

Restructuring Counsel Proposal City of Detroit

March 6, 2013



Stutman, Treister & Glatt

Los Angeles ♦ New York

CONFIDENTIALITY STATEMENT

For use by City of Detroit, State of Michigan and their respective advisors, subject only to applicable FOIA requirements.

Table of Contents

Overview.....	1
Minimum Qualifications.....	4
Scope Of Work.....	6
Required Contents Of Proposal	
Firm Description.....	7
Proposed Staffing.....	8
Experience In Large And Complex Restructurings.....	11
Public Finance and Government/Authority Advisory Experience.....	28
Other Relevant Practice Areas.....	29
Demonstration Of No Conflict.....	30
Proposed Fee Structure.....	31
Appendix A ♦ Biographies Of Professionals.....	32
Appendix B ♦ Parties/Entities Checked For Conflicts Determination.....	47
Appendix C ♦ National Hourly Rates (As Adjusted).....	54
Appendix D ♦ Proposed Changes To Form Contract.....	56

Overview

STUTMAN TREISTER & GLATT is honored to present this proposal to the City of Detroit. We welcome the opportunity to work with the City, important stakeholders and their advisors to achieve a fair, balanced and economically-sound restructuring of the City's obligations, without sacrificing the basic services and general quality of life of its citizens.

Stutman is uniquely qualified to represent the City of Detroit:

Stutman is one of the leading restructuring law firms in the United States. For over sixty years, we have specialized in complex restructurings, including large Chapter 9 cases and out-of-court workouts. The Stutman professionals proposed for this assignment have the experience, knowledge and skills necessary to assist the City in evaluating its options, and in selecting the most effective restructuring strategies. We are well qualified to assist the City through its restructuring, while the City continues to provide necessary services to its residents, enhance revenue and responsibly address its obligations to employees, retirees, creditors and other stakeholders.

Stutman has deliberately not expanded its practice beyond its core expertise -- restructuring. Restructuring is a highly specialized area of the law, one in which high quality professionals are essential and conflicts of interest must be scrupulously avoided. We believe that our sole focus on restructuring enables us to provide our clients with expert, conflict free restructuring advice.

We believe that our clients often are best served by retaining their existing non-restructuring counsel to handle matters outside of our expertise. As a specialized firm, Stutman is routinely called upon to work with existing corporate counsel, litigators and lawyers having other special expertise to develop and implement the strategies best suited for its clients. We work well with other counsel to avoid duplication, minimize costs, and provide our clients with the best team of legal advisors. Accordingly, Stutman anticipates that if it is selected to be the City's lead restructuring counsel, it would work closely with the City's other professionals.

Stutman does not represent financial institutions on a regular basis. Accordingly, Stutman does not have relationships that could create conflicts or might discourage Stutman from pursuing the best possible strategy for the client. Stutman attorneys are comfortable sitting on the opposite side of the table from major financial institutions, labor unions, and other important constituencies, demanding compromise and, where appropriate, pursuing litigation.

Stutman has retained its lock-step partnership structure, holding to the view that we can best serve our clients with specialized lawyers of the highest caliber. We treat our clients and engagements with the same sensitivity and respect with which we treat one another, and each client can expect the exemplary service and advice for which we are known.

Mindful of the "public service" that is the core function of the City, Stutman has set forth a fee proposal that both adjusts its national hourly rates, and caps its annual compensation.

This Proposal addresses the topics requested in the City's "Solicitation for Restructuring Legal Counsel," dated February 27, 2013 – namely the (1) Minimum Qualifications; (2) Scope of Work; and (3) Required Contents of Response. We have made every effort to provide the information requested and necessary to your decision, and we are available to provide any additional information you may need.

Overview

Highlights Of Our Qualifications

We Are The Right Choice For This Engagement.

Stutman is comprised entirely of specialists focused on complex restructuring and distressed finance. Indeed, Stutman is one of the few firms with “hands on” experience in representing debtors (and other significant parties in interest) in Chapter 9 bankruptcy cases. The professionals leading this engagement have been chosen, in part, because of the depth and breadth of their experience in Chapter 9 cases and in other engagements that have involved the core areas that need to be addressed in connection with this engagement– including operational matters, complex and multi-faceted debt, pension and OPEB obligations.

As a boutique law firm, we have the unique ability to commit an appropriately-sized and tailored group of experts that will focus their time and attention on this engagement and the achievement of the City’s goals and objectives. The attorneys that will be working on this engagement are ready to hit the ground running, available to be on location when called upon, and are committed for the duration of the assignment.

Supported by 32 attorneys in New York and Los Angeles, each Stutman lawyer draws upon a broad and deep collective restructuring experience. There is no industry, business or bankruptcy-related issue that Stutman attorneys have not seen and been involved with during the course of their careers.

Scope Of Work And Timetable

Our Team Will Thoughtfully Provide The Required Services In The Necessary Time Frame.

Our team of seasoned professionals is committed to meeting the milestones and objectives set by the City of Detroit, Michigan Department of Treasury, Financial Advisory Board and the City’s other advisors and managers within the time periods outlined in the Solicitation. We are prepared to immediately commence work and are confident that, if promptly engaged, we can produce and deliver an appropriately detailed Project Plan no later than the March 31, 2013 target.

Further, we are committed to achieving the necessary legal due diligence within 2-3 months of our engagement. Overlapping the due diligence process will be the evaluation, formulation and presentation of operational initiatives, restructuring options and strategic alternatives and the development of final recommendations. This process will commence with the legal due diligence outlined in the Solicitation, should be substantially underway within 3-5 months of being engaged, and should be completed well within the September 30, 2013 deadline established in the Solicitation.

Overview

Conflict-Free Advice On Appropriately-Priced Terms

We Are Committed To Serving The Needs Of The City Of Detroit With Undivided Loyalty And Economic Responsibility.

One of the numerous benefits of the focused nature of our practice is the absence of conflicts and our ability to ensure undivided loyalty to each client. Given our appreciation of the City's current fiscal crisis, we are proposing a fee arrangement that will enable us to be fairly compensated for our work while recognizing the strain on the City's limited resources. We are dedicated to this project and all members of the "team" are committed to the achievement of the City's revitalization.

Conclusion

Stutman welcomes the opportunity to be considered as restructuring counsel to the City of Detroit. If selected for this engagement; we will strive to provide incomparable service and results.

March 6, 2013
STUTMAN TREISTER & GLATT, PC

Michael Goldstein



Gary E. Klausner



Ralph Mabey



John Shaffer



Qualifications Requirements

Minimum Qualifications Requirement

Stutman Has The Qualifications Necessary To Deliver The Requested Services.

As required by the Solicitation, Stutman has well in excess of the minimum of five years of experience providing restructuring services in cases of similar size, scope and complexity. Stutman's specific experience in Chapter 9 and Chapter 11 cases is detailed in the case examples and the attorney biographies set forth in the Required Contents of Proposal section below.

Stutman has unparalleled depth in restructuring – the core focus of our firm since its founding 60 years ago. Our work requires us to stay current in all areas related to both in- and out-of-court restructurings of corporate and municipal entities. We have represented a wide-variety of stakeholders in some of the largest restructurings in history. We also have recognized leaders in the restructuring field, including officers of leading bar organizations and authors of the leading treatises on bankruptcy. We know the restructuring field – the participants, process and options – and we are adept at designing resolutions in the most complex situations like those currently faced by the City of Detroit.

In sum, Stutman has the expertise and ability to work quickly with the City of Detroit and its advisors to develop the short and long-term solutions necessary to its restructuring. Further, we appreciate the unique challenges faced by municipalities in trying to restructure obligations while maintaining the necessary services for its citizens. We are committed to aiding in fashioning solutions that take such centrally-important considerations into effect and yet allow for the long-term resolution of the significant issues confronting the City of Detroit.

Generally, our practice is devoted to representing:

- ❖ Financially-troubled businesses and entities (including municipalities), both in-and out-of-court
- ❖ Buyers and sellers of troubled companies and assets
- ❖ Official and ad hoc consortiums of creditors and debtholders
- ❖ Significant shareholders and equity committees
- ❖ Hedge funds and other investors in “distressed” debt and securities and other sophisticated financial products
- ❖ Secured and unsecured creditors in connection with enforcing their rights and maximizing value
- ❖ Complex bankruptcy-related litigation and appeals.

We have significant Chapter 9 municipal bankruptcy experience, including:

- ❖ Representing Orange County, California in what was then the largest Chapter 9 bankruptcy in history
- ❖ Serving as the neutral mediator in connection with the Stockton, California Chapter 9 bankruptcy
- ❖ Confirming a successful Chapter 9 plan for Valley Health System, a hospital district in Southern California
- ❖ Representing significant creditor interests in Jefferson County, Alabama and other pending or recent municipal restructurings.
- ❖ The Chair of the American Bar Association's Business Bankruptcy Subcommittee on Chapter 9, and the author of a leading treatise on Chapter 9 bankruptcy.

Qualifications Requirements

We have been substantively involved in the most complex, high profile restructurings in recent history, such as:

- ❖ Adelphia
- ❖ Calpine
- ❖ CIT Group
- ❖ Chrysler
- ❖ Enron
- ❖ General Motors
- ❖ Hostess Brands
- ❖ Jefferson County
- ❖ Lehman Brothers
- ❖ Lyondell Chemicals
- ❖ MF Global
- ❖ Tribune Companies

Although we have achieved superior results in Chapter 11 and Chapter 9 cases and public out-of-court restructuring initiatives, many of our client successes are achieved without the need for a bankruptcy filing and out of the public eye – thus, the engagements remain confidential.

We Understand And Have The Experience Necessary To Advise The City On Bankruptcy-Related Aspects Of Municipal Restructurings And To Work With Specialists In Tax, Employment/Labor And Other Fields To Fashion Appropriate Solutions To The City's Issues.

The Solicitation indicates that the minimum qualifications must include a significant legal understanding of certain functional areas of municipal management. As a boutique law firm specializing in restructuring and distressed finance, Stutman is not an expert in the area of municipal management. Stutman's experience has, however, resulted in our ability to understand and provide advice concerning the restructuring/bankruptcy overlay applicable to such municipal matters -- including matters relating to tax, employment and labor, bond finance, revenue-generating enhancements and initiatives and highly-regulated industries, such as environmental and health care.

If selected as the City's lead restructuring counsel, Stutman anticipates that it would work with one or more other firms engaged by the City to advise the City in connection with the identified areas of municipal management. Stutman has a long history of working with clients' existing counsel that specialize in fields in which we do not have expertise. Indeed, it is Stutman's experience that a client's existing professionals can bring a measure of historical knowledge and experience that can be invaluable and cost-effective.

The Solicitation indicates that a particular firm may "partner" with another firm in connection with representing the City. Stutman believes that the City is in the best position to determine the best firm or firms to represent the City, and to complement the restructuring and distressed finance expertise of Stutman. Stutman welcomes the opportunity to work with the firm or firms that the City selects to provide the advice required in connection with issues unique to municipal management and governance. Rest assured that Stutman will work closely with any such firm and strive to avoid any duplication and inefficiencies, and we will focus our work on the restructuring aspects of the representation.

Scope Of Work

Stutman Will Hit The Ground Running.

Development Of Project Work Plan By March 31, 2013.

The Solicitation sets forth the initial Scope of Work, including: (1) preparing and presenting to the City and its advisors, by no later than March 31, 2013, a detailed work plan for the project; (2) conducting an independent legal review of the City's current and future financial and operational situation and reforms; and (3) providing information and advice regarding the legal implications of the options, initiatives and strategies to address the structural deficit of the City of Detroit while still maintaining an adequate level of service to its citizens, and recommendations regarding the same, as more fully described in the Solicitation.

Assuming that Stutman is promptly engaged, we are confident that the preparation of the requested work plan can be formulated and presented by the March 31, 2013 deadline.

The Solicitation requests Stutman's views as to the timetable for the legal due diligence review and the evaluation/recommendation period. The Solicitation indicates that "on-the-ground" support will be required and identifies certain deliverables anticipated as part of the evaluation/recommendation period. Stutman's attorneys are prepared to provide the required support, and we are exceedingly well skilled to provide the identified deliverables that are comprehensive, informative and timely. Stutman anticipates that the legal due diligence review period will span a period of one to three months from the start of the engagement, but should be substantially completed within two months. Within two months, Stutman anticipates that it will begin the evaluation/recommendation process. We believe that the evaluation/recommendation process can be completed well within the September 30, 2013 target date, and likely should be substantially completed within three to five months from the start of the engagement.

