

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,

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By:

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