of Detroit, Michigan, Case No. 13-53846**  
**Open Actions as of 4.29.16**

	<b>Adv Pro Number</b>	<b>Defendant Name</b>
1	15-05271	A & M TRUCKING INC
2	15-05258	ABC DEMOLITION CO INC
3	15-05216	ABLE DEMOLITION INC
4	15-05299	AGAR LAWN SPRINKLER SYSTEMS INC
5	15-05331	ALEXANDER CHEMICAL CORP
6	15-05212	AMPRO CONSTRUCTION LLC
7	15-05312	APPLIED SCIENCE INC
8	15-05324	AUDIO VISUAL EQUIPMENT & SUPPLIES
9	15-05180	BANKSTON CONSTRUCTION INC
10	15-05238	BINKELMAN CORP
11	15-05320	BIRKS WORKS ENVIRONMENTAL LLC
12	15-05204	BLUE STAR INC
13	15-05206	BOB MAXEY FORD INC
14	15-05303	C E POLLARD COMPANY
15	15-05317	CAMP DRESSER & MCKEE
16	15-05184	CARMEUSE LIME INC
17	15-05260	CDM MICHIGAN INC
18	15-05194	CLARK ASSOCIATES INC
19	15-05262	CLARKS CONSTRUCTION
20	15-05199	COLASANTI CORPORATION
21	15-05183	COMPUTECH CORPORATION
22	15-05266	COVER YOUR ASSETS LLC
23	15-05167	CW PROFESSIONAL SERVICES LLC AND COMPUWARE CORPORATION
24	15-05337	D A CENTRAL INC
25	15-05362	DCI WOLVERINE JV
26	15-05210	DELL COMPUTER CORPORATION
27	15-05367	DETROIT ADVANCED TECHNOLOGY APPLICATION NETWORK
28	15-05192	DETROIT CONTRACTING INC LLC
29	15-05172	DETROIT THERMAL LLC
30	15-05288	E L BAILEY & CO INC
31	15-05265	EASTERN OIL CO
32	15-05185	EJ USA INC
33	15-05223	ELECTRONIC DATA SYSTEMS CORPORATION
34	15-05188	FARROW GROUP INC
35	15-05219	FEDERAL PIPE & SUPPLY INC
36	15-05202	FEDERAL SIGNAL CORPORATION
37	15-05293	FORT WAYNE CONTRACTING INC

38	15-05220	FRASER TREBILCOCK DAVIS & DUNLAP PC
39	15-05173	FUTURENET GROUP INC
40	15-05175	GIORGI CONCRETE LLC
41	15-05182	HERCULES & HERCULES INC
42	15-05363	HESCO HAMLETT ENGINEERING SALES COMPANY DBA HESCO
43	15-05186	IMPERIAL CONSTRUCTION CO
44	15-05179	INTERSTATE TRUCKSOURCE INC
45	15-05198	J E ASSOCIATES INC
46	15-05247	J RANCK ELECTRIC INC
47	15-05236	KEO AND ASSOCIATES INC
48	15-05231	KESSLER INTERNATIONAL
49	15-05285	KINGSWAY BUILDING & MAINTENANCE
50	15-05166	LAKESHORE ENGINEERING SERVICE INC
51	15-05176	L D' AGOSTINI & SONS INC
52	15-05318	MANNIK & SMITH GROUP INC
53	15-05250	METCO SERVICES INC
54	15-05292	MIKE DONNELLY ELECTRICAL COLLEGE
55	15-05245	MOTOR CITY ELECTRIC TECHNOLOGIES INC
56	15-05178	MOTOR CITY PIPE & SUPPLY CO
57	15-05227	NORTH-WEST TRADING CO
58	15-05205	OAS GROUP INC
59	15-05196	ORACLE CORPORATION
60	15-05190	PARSONS BRINCKEROFF MICHIGAN INC
61	15-05224	PREVOST PARTS/PREVOST CAR INC
62	15-05171	PVS TECHNOLOGIES INC
63	15-05208	PYRATECH SECURITY SYSTEMS INC
64	15-5360	RE-CONSTRUCTION
65	15-05230	SAFECO INSURANCE COMPANY OF AMERICA
66	15-05319	SBM INC
67	15-05181	SHRADER TIRE & OIL INC
68	15-05195	SIGMA ASSOCIATES INC
69	15-05233	T & N SERVICES INC
70	15-05243	T & T BUILDERS
71	15-05165	TOOLES CONTRACTING GROUP LLC
72	15-05257	TOTER INCORPORATED
73	15-05333	UNIGLOBE CONSTRUCTION CO
74	15-05213	UNIVERSAL SYSTEM TECHNOLOGIES INC
75	15-05340	VANCON INC
76	15-05255	WADE TRIM ASSOCIATES INC
77	15-05326	WATERWORKS SYSTEMS & EQUIPMENT
78	15-05291	WOLVERINE OIL & SUPPLY CO INC
79	15-05239	Z CONTRACTORS INC