Required Contents of Proposal ❖

Firm Description

A. Firm Size

Stutman presently has 32 attorneys, including 16 Shareholders, 9 Senior and Mid-Level Of Counsel attorneys and 7 Associate attorneys.

B. Principal Offices

Our principal offices are in Los Angeles, California and New York, New York.

C. Regional and/or Michigan Offices and Experience

We have significant experience and representations in all parts of the country, including the Midwest. Although we do not maintain any regional offices, our lawyers regularly work with clients around the country. When the engagement and our client call for us to be "on the ground," we are experienced in and able to commit to short- or long-term travel.

Required Contents of Proposal ❖

Proposed Staffing

Names And Biographies Of Lead Partner(s) And Principal Attorneys

The following members of our firm are experts in municipal restructuring and will serve as the primary team of insolvency counsel for the City of Detroit:

Michael H. Goldstein

Shareholder – New York City

675 Third Avenue, Suite 2216
New York, New York 10017-5714
Mobile: 310-367-5347
Direct: 212-235-0849
mgoldstein@stutman.com



- ❖ Michael Goldstein, co-head of our New York City office, will serve as the team leader for this engagement.
- ❖ A member of Stutman's team that represented Orange County in its Chapter 9 proceedings, focusing primarily on the labor and employee component of the County's reorganization, Michael's more recent municipal-related engagements have included representing several significant investors in municipal debt.
- ❖ Michael is a Chapter 9 scholar and Contributing Author of the Chapter 9/Municipal Restructuring section of the preeminent treatise on bankruptcy law and practice.
- ❖ He is widely recognized as an agile and creative advisor in applying bankruptcy laws in complex situations, including vast and varied experience representing debtors and other significant stakeholders in Chapter 11 proceedings.
- ❖ Michael is a widely-recognized consensus builder among seemingly disparate parties with widely divergent interests and agendas.

Required Contents of Proposal ❖

Proposed Staffing

Gary E. Klausner

Shareholder – Los Angeles

1901 Avenue of the Stars, 12th Floor
Los Angeles, California 90067
Mobile: 310-463-3154
Direct: 310-228-5735
gklausner@stutman.com



- ❖ Gary Klausner will also play an integral, day-to-day role in the management and leadership of our team assigned to this engagement.
- ❖ Recently, Gary headed the team that served as bankruptcy counsel to Valley Health System, a California healthcare district, in its hotly-contested and ultimately successful Chapter 9 case.
- ❖ Active nationally in Chapter 9 matters, he currently chairs the American Bar Association's Business Bankruptcy Subcommittee on Chapter 9.
- ❖ Gary has represented corporate debtors and other stakeholders in complex restructuring cases for over 35 years.

Ralph Mabey

Senior of Counsel – New York

675 Third Avenue, Suite 2216
New York, NY 10017-5714
Mobile: 801-599-3300
Direct: 310-228-5720
rmabey@stutman.com



- ❖ Ralph Mabey is a former bankruptcy judge and current professor of bankruptcy law who will bring a judicial perspective to our team for this engagement.
- ❖ Ralph served as the "neutral evaluator" appointed under California law in connection with the City of Stockton's pre-Chapter 9 negotiations.
- ❖ A known consensus builder with the unique ability to bring parties together in situations where money, emotions or other significant factors would seemingly prevent agreement, he routinely serves as a mediator in complex matters where experience and an even temperament and a deep knowledge of the law are required.
- ❖ Ralph was the Chair of the American College of Bankruptcy, and he served as an appointee of the late Chief Justice William H. Rehnquist to the U.S. Judicial Conference's Advisory Committee on the Bankruptcy Rules.

Required Contents of Proposal ❖

Proposed Staffing

K. John Shaffer

Shareholder – Los Angeles

1901 Avenue of the Stars, 12th Floor
Los Angeles, California 90067
Mobile: 213-248-3000
Direct: 310-228-5785
jshaffer@stutman.com



- ❖ John Shaffer will round out the leadership of the primary team assigned to work on the City of Detroit's restructuring.
- ❖ A former U.S. Supreme Court law clerk and widely-recognized expert and scholar in the field of restructuring and finance, John brings an unparalleled knowledge of the law and the unique ability to creatively apply it to this engagement.
- ❖ With significant experience in the representation of debtors and holders of substantial debt obligations in some of the most complex cases recently filed in the U.S., John knows how to bring parties together in complex restructurings.
- ❖ John currently chairs the National Bankruptcy Conference's Chapter 11 Committee, and has served in several similar capacities in the most prominent industry organizations over the years. He has served on the Judicial Conference's Advisory Committee on the Bankruptcy Rules, the Judicial Conference's Joint Committee on Large Chapter 11 Cases and the Ninth Circuit Rules Committee.

Our core team will also include the following professionals: **Margreta Morgulas, Eamonn O'Hagan, Kizzy Jarashow** and **Gregory Fox**. Without exception, each brings unique perspectives, experiences and talents to the table. Collectively they will ensure that we provide the City of Detroit with the highest quality service.

More detailed descriptions of each professional's experience and achievements are included as **Appendix A**.

Required Contents Of Proposal ❖

Experience In Large And Complex Restructurings

Relevant Experience

A. In-Court Representations

❖ Select Chapter 9 Representations

Chapter 9 is unlike any other form of restructuring, and we are well versed in addressing the unique challenges and opportunities presented by municipal bankruptcies. We know the law inside and out and are dedicated to understanding the unique complexities of each case, and then working with municipal representatives to best utilize the protections and rights afforded under applicable law (whether Chapter 9 or applicable state law).

We have been involved in the largest and most complex Chapter 9 cases. Our firm represented Orange County in its Chapter 9 bankruptcy case, which was the largest municipal bankruptcy filing in U.S. history prior to the recent filing by Jefferson County, Alabama.

Other Chapter 9 representations include:

CITY OF STOCKTON, CALIFORNIA	
Chapter 9 Case	In re City of Stockton, California
Venue	United States Bankruptcy Court for the Eastern District of California
Nature of Representation	Neutral Evaluator (former U.S. Bankruptcy Judge Ralph Mabey)
Significant Employee, Labor/Union, Retiree or Other Regulatory Issues	Yes
Stutman Team Members	Ralph Mabey
<ul style="list-style-type: none">• As “neutral evaluator,” Ralph Mabey aided the City of Stockton, its creditors, and other significant stakeholders in the quick identification and, analysis of alternative, long- and short-term viable solutions to remediate the primary drivers of Stockton’s economic distress.• Although the parties were unable to agree on the terms of an out-of-court restructuring (certain unions did come to terms with Stockton), Ralph’s work is proving useful in streamlining the Chapter 9 process ultimately elected by the municipality.• Among the principal issues to be resolved in Chapter 9 concerns the appropriate treatment of Stockton’s OPEB and pension liabilities. Ralph spent a significant amount of time assisting the City of Stockton and the affected parties in analyzing the costs and benefits associated with each potential alternative solution.	

Required Contents Of Proposal ❖

Experience In Large And Complex Restructurings

VALLEY HEALTH SYSTEM	
Chapter 9 Case	In re Valley Health System, a California Local Health Care District
Venue	United States Bankruptcy Court for the Central District of California
Nature of Representation	Debtor's Counsel
Significant Employee, Labor/Union, Retiree or Other Regulatory Issues	Yes
Stutman Team Members	Gary Klausner and others
<ul style="list-style-type: none">• A team led by Gary Klausner, a member of our proposed team for this engagement, represented Valley Health System (a California healthcare district) in its successful Chapter 9 case.• Gary and other members of our firm worked with the municipal entity to devise an efficient and cost-effective strategy for reaching the consensus necessary to successfully confirm its plan of adjustment.• During the pendency of Valley Health's case, we had to litigate several issues of significant importance to the case and for which there had not yet been established controlling Chapter 9 precedent – such as key jurisdictional issues pertaining to the resolution of labor disputes and collective bargaining agreements. The precedent we helped to establish continues to benefit Chapter 9 debtors.• When the debtor's primary labor union would not agree to modifications to the terms of its collective bargaining agreement necessary to permit Valley Health to retain its employees and successfully restructure its operations, we litigated with the union, which paved the way for the parties to reach agreement on the terms of an amended agreement.• Among the most important results of the process were the preservation of nearly all jobs and the repayment in full of Valley Health's bondholders.	

Required Contents Of Proposal ❖

Experience In Large And Complex Restructurings

❖ Select Representations Pertaining To Material Investments In Distressed Municipal Debt

Michael Goldstein and other members of our firm have represented a wide-variety of entities in connection with investments in distressed municipal debt, which representations have required sophisticated legal analyses and evaluations of the investment, the client's options and often the negotiation and documentation of purchase and sale agreements.

John Shaffer is currently involved in the out-of-court restructuring of nearly \$100 million in "Local Improvement District" bonds issues in connection with the development of a master planned community near Las Vegas, Nevada.

❖ Select Chapter 11 Representations

Regardless of the industry, nature or location of the distressed entity, our professionals are lightning-fast in getting up to speed, understanding and identifying the primary issues to be resolved, and developing timely solutions that will maximize value through the restructuring process.

Highlights of our Chapter 11 work include the following significant representations, which involve a variety of entities, issues and stakeholders:

FREMONT GENERAL CORPORATION/ IMPERIAL CAPITAL BANCORP	
Chapter 11 Cases	In re Fremont General Corporation In re Imperial Capital Bancorp
Venues	Fremont – United States Bankruptcy Court for the Central District of California Imperial – United States Bankruptcy Court for the Southern District of California
Nature of Representation	Debtors' Counsel
Significant Employee, Labor/Union, Retiree or Other Regulatory Issues	Yes
Stutman Team Members	Gary Klausner, Margreta Morgulas and others
<ul style="list-style-type: none">• In these un-related cases, we represented bank holding companies in their Chapter 11 proceedings. Both involved extensive negotiations with federal and state agencies involved in the regulation of the banking industry.• We aided the debtors in overcoming significant opposition and hurdles, maximize the value of and monetize their assets, and successfully confirm Chapter 11 plans.• Fremont General's subsidiary bank was, prior to its closure, one of the largest sub-prime lenders in the United States. Within 30 days of the Chapter 11 filing, we were able to obtain bankruptcy court approval of the sale of the debtor's equity interests in the subsidiary bank (which was not eligible for Chapter 11) to CapitalSource LLC. Not only was the sale quickly negotiated and approved, but it was the first time that a debtor was able to sell such potentially valuable assets utilizing provisions of the Bankruptcy Code governing asset sales. As a result of this unprecedented victory, the debtor was able to confirm a Chapter 11 plan providing for the payment in full of all allowed claims against its estate.• In the Imperial Capital case, our team, headed by Gary Klausner, successfully confirmed a Chapter 11 plan for a bank holding company after contentious litigation with the FDIC regarding complex and previously undecided issues regarding the statutory interplay between federal bankruptcies and state-led receiverships.	

Required Contents Of Proposal ❖

Experience In Large And Complex Restructurings

UTAH 7000, LLC (AKA PROMONTORY RANCH)	
Chapter 11 Cases	In re Utah 7000, LLC, et al.
Venues	United States Bankruptcy Court for the District of Utah
Nature of Representation	Debtor's Counsel
Stutman Team Members	Ralph Mabey, John Shaffer, Margreta Morgulas and others
<ul style="list-style-type: none">• We represented the Chapter 11 debtors in possession in successfully restructuring one of Utah's largest and most exclusive master planned communities.• Over the opposition of the debtors' secured lenders, we were able to seek relief permitting the uninterrupted provision of community services to residents and the completion of public improvements.	

