

**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

Order Appointing Fee Examiner

Pursuant to 11 U.S.C. §§ 105, 1129(a)(2), and 1129(a)(3) (made applicable by § 901(a)), 11 U.S.C. § 943(b)(3), and with the consent of the debtor (the “City”) and its counsel, the Court concludes that it is necessary and appropriate to appoint a fee examiner in this case. Accordingly, it is ordered:

1. Robert M. Fishman is appointed fee examiner in this case (the “Fee Examiner”). Attached hereto are Mr. Fishman’s resume; his sworn affidavit respecting any conflicts of interest that he might have with the parties in the case; and a disclosure of his hourly rates and those of the other members of his firm.
2. In this order, the phrase “Professional Fee Expenses” means all of the professional compensation and reimbursement of expense obligations (collectively, “Fees”) that the City incurs in connection with this case whether payable to professionals employed by the City or by others. The phrase also includes the City’s (a) Fees payable to its claims and noticing agent, (b) Fees payable to the professionals of any official committee, and (c) Fees awarded under 11 U.S.C. § 503(b)(3), (4) and (5).
3. The Fee Examiner’s responsibility is to assure the Court, the City, the creditors, and the public that the City’s Professional Fee Expenses are fully disclosed and are reasonable, as required by 11 U.S.C. § 943(b)(3).
4. After consulting with the attorneys for the City, the Fee Examiner shall submit to the Court a proposed fee review order (the “Fee Review Order”) establishing:
 - (a) A procedure for the City to publicly disclose its Professional Fee Expenses.
 - (b) A procedure for the Fee Examiner to review the City’s Professional Fee Expenses and to file reports addressing whether the City’s Professional Fee Expenses have been fully disclosed and are reasonable (the “Examiner’s Report(s)”).
 - (c) A procedure for periodically disclosing and paying the Fee Examiner’s fees and expenses (the “Examiner’s Fees”).

5. The Fee Examiner is authorized to (a) utilize his firm, Shaw Fishman Glantz and Towbin, LLC (“Shaw Fishman”), to assist him in the performance of his duties hereunder, and (b) retain Soneet R. Kapila and Kapila & Company (the “Financial Firm”) to assist him in his capacity as fee examiner if he determines that to be appropriate. The cost of the Financial Firm shall be an expense of the Fee Examiner to be paid by the City. Shaw Fishman and the Financial Firm shall be subject to the same disclosure and payment procedures as is the Fee Examiner. Attached hereto are Mr. Kapila’s resume; his sworn affidavit respecting any conflicts of interest that he might have with the parties in the Case; and a disclosure of his hourly rates and those of the other members of his firm.
6. The proposed Fee Review Order shall provide for each and every professional seeking payment of Professional Fee Expenses to submit a detailed invoice to the Fee Examiner monthly and for the filing of the Fee Examiner’s Reports not less often than every three months.
7. The Fee Examiner shall file with the Court a Notice of Proposed Fee Review Order (titled as such) by August 30, 2013. Objections to the Proposed Fee Review Order may be filed by September 6, 2013. The Court will conduct a hearing on the entry of the Proposed Fee Review Order on **September 10, 2013, at 10:00 am. in Courtroom 242, Theodore Levin U.S. Courthouse, 231 West Lafayette Blvd., Detroit, Michigan.**
8. Monthly, the City shall pay:
 - (a) The Fee Examiner and the attorneys and paraprofessionals at Shaw Fishman at the 2013 discounted hourly rates set forth on his firm’s rate sheet attached hereto (the “Shaw Fishman Rates”), plus actual and reasonable expenses; provided, however, that the fees payable to the Fee Examiner and Shaw Fishman shall be capped at the blended hourly rate of \$430 per hour on a quarterly basis (the “Shaw Fishman Cap”).
 - (b) The Financial Firm and the personnel at Kapila & Company at the 2013 discounted hourly rates set forth on his firm’s rate sheet attached hereto (the “Kapila Rates”), plus actual and reasonable expenses; provided, however, that the fees payable to Kapila and Company shall be capped at the blended hourly rate of \$300.00 per hour on a quarterly basis (the “Kapila Cap”).

The Shaw Fishman and the Kapila Rates are subject to reasonable and typical annual adjustment as of the beginning of each calendar year and the respective Caps will increase, on a percentage basis, the same percentage amount as the respective Rates. The Examiner’s Fees and Kapila’s Fees shall be subject to the disclosure requirements of paragraph 4(a) above and to review by the Court on its own initiative or on motion by the City or any party in interest.

9. If an Examiner's Report concludes that any Professional Fee Expenses have not been fully disclosed or are not reasonable, the Court may schedule a hearing or may take other action that it determines to be appropriate.

