

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

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In re : Chapter 9
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CITY OF DETROIT, MICHIGAN, : Case No. 13-53846
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Debtor. : Hon. Steven W. Rhodes
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: :
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**ORDER ESTABLISHING SUPPLEMENTAL
PROCEDURES FOR SOLICITATION AND
TABULATION OF VOTES TO ACCEPT OR REJECT PLAN
OF ADJUSTMENT WITH RESPECT TO PENSION AND OPEB CLAIMS**

This matter came before the Court on the *Corrected Motion of the City of Detroit for Entry of an Order Establishing Supplemental Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan of Adjustment with Respect to Pension and OPEB Claims* (Docket No. 3943) (the "Motion").¹ The Court (a) reviewed the Motion, all objections thereto and the exhibits attached to the *Notice of Final Exhibits in Connection with Corrected Motion of the City of Detroit for Entry of an Order Establishing Supplemental Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan of Adjustment with*

¹ Capitalized terms not otherwise defined herein shall have the meaning given to them in the Motion.

Respect to Pension and OPEB Claims (Docket No. 4378) (the "Notice of Final Exhibits"), (b) heard the statements of counsel regarding the relief requested in the Motion at a hearing before the Court (the "Hearing") and (c) reviewed the rules for solicitation and tabulation (the "Pension/OPEB Tabulation Rules") attached as Exhibit 6B to the Notice of Final Exhibits. The Court has determined, after due deliberation, that (a) it has jurisdiction over this matter, (b) this is a core proceeding, (c) notice of the Motion and the Hearing was adequate under the circumstances and (d) the relief requested in the Motion is fair, equitable and in the best interests of the City, its creditors and other parties in interest.

Accordingly, it is hereby ORDERED that:²

1. All objections, if any, to the Motion are overruled in their entirety, and the Motion is granted as set forth in this Order.
2. The Supplemental Solicitation Procedures set forth in the Motion, as amended in the Pension/OPEB Tabulation Rules, provide a fair and equitable noticing and voting process with respect to Pension Claims and OPEB Claims and satisfy the requirements of title 11 of the United States Code (the "Bankruptcy Code"), including sections 105(a), 1125, 1126 and 1128 of the Bankruptcy Code; the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), including

² To the extent any finding of fact in this order constitutes a conclusion of law, it is adopted as such. To the extent any conclusion of law in this order constitutes a finding of fact, it is adopted as such.

Bankruptcy Rules 2002, 3017, 3018, 3020, 9007 and 9008; the Local Rules of the Bankruptcy Court for the Eastern District of Michigan (the "Local Rules"), including Local Rules 3017-1 and 3018-1; and the requirements of due process.

3. The record date for determining (a) each Pension Claimant's employment status and (b) the amount of each OPEB Claim shall be March 1, 2014 (the "Pension/OPEB Record Date"). The Pension/OPEB Record Date shall be used for purposes of estimating Pension and OPEB Claims pursuant to the Claim Estimation Procedures and for purposes of voting on the Plan.

4. The Pension/OPEB Solicitation Package shall be required to include only the following information and documents:

- a. a copy of the Confirmation Hearing Notice (which generally conforms to the notice of confirmation hearing attached as Exhibit 6A to the Solicitation Procedures Motion, consistent with paragraphs 17 and 20 of the Primary Solicitation Procedures Order);
- b. a CD-ROM which includes the Plan, the Disclosure Statement and all exhibits to either document that have been filed with the Court prior to the date of the mailing of the Pension/OPEB Solicitation Package;
- c. the appropriate form of Ballot for voting on the Plan;
- d. a Ballot return envelope;
- e. a copy of the Pension/OPEB Tabulation Rules;
- f. a copy of the applicable Plain Language Insert;
- g. a cover letter (i) describing the contents of the Pension/OPEB Solicitation Package, (ii) describing the contents of the

CD-ROM and instructions for using the CD-ROM and
(iii) providing information about how to obtain, at no charge,
hard copies of any materials provided on the CD-ROM; and

h. letter(s) from the Retired Detroit Police and Fire Fighters
Association and possibly from the PFRS or GRS, as applicable,
and other parties.

5. The Plain Language Inserts, substantially in the forms attached to the
Notice of Final Exhibits as Exhibits 6C.1, 6C.2 and 6C.3, are hereby approved.

6. The forms of the Ballots attached to the Notice of Final Exhibits as
Exhibits 6D.1 through 6D.5 are consistent with Official Form 14 and are hereby
approved.

7. The Pension/OPEB Tabulation Rules, including the Claim Estimation
Procedures, establish a fair and equitable voting process and are hereby approved.