DAEWOO MOTOR AMERICA	
Chapter 11 Case	In re Daewoo Motor America, Inc.
Venue	United States Bankruptcy Court for the Central District of California
Nature of Representation	Bankruptcy Counsel
Significant Employee, Labor/Union, Retiree or Other Regulatory Issues	Yes
Stutman Team Members	Various professionals
<ul style="list-style-type: none">• In the wake of General Motor's acquisition of the foreign parent of Daewoo Motor America, General Motors terminated all agreements and licenses with Daewoo Motor America, the exclusive distributor of "Daewoo" branded automobiles in the United States.• We were retained by the debtor to oversee the orderly liquidation of its operations through Chapter 11. In conjunction with the company and its advisors, we were able to maximize value and the ultimate return to creditors through an orderly and cost effective liquidation of existing inventory and other valuable assets.• As a result of our ability to negotiate terms with the key constituents in the case, we were able to confirm a Chapter 11 plan in less than 18 months from the filing.	

Required Contents Of Proposal ❖

Experience In Large And Complex Restructurings

PACIFIC MONARCH RESORTS	
Chapter 11 Case	In re Pacific Monarch Resorts, Inc.
Venue	United States Bankruptcy Court for the Central District of California
Nature of Representation	Restructuring and Bankruptcy Counsel
Significant Employee, Labor/Union, Retiree or Other Regulatory Issues	No
Stutman Team Members	Various professionals
<ul style="list-style-type: none">We represented the debtor, operators of privately-owned luxury vacation properties, in connection with their Chapter 11 filing, which successfully concluded with the sale of its assets in a deal totaling more than \$180 million and the confirmation of its Chapter 11 plan within a year of its entry into Chapter 11.	

FALCON PRODUCTS	
Chapter 11 Cases	In re Falcon Products, Inc., <i>et al.</i>
Venue	United States Bankruptcy Court for the Eastern District of Missouri
Nature of Representation	Restructuring and Bankruptcy Counsel
Significant Employee, Labor/Union, Retiree or Other Regulatory Issues	Yes
Stutman Team Members	Michael Goldstein, John Shaffer, Margreta Morgulas and others
<ul style="list-style-type: none">Our team was brought in to explore alternatives and, ultimately, to represent the debtors in their successful Chapter 11 cases.We commenced litigation adverse to the PBGC pursuant to which we sought and obtained Bankruptcy Court authorization to terminate the debtor's pension plans. This allowed Falcon to successfully confirm a Chapter 11 plan and emerge from bankruptcy.With our assistance, Falcon was also able to negotiate certain economic concessions from its labor unions, and to obtain Bankruptcy Court approval of changes to its collective bargaining agreements, all without any asset sale disruptions.With our assistance, Falcon was able to implement a multitude of new operational initiatives designed to improve sales and profitability, including streamlining manufacturing, invigorating the company with investment capital to focus on development of the core brands and reorganizing its sales team into vertical markets.	

Required Contents Of Proposal ❖

Experience In Large And Complex Restructurings

CLARK RETAIL ENTERPRISES	
Chapter 11 Case	In re Clark Retail Enterprises, Inc.
Venue	United States Bankruptcy Court for the Eastern District of Missouri
Nature of Representation	Debtors' Counsel
Significant Employee, Labor/Union, Retiree or Other Regulatory Issues	Yes
Stutman Team Members	Michael Goldstein, Margreta Morgulas and others
<ul style="list-style-type: none">We were retained to aide in the resolution, through Chapter 11, of the company's economic and operational problems, which required us to negotiate the resolution of several complex issues pertaining to and involving regulators governing its sale of gasoline (and operation of gasoline stations) and consumer products.Through a series of asset sales and other related initiatives we were able to overcome potentially case-ending hurdles, successfully reposition the debtor's assets, and ultimately obtain a dismissal of the Chapter 11 proceedings when formal proceedings were no longer in the best interests of the company.	

MARINER POST-ACUTE NETWORK/ MARINER HEALTH GROUP	
Chapter 11 Cases	In re Mariner Post-Acute Network, Inc., <i>et al</i> In re Mariner Health Group, Inc., <i>et al</i> .
Venue	United States Bankruptcy Court for the District of Delaware
Nature of Representation	Restructuring and Bankruptcy Counsel
Significant Employee, Labor/Union, Retiree or Other Regulatory Issues	Yes
Stutman Team Members	John Shaffer, Margreta Morgulas and others
<ul style="list-style-type: none">Mariner Post-Acute Network, Inc. and 185 affiliated entities operated approximately 400 skilled nursing and long-term acute care facilities around the country. The debtors filed for Chapter 11 protection after they were unable to timely service more than \$2.7 billion in debt obligations or reach an acceptable deal with their primary creditors outside of court.Our professionals were able to deftly identify, analyze and provide solutions to the complex issues that confronted the debtors, whose problems were exacerbated by the fact that they operated in a highly-regulated industry and in many different states.Ultimately, our professionals were able to devise and confirm a Chapter 11 plan that involved complex settlements with several state and federal agencies, the lenders for both of the unique capital structures under which the debtors operated, the unsecured creditors' committees, and other significant stakeholders.	

Required Contents Of Proposal ❖

Experience In Large And Complex Restructurings

❖ Select Representations Of Official Committees And Ad Hoc Consortiums Of Creditors, Equity Interest Holders And Holders of Debt

EUROFRESH, INC.	
Chapter 11 Case	In re Eurofresh, Inc.
Venue	United States Bankruptcy Court for the District of Arizona
Nature of Representation	Counsel to Official Committee of Unsecured Creditors
Stutman Team Members	John Shaffer and others
<ul style="list-style-type: none">• Eurofresh Farms, one of Southern Arizona's largest employers and the leading year-round producer and marketer of greenhouse tomatoes in the United States, was forced to file for Chapter 11 after it experienced significant liquidity issues.• Prior to its Chapter 11 filing, we represented five significant holders of the debtor's unsecured bonds in connection with pre-filing analyses and discussions with the debtor. Thereafter we were selected to serve as counsel to the Official Committee of Unsecured Creditors charged with representing the interests of all of the debtor's unsecured creditors in the case.• We were able to successfully negotiate the terms of a Chapter 11 plan within a month of the filing, which was substantially the same as that ultimately confirmed less than five months later.• Although the debtor's first-lien lender was opposed to the plan as initially formulated, we were able to successfully aid in the negotiation of a consensual plan that resulted in the necessary de-leveraging of the debtor's balance sheet and a meaningful recovery for all unsecured creditors.	

CALPINE CORPORATION	
Chapter 11 Case	In re Calpine Corporation, Inc., <i>et al.</i>
Venue	United States Bankruptcy Court for the Southern District of New York
Nature of Representation	Special Bankruptcy Counsel to Consortium of Significant Debtholders
Significant Employee, Labor/Union, Retiree or Other Regulatory Issues	No
Stutman Team Members	Isaac Pachulski and others
<ul style="list-style-type: none">• We served as special counsel to an ad hoc consortium of the Debtors' convertible noteholders in connection with a complex appeal of an adverse ruling significant to the noteholders' recovery in the bankruptcy case.• We litigated a complex appeal involving novel issues from the Bankruptcy Court's adverse ruling through to the Second Circuit Court of Appeals. Prior to obtaining a ruling from the Second Circuit, the matter was consensually resolved, with our assistance and to the satisfaction of the client.• As a result of the case made on appeal, bondholders were able to leverage their position and receive payment in full of their claims, including postpetition interest, and negotiate a make whole arrangement.	

Required Contents Of Proposal ❖

Experience In Large And Complex Restructurings

DBSI, INC.	
Chapter 11 Case	In re DBSI, Inc., <i>et al.</i>
Venue	United States Bankruptcy Court for the District of Delaware
Nature of Representation	Counsel to Official Committee of Unsecured Creditors
Stutman Team Members	Michael Goldstein
<ul style="list-style-type: none">• In these multi-billion Chapter 11 cases, involving over 150 debtor entities and one of the largest real estate interest tenant-in-common syndication companies in the country, Michael Goldstein (while at a previous firm) and others represented the Official Committee of Unsecured Creditors.• Michael and his team successfully obtained and worked with a Chapter 11 trustee to confirm a complex and novel Chapter 11 plan that provided for the segregation of two lines of business and the substantive consolidation of numerous entities within each business line, dismissal of various no-asset and single asset entities, the establishment of various ground-breaking protocols streamlining claims processing, and the creating and funding of various trusts to pursue post-confirmation causes of action on behalf of the estate and creditors.	

AZABU BUILDING CO., LTD.	
Chapter 11 Case	In re Azabu Building Co., Ltd.
Venue	United States Bankruptcy Court for the District of Hawaii
Nature of Representation	Counsel to Official Committee of Unsecured Creditors
Stutman Team Members	Michael Goldstein and others
<ul style="list-style-type: none">• Michael Goldstein and others served as counsel to the Official Committee of Unsecured Creditors in this Chapter 11 proceeding, which involved distressed real estate assets located in Hawaii and the complexities associated with concurrent restructuring proceedings in Japan.• Our team was principally involved in developing and confirming a novel structure for the sale and transfer of ownership of the assets, which allowed for the successful navigation of complex U.S. and Japanese insolvency, corporate and tax law issues. As a result, value was maximized and creditors received significantly greater recoveries than would have otherwise been available.	

Required Contents Of Proposal ❖

Experience In Large And Complex Restructurings

TRUMP HOTEL & CASINO RESORTS	
Chapter 11 Case	In re Trump Entertainment Resorts Inc., <i>et al.</i>
Venue	United States Bankruptcy Court for the District of New Jersey
Nature of Representation	Counsel to Official Committee of Equity Creditors
Stutman Team Members	John Shaffer and others
<ul style="list-style-type: none">We were selected to represent the Official Committee of Equity Interest Holders in this contentious Chapter 11 case, wherein we litigated several significant issues that led to the confirmation of a Chapter 11 plan in the best interest of all parties.The extraordinary work and results achieved by our professionals in this case were recognized in a written opinion of the Bankruptcy Court, which granted our firm a rarely awarded “success fee” for outstanding work in the case.	

❖ **Select Representations Of Significant Stakeholders, Purchasers Of Distressed Assets And Other Sophisticated, Interested Parties In Chapter 11 Cases**

We routinely represent significant holders of distressed debt in connection with positions they hold or intend to acquire in Chapter 11 cases, receiverships, and other insolvency situations. Our significant representations include holders of material debt in MF Global, CIT Group, General Motors, Chrysler, Lyondell Chemicals, Tribune Companies, Lehman Brothers, Washington Mutual, Calpine, Adelphia, Enron, WorldCom, Owens Corning, Scotia Pacific, Jefferson County and others.

Other representations of significant stakeholders and others include:

SOUTH EDGE	
Chapter 11 Case	In re South Edge, LLC
Venue	United States Bankruptcy Court for the District of Nevada
Nature of Representation	Counsel to Consortium of Large Homebuilders
Stutman Team Members	John Shaffer and others
<ul style="list-style-type: none">John Shaffer, a primary member of the core team assigned to your engagement, was the primary counsel to a consortium of four of the nation’s largest homebuilders in the successful restructuring of a master planned community in Henderson, Nevada.	

Required Contents Of Proposal ❖

Experience In Large And Complex Restructurings

EXTENDED STAY / FOUNTAINBLEAU LAS VEGAS	
Chapter 11 Cases	In re Extended Stay, Inc., <i>et al.</i> In re Fontainebleau Las Vegas
Venues	Extended Stay - United States Bankruptcy Court for the Southern District of New York Fontainebleau - United States Bankruptcy Court for the Southern District of Florida
Nature of Representation	Court-Appointed Examiner Counsel to Court-Appointed Examiner
Stutman Team Members	Ralph Mabey, John Shaffer, Margreta Morgulas and others
<p>Ralph Mabey was selected as the Court-appointed Examiner charged with the factual investigation and legal analysis of the circumstances that led to the filing of the multi-billion dollar Extended Stay hotel chain shortly after an \$8 billion leveraged buyout transaction. We served as his counsel and, in less than 6 months, Ralph was able to release his Report, the findings of which are still being relied upon in litigation ancillary to the bankruptcy proceedings.</p> <ul style="list-style-type: none">• We also served as counsel to the court-appointed Examiner in the Chapter 11 case of the owner of the \$2.8 billion Las Vegas hotel project. When the creditors were deadlocked on how to resolve the case, we aided the Examiner in evaluating and overseeing the sale of the debtor's principal assets.	