/s/ Steven Rhodes
Steven Rhodes
United States Bankruptcy Judge

August 19, 2013

ROBERT M. FISHMAN
SHAW FISHMAN GLANTZ & TOWBIN LLC
321 North Clark Street, Suite 800
Chicago, Illinois 60654
rfishman@shawfishman.com

ROBERT M. FISHMAN, born Bloomington, Illinois, December 28, 1953; admitted to bar (1979, Illinois and Federal District Court, Northern District of Illinois); (1998, Federal District Court, Eastern District of Wisconsin); (2002, Federal District Court, District of Minnesota); (2008, Federal District Court, Northern District of Florida); (1994, Seventh Circuit Court of Appeals); (2003, Eighth Circuit Court of Appeals).

EDUCATION: University of Illinois (BA, 1976); George Washington University School of Law (JD, 1979).

PRACTICE: Shaw Fishman Glantz & Towbin LLC, Member (1998-); Ross & Hardies, Partner (1990-98); Levit, Mason and Fishman, Ltd., Partner (1985-90), Associate (1980-85); Special Assistant Attorney General-Welfare Litigation Division, Illinois Attorney General (1979-80).

My practice is concentrated in the areas of debtor-creditor relations, insolvency and bankruptcy, representing a wide range of clients in business cases throughout the United States. I have extensive experience in all aspects of bankruptcy cases, including significant representation of Trustees, Debtors in Possession, Creditors' Committees, and individual creditors and equity holders. I have represented numerous financial institutions and other secured creditors in both the protection of and realization on their secured claims. I have represented both plaintiffs and defendants in various types of bankruptcy litigation. Additionally, I have considerable experience in the area of informal, out-of-court workouts and assignments for the benefit of creditors. Lastly, I have significant experience as a mediator.

MEDIATION: I have provided services as a mediator in multiple cases. Specifically, in the chapter 11 cases of *Lauth Investment Properties, LLC*, et al., case no. 09-06065-BHL-11, pending in the United States Bankruptcy Court for the Southern District of Indiana (the "Lauth Cases"), I was appointed the Special Mediator by the Court to address the case-wide disputes between the Debtors and their principal investor partner, ultimately resulting in a global resolution between those parties that cleared the way for plans of reorganization to be proposed and confirmed. Additionally, in the Lauth Cases I also handled two traditional mediations between the Debtors, the guarantors and several banks respecting motions to lift the stay, disposition of certain properties, the settlement of multiple disputed claims, and the terms for refinancing of certain loans. I have also mediated other two party disputes in bankruptcy cases involving fraudulent conveyance, breach of fiduciary duty, and related type claims. In May, 2012, Bankruptcy Judge A. Jay Cristol of the Southern District of Florida named me as one of two Court appointed co-mediators in the *Fontainebleau Las Vegas Holdings, LLC, et al.* cases to handle the numerous adversary proceedings pending in those cases. In October 2012, I

was retained to be the mediator in the chapter 11 case of *Eastern Livestock Co., LLC* (case no. 10-93904-BHL-11) pending in the United States Bankruptcy Court for the Southern District of Indiana, to engage in non-binding mediation on the issue of the reasonableness of a proposed settlement with the principal secured creditor as embodied in the plan filed by the Chapter 11 Trustee.

In December 2011, I received a certificate of completion of the American Bankruptcy Institute/St. John's University School of Law Bankruptcy Mediation Training Program. In December 2012, I was on the faculty for the ABI/St. John's Mediation Training Program and I will once again be on the faculty for December, 2013 Program. I am the Chairman of the *American Bankruptcy Institute's* Bankruptcy Mediation Committee.

MEMBERSHIPS: American Bankruptcy Institute, Chairman of the Board of Directors [1999-2000], Immediate Past President [1998-1999], President [1997-1998], Member, Executive Committee [1992-2000], Member, Board of Directors [1989-2002]; American Bar Association: (Business Section, Business Bankruptcy Committee, Secured Creditors and U.S. Trustee subcommittees; Litigation Section, Bankruptcy Litigation Committee); Chicago Bar Association; Illinois State Bar Association (Member, Commercial, Banking and Bankruptcy Law Section Council [1998-2002]); National Association of Credit Managers-Oregon, Inc. (Bankruptcy and Insolvency Group); and the George Washington University Law Alumni Association (Board of Directors [1997-2001]).

HONORS: Fellow of the American College of Bankruptcy (Class of 1998); Member, Board of Regents (2007-2011); Member, Board of Directors (2011-).

