

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

In re)	
)	Chapter 9
CITY OF DETROIT, MICHIGAN,)	
)	Case No. 13-53846
)	
Debtor.)	Hon. Steven W. Rhodes
)	
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CITY OF DETROIT, MICHIGAN)	
)	Chapter 9
Plaintiff,)	
)	Adversary Proceeding No. 13-[_____]
vs.)	
)	Hon. Steven W. Rhodes
SYNCORA GUARANTEE INC.; U.S. BANK,)	
N.A.; MGM GRAND DETROIT, LLC; DETROIT)	
ENTERTAINMENT, LLC d/b/a MOTOR CITY)	
CASINO HOTEL; AND GREEKTOWN CASINO,)	
LLC)	
)	
)	
Defendants.)	
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**NOTICE OF PENDENCY OF DEFENDANT SYNCORA GUARANTEE INC.’S
EMERGENCY MOTION TO DISSOLVE THE TEMPORARY RESTRAINING ORDER
AND CONDUCT EXPEDITED DISCOVERY AND *EX PARTE* MOTION FOR
EXPEDITED HEARING**

TO THE HONORABLE STEVEN RHODES
UNITED STATES BANKRUPTCY JUDGE:

NOW COMES Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, “Syncora”), by and through its counsel, and for its motion states as follows:

1. This suit arises from the City of Detroit’s (the “City’s”) complaint and motion for temporary restraining order (“TRO”) first filed on July 5, 2013 in the Circuit Court for the County of Wayne seeking damages for tortious interference with contractual and advantageous relations, declaratory relief, and a temporary restraining order of unlimited duration against Syncora Guarantee Inc. (“Syncora”). Syncora removed the matter to the United States District

Court for the Eastern District of Michigan on July 11, 2013 and filed an Emergency Motion to Dissolve the Temporary Restraining Order and Conduct Expedited Discovery (“Emergency Motion”) on July 12, 2013 (attached herein as Exhibit 6(A)). On August 9, 2013, Judge Lawrence P. Zatkoff of the United States District Court for the Eastern District of Michigan referred the above matter to this Court pursuant to 28 U.S.C. § 157(a) and E.D. Mich. LR 83.50(a)(1).

2. As of today, Syncora’s Emergency Motion has been pending before Judge Zatkoff for almost four weeks. The Emergency Motion is fully briefed and ripe for resolution.¹ The City has represented in numerous filings that it would consent to the dissolution of the TRO and that there is no reason for the TRO to remain in place, even though the City has since refused to stipulate to the TRO’s dissolution. Moreover, Syncora notes that the TRO dissolved after 14 days by operation of both state and federal law and has not been extended for good cause by any court. Mich. Comp. Laws § 3.310 (1985); Fed. R. Civ. P. 65.

3. Syncora therefore respectfully notices this Court of the pendency of its Emergency Motion to Dissolve the TRO and requests that the Court schedule an expedited hearing for August 14, 2013 or the earliest date at the Court’s convenience thereafter pursuant to the Order Establishing Motion Procedure entered by this Court on August 2, 2013 [Docket No. 283] and enter the order attached to this Notice as Exhibit 1.² Alternatively, in light of the City’s

¹ Syncora and the City’s respective filings regarding this matter are attached to this Notice for the Court’s convenience as Exhibits 6(A)–6(I).

² The TRO relates to a collateral account of which the Court has previously been made aware. (1st Day Tr. at 67:24-25 Jul. 24, 2013.) Though the City has implied that the automatic stay bars the “trapping” of cash in the collateral account pursuant to the proper operation of the Collateral Agreement, this is not the case. The cash to be prospectively trapped in the collateral account is held by a custodian (U.S. Bank) after transmittal by non-debtor casinos and is thus not property of the estate. Additionally, sections 922(d) and 362(b)(17) of the Bankruptcy Code excepts the account at issue from the automatic stay. In any event, to the extent the City intends to seek to extend the stay to cover the “trapping” function of the collateral account, it must do so

prior representations that it would stipulate to the dissolution of the TRO, Syncora respectfully requests that this court enter the order attached to this Notice as Exhibit 1(A).

Dated: August 8, 2013

/s/ Ryan Blaine Bennett

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through a formal motion to extend the stay, rather than attempting to prop up an invalid TRO that binds only Syncora and US Bank.