HAWAIIAN AIRLINES	
Chapter 11 Cases	In re Hawaiian Holdings, Inc., <i>et al.</i>
Venue	United States Bankruptcy Court for the District of Hawaii
Nature of Representation	Counsel to Acquirers of Principle Assets
Stutman Team Members	Michael Goldstein and others
<ul style="list-style-type: none">• Michael Goldstein and others represented a frequent client and purchaser of significant distressed assets in connection with its successful bid for and acquisition of Hawaiian Airlines out of Chapter 11.• Following the acquisition of the majority equity position of the debtor, and modifying the collective bargaining agreement of the airline's employees, a Chapter 11 plan was confirmed that provided for payment in full of creditors and control of the airline by our client.	

Required Contents Of Proposal ❖

Experience In Large And Complex Restructurings

B. Out-Of-Court Representations

Many of our clients' most challenging and rewarding successes are achieved without the need for bankruptcy filings. We work to avoid court-based restructurings whenever the client's goals can be achieved outside of court.

Because of our vast experience, we are able to avoid public filings on behalf of many of our clients. This means we cannot share all of our greatest successes, due to confidentiality and non-disclosure arrangements.

Our non-confidential, out-of-court work is discussed in greater detail below:

❖ Southern California Edison

In 2000, Southern California Edison and the other community-owned utilities in California faced an economic crisis that resulted from earlier industry deregulation initiatives. We were retained by Southern California Edison to advise it with respect to its restructuring alternatives.

Unlike PG&E, which chose to file for Chapter 11 protection in 2000, and fund one of the largest, most expensive Chapter 11 cases in California history, Southern California Edison was able to avoid bankruptcy. With the help of our professionals and its other advisors, Southern California Edison was able to reach a consensual resolution and avoid the litigious and costly process that consumed PG&E for years.

Central to the resolution of its economic issues and the keystone of its out-of-court restructuring was a complex settlement with the State of California, wherein all sides agreed to share the burdens and costs of the initiatives that had to be implemented to resolve the otherwise insurmountable problems facing the utility. We played a primary role in the negotiation and documentation of that settlement.

❖ Huntsman Chemical Corporation

Michael Goldstein was a key member of the team that represented Huntsman, a multi-billion dollar global manufacturer and marketer of differentiated chemicals that began experiencing significant debt-related financial difficulties in 2001.

Together with the company's management and its advisors, we explored several different alternatives to restructure Huntsman's operations and permit it to meet its obligations on a going-forward basis. Ultimately, it was determined that an out-of-court, comprehensive restructuring of its capital structure and certain business lines was in the best interest of the company, the family that had owned and ran it since its founding, and its other primary stakeholders.

The negotiation, documentation and implementation of the agreements governing the out-of-court restructuring required the consent of all of the company's bank lenders, which was ultimately achieved through the commitment to significant concessions by all sides, which was facilitated by our team. Our ability to work with the company, its representatives and advisors, and the primary stakeholders to quickly negotiate and document an effective restructuring plan and agreements, as well as obtain the necessary consents thereto, resulted in the desired effect of returning the company to firm financial footing.

Required Contents Of Proposal ❖

Experience In Large And Complex Restructurings

❖ **Sirius Satellite Radio**

We represented Sirius Satellite Radio in connection with its out-of-court restructuring, which ultimately culminated in the successful and hotly-contested merger with its once rival XM Satellite Radio.

C. Additional Engagements With Significant Employment Issues And/Or Pension, OPEB Or Similar Obligations

In connection with several different cases and transactions, we have been faced with the resolution of employee and retiree issues. We regularly work with employee and labor experts in negotiating and consummating resolutions of these types of issues. We also have been asked to provide analyses for various companies and institutions of how their pension and other employee-related obligations might be dealt with in a future bankruptcy case.

Select, non-confidential examples of our work in these areas that are not otherwise addressed above include:

❖ **Hostess Brands (United States Bankruptcy Court For The Southern District Of New York)**

In the wake of Hostess' wind down announcement and labor strife, Michael Goldstein and John Shaffer were brought in as special insolvency counsel to represent the Bakery, Confectionery, Tobacco Workers and Grain Millers International Union, and Bakery and Confectionary Union and Industry International Pension Fund, whose membership represents approximately 30 percent of the debtors' workforce.

Our professionals are assisting the union and fund in connection with the analysis and enforcement of the unions' rights and claims in connection with the Chapter 11 cases and the wind-down of operations, sale of assets and termination of over 18,000 employees.

❖ **Tri-Valley Growers Association (United States Bankruptcy Court For The Northern District Of California)**

William Weintraub was principally involved in the representation of the debtors, one of the nation's premiere fruit and vegetable cooperatives, with annual revenues of approximately \$800 million.

Bill's work was integral to the debtors' successful emergence from Chapter 11, which was accomplished through a sale of the debtors' assets and, in connection, the necessary rejection of the collective bargaining agreement with the debtors' unionized employees – which was ultimately done on a consensual basis after arduous negotiations with the unions and their counsel.

❖ **Pilots' Union In Transworld Airline Cases (Filed For Chapter 11 Three Times Over A Period Of 10 Years)**

Ralph Mabey represented the Airline Pilots Association in each of TWA's 3 successive Chapter 11 cases (spanning a period of over 10 years), and in connection with the enforcement of the pilots' rights and protection of their interests.

In each of the cases, Ralph was integral to achieving consensus and resolutions of a myriad of

Required Contents Of Proposal ❖

Experience In Large And Complex Restructurings

complex benefit and pension issues that involved protracted and complex negotiations with the debtors, the key stakeholders and the PBGC.

D. Awards and Accolades

The academic and professional achievements of our team are widely recognized and awarded by the most prestigious organizations in our field:

❖ **National Bankruptcy Conference.**

Stutman is home to five Members of the prestigious National Bankruptcy Conference – more than any other firm in the country. As the nation's leading group of bankruptcy scholars and practitioners, the National Bankruptcy Conference has advised Congress on every significant piece of bankruptcy legislation since the time of its formal organization in the 1940s. Team members Ralph Mabey and John Shaffer have held leadership positions in the Conference.

A core group of the Conference Members, including one of the firms's founding members, George Treister, served on the Commission on the Bankruptcy Laws of the United States, which resulted in the 1978 overhaul of the Bankruptcy Code. The Conference and its Members were also heavily involved in the 2005 amendments to the Bankruptcy Code.

❖ **American College Of Bankruptcy.**

Eleven (more than one-third) of our attorneys, including all of the senior attorneys assigned to the City of Detroit team, have been inducted as Fellows into the American College of Bankruptcy — the premiere honorary association of bankruptcy and insolvency professionals. Nominees are extended an invitation to join based on a proven record of the highest standards of professionalism and service to the profession. Team member Ralph Mabey has served as the College's chair.

❖ **Additional Acknowledgements Of Note.**

Our professionals also hold positions on committees or boards of all of the remaining premier organizations in our field, including the:

- ❖ American Bar Association
- ❖ American Bankruptcy Institute
- ❖ Association of Insolvency and Restructuring Advisors o
- ❖ Financial Lawyers Conference
- ❖ State Bar of California
- ❖ Turnaround Management Association.

❖ **Finally, Without Exception, Our Members Have Been Recognized By The Top Rating And Award Organizations As The “Best Of The Best.”**

Our lawyers and firm have been recognized in and by:

- ❖ Chambers USA
- ❖ Who's Who Legal
- ❖ The Best Lawyers in America
- ❖ Lawdragon's 500 Leading Lawyers in America
- ❖ Law and Politics “Super Lawyers”.

Required Contents Of Proposal ❖

Public Finance And Government/Authority Advisory Experience

As a result of the highly-specialized nature of our practice, our expertise is in restructuring and distressed finance. However, given the depth and breadth of our practice, we have routinely and seamlessly worked with outside counsel that have expertise in municipal finance. Moreover, as discussed above, we have extensive Chapter 9 experience, and we have been directly involved in the restructuring of municipal debt obligations in a number of in-court and out-of-court situations.

In addition, our professionals are skilled at negotiating matters involving government authorities regulating all types of industries and activities. For example, in connection with our representation of the multi-billion dollar healthcare companies, Mariner Health Care and Mariner Post-Acute Network, in their Chapter 11 cases, we negotiated global settlements that paved the way for the debtors' successful exit from Chapter 11 with numerous federal and state agencies, including those regulating Medicare, Medicaid, and the provision of nursing home and rehabilitative care services generally.

Further, certain of our attorneys have, while working at other firms, worked in a non-bankruptcy capacity on relevant transactions that provide additional background to the City of Detroit. For example, **Margreta Morgulas** worked for a prominent regional firm in Albany, New York where she was a key team member for the Schenectady Metroplex Development Authority. This was established in 1998 to enhance the long-term economic vitality and quality of life in Schenectady County, New York.

Margreta's work included structuring and documenting several transactions pertaining to renewal initiatives and the statutorily-granted exercise of the Authority's powers of eminent domain. Additionally, she participated in several complex transactions on behalf of large corporations undertaking "green tech" and "wind farm" development transactions that were, in part, financed by New York State programs aimed at the re-development and invigoration of upstate New York. Such transactions involved negotiations with several local, state and federal agencies. Thus, while Margreta's area of expertise is in bankruptcy and restructuring, she has relevant experience in such matters.

Required Contents of Proposal ❖

Other Relevant Practice Areas

Our concentration in the field of bankruptcy and restructuring ensures that our professionals are able to maintain the highest standards of relevant expertise our clients demand and deserve. Because restructuring interfaces with other disciplines (e.g., corporate, finance, real estate, labor, securities, tax and environmental), by reason of our representations we have experience with and general knowledge of numerous areas outside of the restructuring area, and have a solid foundation for identifying issues. We are not experts in other areas of the law, and as a result, we work closely with our clients' other law firms and advisors.

We intend to work with and rely upon the counsel and advisors selected by the City of Detroit for their relative expertise. Our experience has proven that such a seamless collaboration is efficient and cost-effective for clients as it leverages existing resources and knowledge, and ensures that there are no extraneous lawyers assigned to the engagement. We ensure unnecessary duplication of effort and are adept at making the best use of these discrete resources. Our decades of successes are proof that our clients are best served by the alliance of a group of advisors that are renowned and proficient in their respective fields.

Our professionals have developed long-standing relationships with excellent, proven firms and lawyers around the country. We welcome the opportunity to work with your selected advisors, to aid in the evaluation prospective counsel, or to make recommendations regarding additional counsel who would be well suited to provide the services you identify.

Required Contents Of Proposal ❖

Demonstration Of No Conflicts

We have elected, as a general matter, not to represent traditional financial institutions (such as banks and insurance companies), which typically require retention arrangements that make the representation of distressed entities difficult or impossible.

As is our policy and practice, we have required each of our professionals to review their matters for actual or potential conflicts of interest and ran a detailed conflict check of a list of the primary City, State and related representatives, as well as all presently known significant stakeholders. A copy of the list that we used for such purposes is included under **Appendix B**.

Our review affirmed that we have no present, actual or potential conflicts of interest with respect to this engagement. In keeping with our standard policies and practices, should any such information come to our attention as the engagement proceeds, we will immediately inform the City and take appropriate action as directed by the City of Detroit. However, we do not anticipate any such issues arising in this matter.

Required Contents Of Proposal❖

Proposed Fee Structure

We propose a combination of adjusted hourly rates and a monthly rolling fee cap to govern our compensation during the first year of the engagement.

Hourly Rates.

We will adjust downward our national hourly rates for the City of Detroit by 10%, as reflected in **Appendix C**. As required, our professionals will maintain detailed time records (recorded on one-tenth of an hour basis and provide a reasonably- detailed level of specificity regarding the task(s) performed during the relevant period). All time records will be subject to the City's review and approval.

Stutman lawyers will not charge the City of Detroit for non-working travel time.

Rolling, Monthly Fee Cap.

In order to provide a level of predictability with respect to the total fees that may be payable to us, we also propose that our fees be subject to a monthly fee cap of \$400,000. We also propose that if, in any month, we request payment of less than \$400,000 in professional fees, the difference would be applied forward to future monthly fee requests. Because our knowledge of the specific facts and circumstances are presently limited, we may request a modification to the monthly fee cap, but acknowledge and agree that any such request is subject to the City's sole and absolute discretion.

Out of Pocket Expenses.