OTHER: Author and lecturer for the American Bankruptcy Institute, National Conference of Bankruptcy Judges, Association of Insolvency and Restructuring Advisors, American Institute of Certified Public Accountants, Turnaround Management Association, Urban Land Institute, Illinois Institute of Continuing Legal Education, Bankruptcy Seminars of Iowa, Inc., Executive Enterprises, Inc., Law Education Institute and Practicing Law Institute (co-author) on a variety of business bankruptcy topics. Co-author of law review articles entitled What is Your "Interest" in Section 363(f)? in the *Norton Annual Survey of Bankruptcy Law, 2008 Edition*, What's Driving Section 363 Sales After Chrysler and General Motors? in the *Norton Journal of Bankruptcy Law and Practice*, Vol. 19, No. 4 (2010) and Revisiting the Indubitable Equivalent Standard: Undoubtedly the Same or Close Enough? in the *Norton Journal of Bankruptcy Law and Practice*, 20 J. Bankr. L. & Prac. 4 Art. 1 (2011). Co-author of the chapter entitled Bankruptcies and Workouts in *Engineering a Hospital Turnaround* (American Hospital Publishing, Inc. 1993). Member of *BNA's Bankruptcy Law Reporter* Advisory Board (1995-), the Editorial Board of *Credit Today* magazine (1997-2003) and the *Bankruptcy Strategist* (1999 -). Listed in the *Guide to the World's Leading Insolvency Lawyers*, the *Guide to Leading US Insolvency Lawyers* and *The Best Lawyers in America*. Selected as one of Illinois' leading business bankruptcy attorneys by *Leading Illinois Attorneys* and *SuperLawyers*.

HOURLY RATES		
MEMBERS	2013 STANDARD RATES	2013 DETROIT RATES
Robert M. Fishman	\$675.00	\$600.00
Steven B. Towbin	\$675.00	\$600.00
Salvatore A. Barbatano	\$635.00	\$550.00
Ira Bodenstein	\$495.00	\$425.00
Robert W. Glantz	\$495.00	\$425.00
Brian L. Shaw	\$490.00	\$420.00
Peter J. Roberts	\$475.00	\$410.00
Jeffrey L. Widman	\$460.00	\$390.00
Richard A. Saldinger	\$460.00	\$390.00
David S. Horwitch	\$440.00	\$375.00
Allen J. Guon	\$435.00	\$370.00
Terry G. Banich	\$435.00	\$370.00
Mark L. Radtke	\$435.00	\$370.00
Joseph L. Cohen	\$385.00	\$330.00
David L. Shaw	\$380.00	\$330.00
S. Jarret Raab	\$370.00	\$325.00
Gordon E. Gouveia	\$370.00	\$325.00
OF COUNSEL		
Jay S. Geller	\$600.00	\$520.00
Richard M. Fogel	\$450.00	\$380.00
Jennifer L. Goldstone	\$325.00	\$275.00
ASSOCIATES		
John Guzzardo	\$350.00	\$300.00
Kevin M. Hyde	\$340.00	\$290.00
Carrie E. Davenport	\$340.00	\$290.00
Laura Caplin	\$300.00	\$255.00
David R. Doyle	\$290.00	\$250.00
Marc S. Reiser	\$290.00	\$250.00
Jennifer L. Devroye	\$290.00	\$250.00
PARAPROFESSIONALS		
Patricia Fredericks	\$200.00	\$170.00
Melissa Westbrook	\$200.00	\$170.00
Bernard Thomas	\$140.00	\$120.00

**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

VERIFIED STATEMENT OF ROBERT M. FISHMAN

Robert M. Fishman, pursuant to 28 U.S.C. § 1746, hereby deposes and states, under penalty of perjury, as follows:

1. I am an attorney duly licensed and authorized to practice law in the State of Illinois. I am admitted to practice in the United States District Courts for the Northern District of Illinois, the Eastern District of Wisconsin, the District of Minnesota, and the United States Courts of Appeals for the Seventh and Eighth Circuits. I am also a member of the Trial Bar of the United States District Court for the Northern District of Illinois.

2. I am a member of the law firm of Shaw Fishman Glantz & Towbin LLC ("Shaw Fishman").

3. To the best of my knowledge, information and belief, after (a) examining the amended list of the twenty largest creditors and the docket of the above entitled case (the "Case") and (b) sending an email to and receiving responses from every lawyer, paraprofessional and staff person employed by Shaw Fishman asking them to identify any client of Shaw Fishman that they believe might have a claim against the City of Detroit, neither Shaw Fishman nor I have any conflicts of interest with respect to the City of Detroit, its creditors or any other party in interest in the Case.