8. Solely for purposes of voting to accept or reject the Plan, and not for
the purpose of allowance of, or distribution on account of, any claims, and without
prejudice to the rights of the City in any other context, each Pension Claim and
OPEB Claim shall be temporarily allowed in accordance with the Pension/OPEB
Tabulation Rules.

9. The Supplemental Solicitation Procedures will provide sufficient
notice to all Pension and OPEB Claimants of the Pension/OPEB Record Date, the
Voting Deadline, the Pension/OPEB Tabulation Rules and the Confirmation
Hearing.

10. Except to the extent inconsistent with the relief granted herein, the relief granted in the Court's *Order (I) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan or Adjustment and (II) Approving Notice Procedures Related to Confirmation of the Plan of Adjustment* (Docket No. 2984) (the "Primary Solicitation Procedures Order") shall apply to Pension and OPEB Claims and Pension and OPEB Claimants, including, but not limited to, the following:

- a. The City, through Kurtzman Carson Consultants LLC as Balloting Agent, shall send a Pension/OPEB Solicitation Package, no later than May 12, 2014,³ to each Pension and OPEB Claimant identified by the City, after consultation with the Retiree Committee and the Retirement Systems, as of the Pension/OPEB Record Date, regardless of whether such claimant is listed on the List of Creditors or has filed a proof of claim.
- b. All Ballots submitted by Pension and OPEB Claimants must be properly executed, completed and delivered to the Balloting Agent either by (i) mail in the return envelope provided with each Ballot, (ii) overnight courier or (iii) personal delivery so that, in each case, all Ballots are received by the Balloting Agent no later than 5:00 p.m. Eastern Time on July 11, 2014.
- c. The Confirmation Hearing Notice substantially in the form attached to the Notice of Final Exhibits as Exhibit 6A, is substantially the same as the notice approved pursuant to paragraph 17 of the Primary Solicitation Procedures Order, and thus, the City is authorized to include a copy of the

³ See *Fourth Amended Order Establishing Procedures, Deadlines and Hearing Dates Relating to the Debtor's Plan of Adjustment* (Docket No. 4202).

Confirmation Hearing Notice in the Pension/OPEB Solicitation Packages pursuant to paragraph 20 of the Primary Solicitation Procedures Order, which permits the City to make non-substantive and immaterial changes to the Confirmation Hearing Notice.

11. The City is authorized to make non-substantive or immaterial changes to the Plan (in accordance with the terms thereof and section 942 of the Bankruptcy Code), the Ballots, the Pension/OPEB Tabulation Rules, the Confirmation Hearing Notice, the Pension/OPEB Solicitation Packages, the Plain Language Inserts and all related documents, without further order of the Court, including, but not limited to (a) ministerial changes to correct typographical and grammatical errors, (b) conforming changes among the Disclosure Statement, the Plan, the Ballots and any other materials in the Pension/OPEB Solicitation Packages prior to the mailing thereof and (c) altering the format of such documents to facilitate their efficient distribution.

12. Upon occurrence of any material modification, amendment or alteration to or of the proposed Plan, or the filing by the City of any alternative plan of adjustment under chapter 9 of the Bankruptcy Code, any Pension Claimant, OPEB Claimant and/or the Retiree Committee shall be entitled to file a motion with this Court requesting any appropriate relief on an expedited basis, including, without limitation, entry of an order modifying, vacating or amending: (a) this

Order, (b) any of the Supplemental Solicitation Procedures and/or (c) the Pension/OPEB Tabulation Rules.

13. Nothing contained in this Order shall affect the Consultation Parties' right to object to the classification and treatment of Pension and OPEB Claims in the Plan.

14. Nothing contained in this Order, in any exhibits approved in connection with the Motion, or in any other order approved by the Court in connection with the Disclosure Statement, shall (a) be deemed a finding by the Court that active City employees have no entitlement to OPEB Claims or (b) in any way limit or prevent creditors or parties in interest from objecting to Plan confirmation on any basis, including on the grounds that the plan impermissibly bars active employees with vested retirement benefits from asserting OPEB Claims.

15. The terms and conditions of this Order shall be immediately effective and enforceable upon entry of this Order.

16. The City and its counsel are authorized, in their discretion, to take or refrain from taking any action necessary or appropriate to effectuate the terms of and relief granted by the Order in accordance with the Motion and without further order of the Court.

17. The Court retains jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and enforcement of this Order.

Signed on May 05, 2014

/s/ Steven Rhodes
Steven Rhodes
United States Bankruptcy Judge