Stutman proposes that its actual expenses be reimbursed as incurred at reasonable and customary amounts consistent with the City's policies and procedures. Please note that, as required by your form Contract, we do not charge a premium on our out of pocket expenses.

Proposed Changes To Form Contract.

As required by the Solicitation, we have reviewed the form "Contract For Professional Legal Services," annexed to the Solicitation. We propose those modest changes to the form that are reflected on the marked copy in **Appendix D**.

Conclusion.

We have constructed this proposal in large part based upon the unique nature of this engagement and the necessity that all members of the "team" representing the City of Detroit and its citizens must make accommodations. Our objective is to be fair and reasonable to the City of Detroit, taking into account the challenges confronting the City, and to provide the City with a level of predictability. We appreciate that we do not have all relevant information as to the particular challenges facing the City, and welcome your questions and input. We want to ensure that we have an engagement and arrangement that meets the objectives and needs of the City.

Michael H. Goldstein Shareholder – New York

675 Third Avenue, Suite 2216
New York, NY 10017-5714
Direct: 212-235-0820
Mobile: 310-367-5347
mgoldstein@stutman.com



Overview for the City of Detroit

Michael H. Goldstein, co-head of our New York City office, will serve as the team leader for this engagement. Michael's reputation and prominence in municipal restructuring and finance is well deserved. He was a member of the firm team focusing primarily on the labor and employee component of Orange County's Chapter 9 reorganization.

As the Editor of the preeminent treatise in bankruptcy on the topic of municipal restructurings and Chapter 9, Michael has been a long time student of this area and has handled significant representations of constituencies in connection with municipal restructurings. He is as well known for his creative ability to apply the law in complex situations and he is talented at building consensus among important constituencies with disparate interests and goals.

His day-to-day management and hands-on approach will be of great benefit to the City of Detroit.

Other Relevant Experience

Michael represents debtors, sponsors, bondholders, creditors, committees and purchasers of distressed assets in restructurings, reorganizations and bankruptcy. His industry experience is vast and includes municipal debt, chemicals, finance, healthcare, hospitality, real estate, retail, and technology.

Michael is considered an authority on insolvency topics, and is sought after as a speaker at major conferences, such as the National Conference of Bankruptcy Judges, the national conferences of the American Bankruptcy Institute, the Association of Insolvency and Restructuring Advisors and the International Council of Shopping Centers. Recent topics have included compensation of professionals, conflicts of interest, executory contracts in retail Chapter 11 cases, expert testimony, litigating confirmation issues, municipal debt restructurings, second lien debt, sub-prime lending and valuation.

Debtors

Applied Magnetics Corporation
C&L Properties
Clark Retail Enterprises, Inc.
Continental Development Corporation
DIVA Systems Corp.
Hawaiian Airlines
Huntsman Corp.
Lamonts Apparel
Maguire Thomas Partners – Grand Place
Twr, Ltd.
Store of Knowledge, Inc.
The Restaurant Enterprises Group, Inc.

Committee Representations

Azabu Buildings
DBSI, Inc.
O'Sullivan Industries
Ownit Mortgage Solutions

Fund Representations

ARES Management, LLC
Blue Mountain Capital Management LLC
Deutsche Bank
Garrison Investment Group
Lapis Advisors, LLC
Madison Capital Management
Och-Ziff Capital Management Group
Plainfield Asset Management
Related Group
Steel Partners, Ltd.

Appendix A ❖

Biographies Of Primary Professionals

Michael H. Goldstein (Continued)

Michael is also a prolific and popular writer known and revered for his practical and pragmatic approach to the most relevant topics of the day.

Recent Publications/Speeches

- Contributing Author, Collier on Bankruptcy, Chapter 9 (Adjustment of Debts of a Municipality)
- Co-Author, "Using Chapter 9 as an Out-of-Court Restructuring Tool," The Journal of Corporate Renewal, November/December 2011
- Co-Author, "Seventh Circuit Holds that Free and Clear Sale Plan Cannot be Confirmed Without Preserving Secured Creditor's Credit Bidding Rights: Ruling Creates Circuit Split," Pratt's Journal of Bankruptcy Law, Vol. 7, No. 7, October 2011
- Co-Author, "The Absolute Priority Rule and Gifting Plans in the Second Circuit: The Gift that Stopped Giving," GT Alert, February 2011
- Co-Author, "Navigating the Distressed Real Estate Workout, A General Overview," *Probate and Property*, Vol. 24 No. 3, May/June 2011
- Author, "Res Judicata Strikes Twice," 21-8 American Bankruptcy Institute Journal, October 2002
- Panelist, "Misconceptions in Valuation: Collateral Value, Enterprise Value and Reorganization Value," VALCON 2013, Las Vegas, NV, February 21, 2013
- Panelist, "Staking Your Claim in Distressed Deals: A Discussion on Strategies and Tips for Success in the Hyper-Competitive Distressed Deal Landscape," Expert Presence, Greenberg Traurig, Los Angeles, August 8, 2012
- Panelist, "Bankruptcy Developments," Association of Insolvency & Restructuring Advisors 28th Annual Bankruptcy and Restructuring Conference Annual Conference, San Francisco, CA, June 6-9, 2012
- Panelist, "The Impact of Trading Prices on Confirmation Hearings, Plus Debt Valuations," VALCON 2012, Las Vegas, NV, February 22, 2012
- Moderator, "The State of Private Equity and Distressed Investing," Association of Insolvency & Restructuring Advisors 27th Annual Bankruptcy and Restructuring Conference, June 2011
- Panelist, "Default and Bankruptcy in the New Political Landscape" 28th National Federation of Municipal Analysts Conference, May 2011
- Moderator, "Workout Strategies for Multi-Lender Loan Meltdowns," Turnaround Management Association, April 2011

Rankings and Recognition

Fellow, American College of Bankruptcy, 2012
The Best Lawyers in America, Bankruptcy and Creditor Debtor Rights/Insolvency and Reorganization Law; Litigation - Bankruptcy, 2005-2013

Super Lawyers magazine, Southern California Super Lawyers, 2005-2013

AV[®] Preeminent[™] 5.0 out of 5.0

Winner of the Best Practical

Use Article, "Navigating the Distressed Real Estate Workout: A General Overview," *ABA Probate and Property* magazine, 2011

Professional Affiliations

Member, Board of Governors, Financial Lawyers Conference

Advisory Board, ABI Battleground West

Co-Chair, 20th and 21st ABI Battleground West Conference, March 2012 and March 2013

Advisory Board, Valcon

Cabinet Member Real Estate and Construction

Division of the Jewish Federation, 2010-2012

Board Member, Association of Insolvency

& Restructuring Advisors

Co-Chair, 24th AIRA Bankruptcy & Restructuring

Conference, June 2008

Committee of 18 – Maccabi World Union

– www.maccabi.org

Member, American Bankruptcy Institute

Member, American Bar Association

Member, Century City Bar Association

Member, Los Angeles County Bar Association

Member, Turnaround Management Association

Co-Chair, TMA Programs Committee (So. CA Chapter)

Licensed to Practice

California, 1984

New York, pending

District Courts of California

Ninth Circuit Court of Appeals

Education

J.D., *cum laude*, Harvard Law School 1984

B.S., *magna cum laude* Franklin and Marshall College, 1981

Gary E. Klausner

Shareholder – Los Angeles

1901 Avenue of the Stars, 12th Floor
Los Angeles, California 90067
Direct: 310-228-5735
Mobile: 310-463-3154
gklausner@stutman.com



Overview for the City of Detroit

Gary Klausner will also play an integral, day-to-day role in the management and leadership of the City of Detroit team. Gary is an experienced team leader who recently led the team that served as restructuring counsel to Valley Health System, a California healthcare district, in its hotly-contested and, ultimately, successful Chapter 9 case.

In Valley Health, Gary, who will also serve as a core City of Detroit team member, guided the municipal entity through the intricate Chapter 9 process, which culminated in the confirmation of a Plan of Adjustment. The end results were the preservation of substantially all existing jobs and the repayment in full of the healthcare district's bondholders.

Gary is active nationally in Chapter 9 matters and is currently the Chair of the American Bar Association's Business Bankruptcy Subcommittee on Chapter 9. Due to Gary's work in and knowledge of Chapter 9 matters, his involvement will be vital to this engagement.

Other Relevant Experience

Gary has represented Chapter 11 debtors, secured and unsecured creditors, creditors' committees, trustees and receivers, licensors and franchisors, purchasers of assets out of bankruptcy cases and parties involved in litigation and appeals in connection with bankruptcy cases. He has handled cases involving a broad range of businesses and industries, including real estate development, hotels and restaurants, manufacturing, aerospace, retail, entertainment, transportation, labor and healthcare.

Creditors' Committees

Consolidated Freightways
Westward Ho Markets
Naki Electronics
The Movie Group
American Restaurant Group (Black Angus)
Solidus Networks, Inc.
Stan Lee Media
Prime Matrix

Principals in Large Chapter 11 Cases

EZ Lube
Rachel Ashwell Design, Inc. (Shabby Chic)
Comic Book Movies LLC

Debtors

Meruelo Maddux Properties
Imperial Capital Bancorp
Mr. Gasket Co.
Prism Entertainment Corporation
Packaging Corporation of America
Super Shops, Inc.
Maguire Thomas Partners, Fifth & Grand, Ltd.
ABC International Traders, Inc.
Maxicare, HMO
Consolidated Freightways
Watts Health Foundation, Inc., dba UHP
Healthcare, HMO
Valley Health System, Healthcare District

Significant Creditor/Party In Interest Representations

Cannon Pictures
Georgia Pacific Corporation
Cal Worthington
Columbia Tristar
Fox Family Worldwide
MCI Telecommunications Corporation
Paramount Pictures
Saban Entertainment
Sony Pictures, Inc.
The Walt Disney Company
Victor Valley Community Hospital

Appendix A ❖

Biographies Of Primary Professionals

Gary E. Klausner (Continued)

Professional Affiliations

- Member, Board of Governors, Financial Lawyers Conference; President – 1993-1994
- Board member, Los Angeles Bankruptcy Forum; President – 2003-2004
- Chair, American Bar Association Business Bankruptcy Committee's Subcommittee on Chapter 9 – 2011-present
- Member, American Bar Association, Section on Business Law; Task Force Chair – The Economics of Chapter 11 Practice; Chair – Subcommittee on Bankruptcy Fraud, Crimes and Abuse of the Bankruptcy Process
- Member, Los Angeles County Bar Association; Member – Executive Committee, Commercial Law and Bankruptcy Section; Vice Chair – Bankruptcy Committee
- Lawyer Representative to the Ninth Circuit Judicial Conference – 2007-2009
- Chair, U.S. District Court Standing Committee on Attorney Discipline – 2011-2012

Speaking Engagements

- Panelist, "Bank Holding Company Bankruptcies," ABI Battleground West, 2012
- Panelist, "Municipal Bankruptcies," ABI Battleground West, 2011
- Panelist, "Municipal Bankruptcies," ABA Fall Meeting Business Law Section, 2010

Rankings and Recognition

Fellow, American College of Bankruptcy, 2010
"Bankruptcy Lawyer of the Year," Century City Bar Association, 2012
The Best Lawyers in America, Bankruptcy and Creditor Debtor Rights/Insolvency and Reorganization Law; Litigation - Bankruptcy, 2005-2013
Super Lawyer, Bankruptcy & Creditor/Debtor Rights, *Super Lawyers Magazine*, 2004-2012
Southern California's Best Lawyers in America, 2011-2012 AV[®] Preeminent[™] 5.0 out of 5.0
Century City Bar Association, Bankruptcy Lawyer Of The year, 2012

Licensed to Practice

Maryland, 1974
California, 1976
U.S. Supreme Court
District and Bankruptcy Courts for the Central District of California
Ninth Circuit Court of Appeals

Education

J.D., *with honors*, University of Maryland School of Law, 1974; Maryland Law Review, 1972-1973
B.A., University of Maryland, 1971

Ralph Mabey

Senior Of Counsel – New York

675 Third Avenue, Suite 2216
New York, New York 10017-5714
Direct: 310-228-5720
Mobile: 801-599-3300
rmabey@stutman.com



Overview for the City of Detroit

Ralph Mabey will be a key member of the City of Detroit team. In addition to his substantial experience restructuring business entities in several industries located around the globe, Ralph has been recognized for his work as a court-appointed examiner and court-appointed trustee, as well as for his work as an arbitrator, mediator and expert witness in restructuring and bankruptcy related cases throughout the country.