4. Shaw Fishman understands that any and all compensation for legal services rendered in connection with the Case shall be subject to further Court approval, after notice and

{10661-001 STA A0352521.DOC}

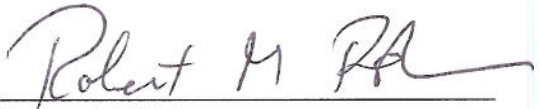
hearing. Shaw Fishman further understands that the sole source of such compensation shall be funds of the Debtor's estate.

5. No party in interest has agreed to compensate Shaw Fishman for either legal services rendered or expenses incurred by Shaw Fishman in connection with the Case.

6. Shaw Fishman has not entered into any agreement to share such compensation as it may be awarded herein except as permitted under 11 U.S.C. § 504(b).

I state under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: August 14, 2013


Robert M. Fishman

SONEET R. KAPILA, CPA*, CIRA, CFE, CFF
skapila@kapilaco.com

Soneet R. Kapila is the founding partner of Kapila & Company. For over twenty years, Kapila & Company has concentrated its efforts in the areas of consulting in litigation support, insolvency, fiduciary and creditors' rights matters.

Professional Experience

Mr. Kapila's practice is concentrated in the area of creditors' rights, bankruptcy, and financial transactions litigation. He represents both creditors and debtors in and out of bankruptcy court, and has considerable expertise representing secured creditors. He also regularly advises clients about the insolvency implications involved in business transactions and operation of distressed businesses.

As a fiduciary, he has served as Bankruptcy Trustee, Examiner, Chief Restructuring Officer, S.E.C. Corporate Monitor and Receiver and State Court Receiver in numerous matters in the Southern and Middle Districts of Florida. Mr. Kapila has advised and represented debtors and creditors' committees in formulating, analyzing and negotiating plans of reorganization. He is a recognized expert in fraudulent conveyance and insolvency issues and has provided expert testimony and extensive litigation support services to law firms involving complex insolvency issues and commercial damages. He is a sitting trustee on the panel of U.S. Bankruptcy Trustees in the Southern District of Florida.

Mr. Kapila has conducted numerous forensic and fraud investigations, and has worked in conjunction with the S.E.C., the Federal Bureau of Investigation and the United States Attorney's Office.

Mr. Kapila has also provided a wide variety of tax services to clients throughout his career. Consulting with and offering tax planning strategies and ideas to bankruptcy trustees is also a significant part of his responsibilities.

Mr. Kapila has spoken to various groups including the New York Law School, St. Thomas University Law School, National Conference of Bankruptcy Judges, Receiver's Forum, Association of Insolvency and Restructuring Advisors, Florida Institute of Certified Public Accountants, National Business Institute, and the American Bankruptcy Institute on topics related to insolvency, under-performing businesses and insolvency taxation.

* Regulated by the State of Florida.



SONEET R. KAPILA, CPA*, CIRA, CFE, CFF
skapila@kapilaco.com

Accomplishments

- Fellow, American College of Bankruptcy - 2013
- Best Trustee - Daily Business Review's *Best of 2012*
- Key Partners Award Honoree – South Florida Business Journal (2010)
- Bronze Award/Medal – 3rd highest score, examination of the Association of Insolvency & Restructuring Advisors (1996)
- Published article - Hidden Resources in a Small Business

Education/Qualifications

- MBA, Cranfield School of Management Studies, England
- Certified Public Accountant – Florida
- Certified Insolvency & Restructuring Advisor
- Certified Fraud Examiner
- Certified in Financial Forensics
- Institute of Chartered Accountants in England and Wales

Professional Affiliations

- Florida Institute of Certified Public Accountants
- American Institute of Certified Public Accountants
- Association of Insolvency & Restructuring Advisors
- Association of Certified Fraud Examiners
- American Bankruptcy Institute
- National Association of Bankruptcy Trustees

Volunteer Activities (Past and Present)

- Advisory Board – American Bankruptcy Institute Southeast Regional Conference (2012)
- Advisory Board – American Bankruptcy Institute Caribbean Insolvency Symposium (2010 – 2012)
- Association of Insolvency & Restructuring Advisors - past-Chairman and past-President
- Association of Insolvency & Restructuring Advisors – Board of Directors
- Lecturer to various groups on insolvency and litigation related topics, including insolvency taxation
- Member of the Grievances Committee of The Florida Bar
- Member of the American Arbitration Association's Panel of Arbitrators
- Member of the Board of Directors, Hialeah-Miami Springs-Northwest Dade Chamber of Commerce
- Chairman - Litigation Support Services Committee of the National Training and Experience Sharing Program of The American Group of CPA Firms
- Practice Review Committee – FICPA
- Bankers Cooperation Committee – Connecticut Society of CPAs