Ralph served as a U.S. Bankruptcy Judge from 1979 to 1983, and then founded, and for 20 years headed, the international bankruptcy practice of LeBoeuf, Lamb, Greene & MacRae.

Ralph is actively involved in several professional organizations and societies, where he has served in many different capacities. He also presently devotes some of his time to his role as professor of law at the S.J. Quinney College of Law at the University of Utah.

Other Relevant Experience

Ralph's representative engagements include: City of Stockton, CA (as neutral evaluator); Extended Stay (as examiner); Lehman Brothers (as court-appointed mediator); A.H. Robins Company (as examiner with expanded powers); Dow Corning (as counsel for certain bondholders); Columbia Gas System (as equity committee counsel); Federated Department Stores (as counsel for the official pre-merger bondholders committee); TWA (as counsel for the pilots union); American Airlines (as counsel for the pilots' union); Enron (as special counsel for the debtor); Cajun Electric Power Cooperative (as chapter 11 trustee); Boston Chicken (as an expert witness); and ASARCO (as an expert witness).

Ralph is also an active writer and lecturer on many different bankruptcy-related topics. Significantly, he has served as the managing editor of the Norton Bankruptcy Law Adviser, on the Editorial Advisory Board of the American Bankruptcy Law Journal, and currently serves as a contributing author to Collier on Bankruptcy.

Debtors

Geneva Steel
Enron (Special Counsel)

Mediator/Arbitrator

City of Stockton, CA (Neutral Evaluator)
Lehman Brothers
Caldor Corporation
MarkAir
William Herbert Hunt Trust
Sea Launch

Committee Representations

Columbia Gas Systems (Equity Committee)
Federated Department Stores (Bondholder Committee)
MicroAge (Creditors' Committee)

Significant Creditor/Party In Interest Representations

TWA (as counsel for the pilots' union)
American Airlines (as counsel for the pilots)
Dow Corning (as counsel for certain bondholders)

Rankings and Recognition

Selected, Who's Who Legal (Insolvency & Restructuring), 2011-12
Selected, Southern California's Best Lawyers in America, 2011-12
AV[®] Preeminent[™] 5.0 out of 5.0

Licensed to Practice

New York, 1985
Utah, 1972

Education

J.D., Columbia School of Law, 1972
B.A., University of Utah, 1968

Ralph Mabey (Continued)

Professional Affiliations

- Fellow, American College of Bankruptcy (Past Chair and President; Member of Distinguished Service Award Committee and International Committee)
- Member, National Bankruptcy Conference (Executive Committee)
- National Conference of Bankruptcy Judges
- United States Bankruptcy Judge, District of Utah, 1979-1983
- U.S. Judicial Conference Advisory Committee on the Bankruptcy Rules, 1987-1993
- Member, ABA Business Bankruptcy Committee
- Member, American Law Institute
- Member, International Insolvency Institute (Board of Directors)
- Member, American Bankruptcy Institute
- Adviser, National Bankruptcy Review Commission Working Group on Future Claims (former)
- Mass Torts Task Force, The U.S. Judicial Conference (Future Claims and Bankruptcy Invitee) (former)
- ABA Joint Task Force on Bankruptcy Court Structure and Insolvency Process (former)
- J. Reuben Clark Law Society (International Chair, 1997-1999)

Publications and Speeches

- “Litigation Trusts: Assignment of Causes of Action, Treatment of Non-Consenting Creditors, Feasibility and Funding Issues” (with Audrey J. Noll), American Bankruptcy Institute/New York University School of Law, 38th Annual Lawrence P. King and Charles Seligson Workshop on Bankruptcy & Business Reorganization, 2012
- “Issues Affecting Distressed Debt Investment” (with Gabriel I. Glazer), American Bankruptcy Institute/New York University School of Law, 38th Annual Lawrence P. King and Charles Seligson Workshop on Bankruptcy & Business Reorganization, 2012
- The Potential For, and Challenges To, Mediation as a Facilitating Solution (with Alex Fisch, Katherine Baudistel and Jake Smart), American Bankruptcy Institute/New York University School of Law, 37th Annual Lawrence P. King and Charles Seligson Workshop on Bankruptcy & Business Reorganization, 2011
- Guidelines for Coordination of Multi-National Enterprise Group Insolvencies (Working Drafts), International Insolvency Institute (with selected international distribution), 2008-2011 (As Chair of the International Insolvency Institute’s Committee on Jurisdiction and Coordination; with Susan Johnston, Committee Reporter.)
- Coordination Among Insolvency Courts in the Rescue of Multi-National Enterprises (with Susan Power Johnston), Annual Review of International Insolvency, 2009
- Hon. Ralph R. Mabey on *In re Excel Innovations, Inc., Solidus Networks, Inc. v. Excel Innovations, Inc.* (In *re Excel Innovations, Inc.*), 502 F.3d 1086 (9th Cir. 2007), LexisNexis Expert Commentaries, February 2008
- Panelist, “Effective Use of Chapter 11: The Good, the Bad and the Ugly,” American College of Bankruptcy Tenth Circuit Bankruptcy Conference, University of Utah, October 2012.
- Panelist, “Issues Affecting Stressed Debt Investment,” American Bankruptcy Institute/New York University School of Law 38th Annual Lawrence P. King and Charles Seligson Workshop on Bankruptcy & Business Reorganization, September 2012, New York

Appendix A ❖

Biographies Of Primary Professionals

Ralph Mabey (Continued)

- Panelist, “Plan Confirmation Issues: Part II,” American Bankruptcy Institute/New York University School of Law 38th Annual Lawrence P. King and Charles Seligson Workshop on Bankruptcy & Business Reorganization, September 2012, New York
- Panelist, “Examine This! Examiners, Examinations and You,” 85th Annual National Conference of Bankruptcy Judges, October 2011, Tampa, Florida.
- Panelist, “Mediation in Bankruptcy: A Complement to the Judicial Process,” sponsored by the American Bar Association Business Law Section’s Business Bankruptcy Committee, 85th Annual National Conference of Bankruptcy Judges, October 2011, Tampa, Florida.
- Featured Speaker, INSOL India, Gwalior, India, October 2011

Appendix A ❖

Biographies Of Primary Professionals

K. John Shaffer

Shareholder – Los Angeles

1901 Avenue of the Stars, 12th Floor
Los Angeles, California 90067
Direct: 310-228-5785
Mobile: 213-248-3000
jshaffer@stutman.com



Overview for the City of Detroit

John Shaffer will be a key member of the City of Detroit team and is a senior shareholder. He is recognized as one of the nation's leading restructuring lawyers.

John's extensive experience includes representing debtors, creditors, and purchasers of assets in connection with a wide-range of industries, including financial services, real estate, and healthcare. In addition to in-court representations, he has been involved in numerous out-of-court workouts, and he regularly advises hedge funds and other investors in distressed debt.

John currently chairs the National Bankruptcy Conference's Chapter 11 Committee, and he has served as Secretary of the Conference and as a member of its Executive Committee.

Other Relevant Experience

John's clients include creditors with significant positions in major chapter 11 cases and SIPC and FDIC-led receiverships, including Residential Capital, Washington Mutual Bank and Lehman Brothers, Inc.

John is a leading authority on bankruptcy law. He was appointed by the Chief Justice of the United States to the Judicial Conference Advisory Committee on the Federal Rules of Bankruptcy Procedure, and served on that Committee from 2000 to 2006. He also chaired the Judicial Conference's Joint Subcommittee on Chapter 11 Venue Issues, and has served on the Ninth Circuit Court of Appeals Advisory Committee on Rules of Practice and Procedure since 2006. John began his legal career by clerking for U.S. Supreme Court Justice Anthony Kennedy and Ninth Circuit Court of Appeals Judge Alex Kozinski.

Debtors

Utah 7000 (aka Promontory Ranch)
Mariner Post-Acute Network and Mariner Health Group
Falcon Products
Clark Retail Enterprises

Creditors/Investors in Large Chapter 11 Cases

South Edge LLC
Yellowstone Club
SonicBlue

Examiners

Fontainebleau Las Vegas
Extended Stay

Official/Ad Hoc Committees

Owens Corning (ad hoc committee of senior debt holders)
Palm Harbor Homes (ad hoc committee of trade creditors)
Trump Hotels Atlantic City (official equity committee)
Adelphia (ad hoc committee of noteholders)

Advisory Work

Regularly advises significant hedge funds and other investors in connection with some of the nation's largest chapter 11 cases, including, recently, Lehman Brothers, Residential Capital, American Airlines, Washington Mutual, Tribune, and Madoff Investment Securities

Licensed to Practice

California, 1991
U.S. Supreme Court
All District and Bankruptcy Courts in California

Education

J.D., The University of California, Berkeley, School of Law, 1989
A.B., Stanford University, 1986

K. John Shaffer (Continued)

Rankings and Recognition

- Selected, Southern California's Best Lawyers in America, 2011-12
- Selected, Super Lawyers (Bankruptcy & Creditor/Debtor Rights) by Super Lawyers Magazine, 2004-12
- Selected, Who's Who Legal (Insolvency & Restructuring), 2011-12
- AV® Preeminent™ 5.0 out of 5.0

Professional Affiliations

- Member, National Bankruptcy Conference (current Chair of Chapter 11 Committee, past Secretary)
- Fellow, American College of Bankruptcy
- Judicial Conference Advisory Committee on the Federal Rules of Bankruptcy Procedure (2000-06)
- Chairperson, Judicial Conference Joint Subcommittee on Chapter 11 Venue Issues (2004-05)
- Ninth Circuit Court of Appeals Advisory Committee on Rules of Practice and Procedure (2006-13)
- Board of Governors, Financial Lawyers Conference (2004-11)
- President, Los Angeles Bankruptcy Forum (2007-08)

Speaking Engagements

- National Conference of Bankruptcy Judges
- California Bankruptcy Forum
- Norton Institutes on Bankruptcy
- American Law Institute - American Bar Association
- American Bankruptcy Institute
- Turnaround Management Association

Gregory Fox

Associate – New York

675 Third Avenue, Suite 2216
New York, New York 10017-5714
Direct: 212-235-0822
Mobile: 917-623-7754
gfox@stutman.com



Overview for the City of Detroit

Gregory Fox, associate in our New York office, will also be on the team for the City of Detroit during this engagement. He represents both debtors and creditors in bankruptcy, insolvency, restructuring, and reorganization matters, and represents parties in bankruptcy-related litigation.

Gregory joined the firm in 2012, after working at two prominent New York firms in the field of corporate restructuring and bankruptcy.

Other Relevant Experience

After law school, Gregory clerked for The Honorable Elizabeth S. Stong of the United States Bankruptcy Court for the Eastern District of New York. Gregory is an active member of the American Bankruptcy Institute, and has written several articles on topics relevant to his practice.

Publications

- Author, "Patriot Coal: Interest of Justice Trumps Convenience of the Parties," American Bankruptcy Institute Journal, February 2013
- Co-Author, "In re River Road Hotel Partners, LLC: Credit Bidding Circuit Split May Sail Up to the Supreme Court," Norton Journal of Bankruptcy Law and Practice, November 2011
- Author, "Laid-Off Employees Score Key Victory on Priority Treatment of Severance Claims," American Bankruptcy Institute Journal, September 2011
- Author, "In re Blue Pine Group, Inc.: Sanctions Imposed on Attorney Who Succumbed to 'Butler-Style' Client Representation," ABA Business Law Section Committee on Business and Corporate Litigation Newsletter, Winter 2011
- Author, "Project Orange: Debtor Counsel's Irreparable Conflict with Key Creditor Not Cured By Waiver," American Bankruptcy Institute Journal, September 2010
- Co-Author, "Third Circuit Bids Credit Bidding Adieu," Norton Journal of Bankruptcy Law and Practice, May 2010

Debtors

Delphi Corp.
Fortunoff Fine Jewelry and Silverware, LLC
Kaupthing hf. (Foreign Representative of Chapter 15 Debtor)

Significant Creditor/Party In Interest Representations

Hostess Brands, Inc., Unions
Tribune Co., Bondholders
Lyondell Chemical Co., Indenture Trustee
Bernard L. Madoff Securities, Inc., Clawback Defendants
Fairfield Sentry Limited, Clawback Defendants
Quigley Company, Inc., Significant Creditor

Licensed to Practice

New York, 2007
U.S. Court Of Appeals for the Second Circuit
U.S. District Court for the Eastern District of New York
U.S. District Court for the Southern District of New York

Education

J.D., Brooklyn Law School, 2006
B.S., Cornell University, 2002

Kizzy Jarashow

Associate – New York

675 Third Avenue, Suite 2216
New York, New York 10017-5714
Direct: 212-235-0808
Mobile: 917-714-0112
kjarashow@stutman.com



Overview for the City of Detroit

Kizzy Jarashow, associate in our New York office, will provide vital support for the City of Detroit during this engagement. She represents debtors and creditors in complex bankruptcy, insolvency, restructuring and reorganization matters.

Kizzy joined the firm in 2012, after working at two prominent New York firms in the field of corporate restructuring and bankruptcy.

Other Relevant Experience

Recent representative engagements include Kizzy's work as counsel to creditors and derivatives counterparties in the Chapter 11 cases of Lehman Brothers and counsel to consortiums of bondholders in the Chapter 11 cases of Tribune Company and Washington Mutual. She has also represented clawback defendants in the SIPC proceedings of Bernard L. Madoff Investment Securities LLC and former clients and partners in the Chapter 11 case of Dewey & LeBoeuf LLP.

Kizzy has also served as debtors' counsel in the Chapter 11 cases of Mervyn's Holdings LLC, Powermate Holding Corp., Linens 'N Things and Fluid Routing Solutions. She is active in several professional organizations, and has written several articles on topics relevant to her practice.

Debtors

Mervyn's Holdings LLC
Powermate Holding Corp.
Linens 'N Things
Fluid Routing Solutions

Significant Creditor/Party In Interest Representations

Lehman Brothers, Creditors and Derivatives Counterparties
Dewey & LeBoeuf LLP, Former Partner Group and Former Clients Group
Tribune Company, Bondholders
Washington Mutual, Inc., Bondholders
Bernard L. Madoff Securities, Inc., Clawback Defendants

Professional Affiliations

American Bankruptcy Institute
New York State Bar Association
International Women's Insolvency & Restructuring Confederation

Licensed to Practice

New York, 2008
U.S. District Court for the Eastern District of New York
U.S. District Court for the Southern District of New York

Education

J.D., *cum laude*, Fordham University School of Law, 2007
B.A., New York University, 2004

Eamonn O'Hagan

Associate – New York

675 Third Avenue, Suite 2216
New York, New York 10017-5714
Direct: 212-235-0840
Mobile: 732-778-8285
eohagan@stutman.com



Overview for the City of Detroit

Eamonn O'Hagan, associate in our New York office, will also be on the team for the City of Detroit during this engagement. He represents both debtors and creditors in bankruptcy, insolvency, restructuring, and reorganization matters, and represents parties in bankruptcy-related litigation.

Eamonn joined the firm in 2012, after working at two prominent New York firms in the field of corporate restructuring and bankruptcy.

Other Relevant Experience

After law school, Eamonn clerked for The Honorable William G. Young, Chief Judge of the United States District Court for the District of Massachusetts.

Eamonn is active in the American Bankruptcy Institute and has written several articles on topics relevant to his practice.

Publications

- Author, "Stop Changing the Subject! Recent Supreme Court Jurisprudence on Whether Statutory Requirements are Subject Matter Jurisdictional or Claims Processing Rules," Norton Journal of Bankruptcy Law and Practice, Vol. 20, No. 1 (2011)
- Co-Author, "The Changing Paradigm in Distressed Debt and Claims Buying: Scrutinized Lending and Capital Markets Issues," American Bankruptcy Institute, Bankruptcy 2008: Views From the Bench, (September 12, 2008)
- Co-Author, "Debtor-in-Possession Financing, Funding a Chapter 11 Case," (American Bankruptcy Institute 2012) (practitioner's manual)
- Contributing Author, Norton Bankruptcy Law & Practice (3d ed.), Thomson/West, Chapter 87: Financing the Debtor in Possession (treatise).

Debtors

Refco Inc.
Delphi Corp.
SCH Corp.
Uno Restaurants Holdings Corp. (Special Counsel)

Significant Creditor/Party In Interest Representations

Tribune Co., Bondholders
Lyondell Chemical Co., Indenture Trustee
Bernard L. Madoff Securities, Inc., Clawback Defendants
The Source Enterprises, Inc., Preferred Shareholder/DIP Lender
Lehman Brothers Holdings, Inc., Various Creditors and Derivative Counterparties

Professional Affiliations

American Bankruptcy Institute

Licensed to Practice

New Jersey, 2004
New York, 2006
U.S. District Court for the Eastern District of New York
U.S. District Court for the Southern District of New York
U.S. District Court for the District of New Jersey

Education

J.D., Boston College Law School, 2004
B.A., Rutgers University, 2001

Margreta M. Morgulas Of Counsel – New York

675 Third Avenue, Suite 2216
New York, New York 10017-5714
Direct: 212-235-0830
Mobile: 646-895-2163
mmorgulas@stutman.com



Overview for the City of Detroit

Margreta Morgulas presently serves as an Of Counsel attorney at Stutman, and will be made a shareholder in May 2013. Her involvement in this engagement will be beneficial to the City of Detroit due to her substantial experience in restructuring business entities in a wide variety of industries, and complex litigation pertaining to issues arising in or as a result of such restructurings. Additionally, Margreta also often plays a significant role in advising out of court or representing in court all of the following: significant secured creditors, official and unofficial committees of creditors and equity interest holders, and purchasers of distressed assets and debt.

After her key role in the successful restructuring of Mariner Post-Acute Network, Inc., Mariner Health Group, Inc., and 185 affiliated entities, Margreta has utilized the knowledge she gained in that engagement to aid in several other high profile cases involving healthcare businesses and providers.

After moving to New York in 2006, Margreta worked with a prominent regional firm in Albany, New York, where she did a significant amount of non-bankruptcy work for government-funded development authorities, such as the Schenectady Metroplex Development Authority. During that time she also participated as a principal attorney representing large corporations in connection with “clean tech” and “wind energy” projects, which were funded, in part, by New York State, county and city grants and subsidies aimed at the re-development of depressed areas in Upstate New York.

In 2008, Margreta returned to Stutman, and she has focused her time since her return to the representation of large hedge funds and other investors in distressed debt and assets, much of which is done on a non-public basis. For such clients she has advised them on actual or potential investments in some of the largest cases in U.S. history – such as Lehman Brothers, Washington Mutual, Residential Capital and Overseas Shipholding Group (a Jones Act Company).

Margreta has been recognized as a “Turnaround Expert” by the Turnaround Management Association.

Debtors

R.E. Loans (CA)
Utah 7000, LLC, et al (UT)
Mariner Post Acute Network, Inc.,
Mariner Health Care, Inc., and
affiliated debtors (DE)
Clark Retail Group (IL)
MJ Research, Inc. (NV)
The Kushner Locke Company (CA)
Sun Healthcare Group, Inc. (DE)
Genesis Health Ventures, Inc. (DE)
Hedstrom Corporation (DE)
Sunshine Mining and Refining
Corporation (DE)

Committee Representations

Aladdin Gaming (NV)
3dfx Equity Committee (CA)

Advisory Work

Regularly advises, often on a non-public basis, significant hedge funds and other investors in connection with some of the nation’s largest chapter 11 cases

Rankings and Recognition

Recognized, “Turnaround Expert Status,”
Turnaround Management Association

Professional Affiliations

American Bankruptcy Institute
IWIRC
Turnaround Management Association,
Marketing and Communications Committee
(NY Chapter)

Licensed to Practice

Delaware, 1999
California, 2003
New York, 2007

Education

J.D., University of Chicago Law School, 1999
B.A., *magna cum laude*, Brigham Young
University, 1996

Appendix A ❖

Biographies Of Primary Professionals

Margreta Morgulas (Continued)

Other Relevant Experience

Margreta recently coordinated and assumed a lead role in the firm's work in connection with the investigation and preparation of the official Report issued by Court-appointed Examiner Ralph Mabey in the multi-billion dollar Chapter 11 cases of *In re Extended Stay Inc.*, 09-13764, U.S. Bankruptcy Court, Southern District of New York (Manhattan).

Margreta is active in several professional organizations, including the American Bar Association, the American Bankruptcy Institute, IWIRC and Turnaround Management Association (where she presently serves on the Marketing and Communications Committee for the New York Chapter). She also presently serves as an ABI Volo Editor.

Recent Publications/Press

"Regional and State-Based Climate Change Initiatives in the United States," (with Catherine S. Hill), NY State Barr Assoc. NYSBA Government, Law and Policy Journal, Vol. 10, No. 1, pp. 41-49.: Summer 2008

Appendix B ❖

Names Of People/Entities Reviewed For Conflicts Determination

Appendix B ❖

Names Of People/Entities Reviewed For Conflicts Determination

As a preliminary matter, we have collected the names of certain parties that appeared to be actively involved in the efforts of the City of Detroit to restructure its operations. This is a preliminary list and is not intended to be exhaustive. If engaged, we will solicit and run a more complete list of parties as may be provided to us by the City and its advisors.

State, City and Government-Related Organizations

Person/Entity	Related Information	Any Relevant Information From Conflict Check
Michigan Governor Rick Snyder		None
Michigan Treasurer Andy Dillon		None
Detroit Mayor Dave Bing		None
Deputy Detroit Mayor Kirk Lewis		None
Detroit City Council	Council President Charles Pugh Council President Pro Tem Gary Brown Councilwoman Saunteel Jenkins Councilman Kenneth V. Cockrel Councilwoman Brenda Jones Councilman Andre Spivey Councilman James Tate Councilman Kwame Kenyatta Councilwoman JoAnn Watson	None
Detroit City Clerk	Janice Winfrey	None
CFO for Detroit	Jack Martin	None
City of Detroit Finance Director	Cherly Johnson	None
Detroit Program Management Director	William (Kriss) Andrews	None
Detroit Planning and Development Director	Robert Anderson	None
Financial Advisory Board for the City of Detroit	Sandra Pierce – Chair Darrell Burks Ron Goldsberry Mary Beth Kuderick Robert Bowman Eddie Munson Ken Whipple Glenda Price W. Howard Morris	None
2012 Financial Review Team for City of Detroit	Michigan Treasurer Andy Dillon Frederick Headen Jack Martin Conrad Mallet, Jr. Isaiah McKinnon Glenda D. Price Irvin D. Reid Doug Ringler Shirley R. Stancato Brom Stibitz	None

Appendix B ❖

Names Of People/Entities Reviewed For Conflicts Determination

State, City and Government-Related Organizations (continued)

Person/Entity	Related Information	Any Relevant Information From
Current Financial Review Team for City of Detroit	State Treasurer Andy Dillon Auditor General Thomas McTavish Ken Whipple Darrell Burks Ronald Goldsberry Frederick Headen James (Jase) Bolger, Speaker of the Mich. House of Representatives Randy Richardville, Mich. Senate Majority Leader	None
Parties Identified by Press As Under Consideration for Appointment to Assist In Restructuring of City of Detroit	Freman Hendrix Charlie Beckham Charlie Williams	None
Detroit Economic Growth Corporation	George Jackson, Jr., President and Chief Executive Officer Brian Holdwick, Executive Vice President Waymon Guillebeaux, Executive Vice President Glenn Long, Vice President and Chief Operating Officer	None
Detroit Brownfield Redevelopment Authority		None
Economic Development Corporation		None
Neighborhood Development Corporation		None
Local Development Finance Authority		None
Tax Increment Finance Authority	Irvin Corley, City Council Fiscal Analyst Jerry Pokorski, City Council Financial Analyst Mike Bridges, Deputy City Treasurer	None

Appendix B ❖

Names Of People/Entities Reviewed For Conflicts Determination

City of Detroit's Current Advisors¹

Person/Entity	Related Information	Any Relevant Information From Conflict Check Process
Miller Buckfire		None
Conway MacKenzie		None
Ernst & Young		None
Milliman		None
Miller Canfield		None

¹Our firm represents parties in cases pending around the country and, from time to time, may be involved in cases in which one or more of these professionals are also involved. We do not believe that such co-current appearances or work in cases presents any conflict of interest. We do not presently represent any of these professionals.