Kapila & Company

Hourly Rates

Professional Staff	2013 Standard Rates	2013 Detroit Rates
Soneet R Kapila	\$ 520.00	\$ 442.00
Lesley J. Johnson	\$ 412.00	\$ 350.00
Melissa Davis	\$ 366.00	\$ 330.00
Mary M. McMickle	\$ 366.00	\$ 330.00
Sherry M Bennett	\$ 366.00	\$ 330.00
Joseph E. Gillis	\$ 300.00	\$ 260.00
Joseph E. Weindorfer	\$ 280.00	\$ 224.00
Suruchi Banez	\$ 260.00	\$ 220.00
Shantel Thomas	\$ 240.00	\$ 208.00
Karen Fugate	\$ 200.00	\$ 150.00
Catherine Murchison	\$ 180.00	\$ 144.00
Bernadette Lombardo	\$ 170.00	\$ 154.00
Shawna Amarnani	\$ 170.00	\$ 154.00
Kevin McCoy	\$ 160.00	\$ 140.00
David S. Greenblatt	\$ 150.00	\$ 128.00
Andrea N. Feldman	\$ 140.00	\$ 122.00
Frank Daddario	\$ 120.00	\$ 100.00
Paraprofessional		
Meredith Walker	\$ 160.00	\$ 140.00
Andrea Bortolin	\$ 130.00	\$ 110.00
Joan Zeiler	\$ 130.00	\$ 110.00
Krystle Thrasher	\$ 130.00	\$ 110.00
Linda Ruben	\$ 110.00	\$ 100.00
Kelsey Johnson	\$ 100.00	\$ 85.00
Sahib Singh	\$ 100.00	\$ 85.00

**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

VERIFIED STATEMENT OF SONEET R. KAPILA

SONEET R. KAPILA, pursuant to 28 U.S.C. § 1746, deposes and states, under penalty of perjury, as follows:

1. I am a certified public accountant licensed in and governed by the State of Florida. I also serve as a member of the United States Trustee Chapter 7 Trustee panel in the Southern District of Florida.

2. I am a partner of the firm of Kapila & Company (“Kapila”). Kapila maintains offices at 1000 South Federal Highway, Suite 200, Ft. Lauderdale, FL 33316.

3. To the best of my knowledge, information and belief, after (a) examining the amended list of the twenty largest creditors and the docket of the above entitled case (the “Case”) and (b) sending an email to and receiving responses from every professional staff, paraprofessional and administrative staff person employed by Kapila asking them to identify any conflicts of interest with respect to the City of Detroit, neither Kapila nor I have any conflicts of interest with respect to the City of Detroit, its creditors or any other party in interest in the case..

4. Kapila understands that any and all compensation for consulting services rendered to the Fee Examiner on behalf of the Debtor shall be subject to further court approval, after notice and hearing. Kapila further understands that the sole source of such compensation shall be funds of the Debtor's estate.

5. No party in interest has agreed to compensate Kapila for either consulting services rendered or expenses incurred by Kapila in connection with the Case.

6. Kapila & Company has not entered into any agreement to share such compensation as it may be awarded herein except as permitted under 11 U.S.C. § 504(b).

7. In support of this Verified Statement, I disclose the following:

a. To the best of my knowledge, information and belief, insofar as I have been able to ascertain after reasonable inquiry, neither I, nor Kapila, nor any of its partners, principals, employees, agents or affiliates, have any connection with the Debtor, its creditors, the United States Trustee, or any other party with an actual or potential interest in this Chapter 9 cases, or their respective attorneys or accountants, except as set forth below:

- Kapila is not employed by, and has not been employed by, any entity in matters related to this Chapter 9 case.
- Soneet R. Kapila is a sitting member of the Chapter 7 Panel of Trustees in the Southern District of Florida.
- Kapila provides services in connection with numerous cases, proceedings and transactions unrelated to this Chapter 9 case. Those unrelated matters involve numerous attorneys, financial advisors and creditors, some of which may be claimants or parties with actual or potential interests in this Chapter 9 case, or may represent such parties.
- Kapila's personnel may have business associations with certain creditors of the Debtors unrelated to this Chapter 9 case. In addition, in

the ordinary course of its business, Kapila may engage counsel or other professionals in unrelated matters who now represent, or who may in the future represent, creditors or other interested parties in this Chapter 9 case.

8. If, at any time during the period of the proposed employment, I discover any facts bearing on the matters described herein, I will supplement the information contained in this Affidavit.

I state under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: August 15th 2013



Soneet R. Kapila, CRA