Parties/Entities With Labor, Union, Employee or Retiree Connection

Person/Entity	Related Information	Any Relevant Information From Conflict Check Process
Detroit Retirement Systems Funding Trust (Issuer of pension obligation certificates)		None
Coalition of Detroit City Unions		None
Michigan AFSCME (American Federation of State, County & Municipal Employees) Council 25	Representing: Non-supervisory Unit Supervisory Unit Forestry and Landscape Unit Emergency Service Operators Unit Amalgamated transit Unit Crossing Guard Unit	None
Motor City Seasonals		None
Association of City of Detroit Supervisors		None
IUOE – Operating Engineers Local 324		None
Building & Construction Trades Council		None
IBEW Local 58		None
SAAA		None
UAW Local 2211 – PAA		None
AMI		None
Teamsters Local 214		None
Supervisors Chapter of the DOT Foreman's Association		None

Appendix B ❖

Names Of People/Entities Reviewed For Conflicts Determination

Parties/Entities With Labor, Union, Employee or Retiree Connection (continued)

Person/Entity	Related Information	Any Relevant Information From Conflict Check Process
Income Tax Investigators		None
SEIU Local 517		None
Detroit Police Officers Association		None
The Detroit Fire Fighters Association, Local 344		None
Detroit branch of National Labor Relations Board	Terry Morgan, Director	None

Insurers of Detroit-Issued Debt

Person/Entity	Related Information	Any Relevant Information From Conflict Check Process
MBIA		None
Assured Guaranty		None
Financial Guaranty Insurance Company		None
Ambac Assurance Corporation		The prior firm of one of our associates served as counsel for Ambac Financial Group, parent of Ambac Assurance Corporation. Our associate did some work for Ambac Financial Group at her prior firm at a junior level, but none of that work involved the City of Detroit or its financial problems. The associate has done no work on this matter for over a year.
National Public Finance Guarantee		None
Syncora Guarantee		None

Appendix B ❖

Names Of People/Entities Reviewed For Conflicts Determination

Representatives, Underwriters, Owners Re Detroit Debt²

Person/Entity	Related Information	Any Relevant Information From Conflict Check Process
Cadwalader Wickersham & Taft, Detroit ³	Press reports indicate that Cadwalader is presently meeting with creditors – including bondholders – regarding the case. We have no further information regarding parties that may have been involved in any such discussions.	None
Nuveen Premium Municipal Income Fund		None
Oppenheimer Rochester National Municipals Fund		None
JPMorgan Chase Co. (underwriter)		We currently represent JPMorgan Chase Co. in an unrelated matter and on issues that we do not anticipate would arise in this engagement. We have not and will not represent JPMorgan Chase with respect to the engagement.
UBS (swap party, Lender on a reported \$2B in POC)		None
Siebert Branford Shank (swap party)		None
Detroit Retirement Systems Funding Trust		None

²We have in the past informally talked to certain institutional investors in distressed debt regarding the public disclosures with respect to the City of Detroit. We do not currently represent any such investors with respect to the City of Detroit and, if engaged, will not do so.

³Our firm represents parties in cases pending around the country and, from time to time, may be involved in a case or cases in which Cadwalader is also involved. We do not believe that such co-current appearances or work in cases presents any conflict of interest. We do not presently represent Cadwalader and will not do so during the pendency of this engagement without prior written consent of the City of Detroit.

Appendix B ❖

Names Of People/Entities Reviewed For Conflicts Determination

Philanthropic Leaders

Person/Entity	Related Information	Any Relevant Information From Conflict Check Process
The Kresge Foundation		None
W.K. Kellogg Foundation		None
Erb Family		None
Hudson Webber		None
John S. and James L. Knight Foundation		None
Ford Foundation		None
Detroit Works Project Long-Term Planning Commission		None

Detroit Gaming – Casinos and Regulators

Person/Entity	Related Information	Any Relevant Information From Conflict Check Process
Michigan Gaming Control Board		None
MGM Grand Detroit		None
Motor City Casino Hotel		None
Greektown Casino		None
Belle Isle Casino		None
Soaring Eagle Casino & Resort (On Indian Reservation)		None

Current Alleged Obligors to City of Detroit

Person/Entity	Related Information	Any Relevant Information From Conflict Check Process
Olympia Entertainment (lessee of Joe Lewis Arena and Cobo Arena)	Mike Ilitch, Owner of Olympia Entertainment	None
Detroit Medical Center		None
Michigan Finance Authority		None

Community Organizations Active In Issues/Press

Person/Entity	Related Information	Any Relevant Information From Conflict Check Process
Citizens for Detroit's Future		None
Free Detroit – No Consent		None
Detroit Project Management		None
Citizens Research Council of Michigan		None

Appendix C ❖

National Hourly Rates Of Professionals (As Adjusted)

Appendix C ❖

National Hourly Rates Of Professionals (As Adjusted)

Professional (Year of Initial Admission)	Current Position*	National Hourly Rates 2013	Proposed Adjusted National Hourly Rates 2013 (City of Detroit Engagement)
Ralph R. Mabey (1972)	Senior of Counsel	\$1,065	\$959
Gary E. Klausner (1974)	Shareholder	\$985	\$887
Michael H. Goldstein (1985)	Shareholder	\$925	\$833
K. John Shaffer (1991)	Shareholder	\$975	\$878
Margreta M. Morgulas (1999)	Of Counsel	\$745	\$671
Eamonn J. O'Hagan (2004)	Senior Associate	\$635	\$572
Gregory W. Fox (2006)	Associate	\$545	\$491
Kizzy L. Jarashow (2007)	Associate	\$485	\$437
Paralegals		\$265	\$239

As indicated above, we are committing the core team of the above-identified professionals to this engagement, and they will be the professionals primarily responsible for its successful completion.

During the course of this engagement, we may require the assistance of one or more of our other, highly qualified professionals. Presently, the 17 Shareholders and Senior of Counsel attorneys, including emeritus members of the firm George Treister and Herman Glatt, that are not a members of our core team have an average national hourly rate of \$818; the three Of Counsel attorneys that are not members of our core team have an average national hourly rate of \$570; and the four Associate attorneys that are not members of the core team have an average national hourly rate of \$380. These averages were calculated to reflect the proposed adjustment for this engagement.

As discussed, the proposed revisions to our hourly rates and our willingness to cap our fees is an accommodation Stutman is willing to make because of the unique nature of this engagement and our commitment to being part of a "team" that not only demands of others, but itself is willing to make, the accommodations necessary to ensure the success of the City's efforts.

Appendix D ❖

Proposed Amendments To Form Engagement Contract

Exhibit B

CONTRACT FOR PROFESSIONAL LEGAL SERVICES

BETWEEN

CITY OF DETROIT, MICHIGAN

AND

STUTMAN, TREISTER & GLATT

PROFESSIONAL CORPORATION

Deleted: ¶

CONTRACT NO. _____

Formatted: Font: 9 pt

Deleted: 570921v1

570921v1

TABLE OF CONTENTS

		Page
Preamble		
Article 1	Engagement of Attorney	

Formatted: Font: 9 pt

Deleted: 570921v1

570921v1

Article 2	Time of Performance	1
Article 3	Information Gathering for The Engagement	2
Article 4	Attorney Personnel and Administration	2
Article 5	Compensation	3
Article 6	Method of Payment	3
Article 7	Indemnity	4
Article 8	Insurance	5
Article 9	Termination	5
Article 10	Assignment or Subcontracting	7
Article 11	Conflict of Interest	7
Article 12	Confidential Information	8
Article 13	Amendments	8
Article 14	Fair Employment Practices	9
Article 15	Notices	9
Article 16	Miscellaneous	9
Exhibit A	Scope of Services	12
Exhibit B	Schedule of Fees and Reimbursable Expenses	13

Formatted: Font: 9 pt

Deleted: 570921v1

CITY OF DETROIT

LEGAL SERVICES CONTRACT

This Legal Services Contract ("Contract") is entered into between Stutman, Treister & Glatt Professional Corporation, with offices located at 675 Third Avenue, Suite 2216, New York, NY 10017 and 1901 Avenue of the Stars, 12th Floor, Los Angeles, CA 90067, ("Attorney"), and the City of Detroit, a municipal corporation, acting by and through its Law Department, represented by its Corporation Counsel ("City").

Deleted: _____.

Formatted: Superscript

Deleted: _____

Recitals:

Whereas, Section 7.5-201(1) of the City of Detroit Charter empowers the Corporation Counsel to employ an outside attorney as Special Corporation Counsel for any particular matter or proceeding; and

Whereas, the Corporation Counsel has determined that it is necessary to retain the Attorney as special restructuring counsel to provide the legal services ("Services") described in Exhibit A of this Contract and the Attorney desires to perform the Services as set forth in this Contract; and

Accordingly, the parties agree as follows:

1. Engagement of Attorney

- 1.01 The City engages the Attorney to perform the Services set forth in Exhibit A. The Attorney agrees to perform the Services in accordance with the terms and conditions contained in this Contract, consistent with the standard of legal practice in the community.
- 1.02 In the event of a dispute between the parties regarding the extent or character of the Services, the interpretation of the City shall govern.
- 1.03 All conferences and consultations deemed necessary by the City for the performance of this Contract shall be included within the scope of Services.

1.04 Attorney's employment as City's special restructuring counsel does not include the following: appearances before any court or agency other than the Bankruptcy Court; litigation in the Bankruptcy Court with respect to matters which are, in the main, disputes involving issues of non-bankruptcy law; or the provision of advice outside the insolvency area, in areas such as municipal and municipal management (including those listed below), taxation, securities, torts, environmental, labor, criminal, professional responsibility, or real estate law. Unless otherwise agreed to in writing, our responsibilities will not include collection matters or appellate work. Further, the limited scope of our employment does not include giving attention to, forming professional opinions as to, or advising you with respect to, your disclosure obligations under federal

Formatted: Normal, Justified,
Indent: Left: 7.05 pt, Hanging: 35.2
pt, Right: 2.75 pt, Don't adjust right
indent when grid is defined, Space
Before: 12 pt, Line spacing: Multiple
1.07 li, No widow/orphan control,
Don't adjust space between Latin and
Asian text, Don't adjust space
between Asian text and numbers

Formatted: Font: 9 pt

Deleted: 570921v1

securities or other non-bankruptcy laws or agreements.

You have represented to us that the City has retained (or will retain) other competent counsel to represent you in all matters outside the scope of our employment. ST&G is relying on the availability of other competent counsel to handle those matters. Indeed, it is a condition of our employment that you continue to retain competent general counsel to handle matters beyond the scope of our representation. ST&G will consult with the City as to only those aspects of the matter which are within the scope of its representation to which you request that we devote attention.

The area of municipal management which is outside the scope of our engagement include:

- Tax collection and assessment
- Collection of other types or revenues
- Issuance and management of municipal debt
- Retiree and active employee health care plan design
- Life and disability plan management
- Pension plans management
- Employment law
- Labor contract negotiation
- Services privatization
- Asset sales or other monetization processes
- Grant application and administration
- Procurement (renegotiating contracts, drafting RFPs, contract issuance and contract management)
- Environmental issues
- Federal and Michigan State Law, including:
 - Open Meeting and Freedom of Information Act
 - Public Act (PA) 4 of 2011, Public Act (PA) 72 of 1990, Tenure Act, Civil Service, PERA, Local Financial Stability and Choice Act of 2012
 - Urban Cooperation Act (PA 7 of 1967 Ex Sess), Emergency Services Act (PA 57 of 1988), Intergovernmental Transfers of Power Act (PA 8 of 1978 Ex Sess), Metropolitan Transportation Authorities Act (PA 204 of 1967)
 - Budget and Accounting (PA 2 of 1968, PA 71 of 1919)
 - Revised School Code (PA 451 of 1976)
 - Various Local Government Acts (Home Rule City Act, etc)

2. Time of Performance

2.01 Performance of this Contract shall commence on _____ and shall end on _____.

Formatted: Justified, Indent: Left: 7.05 pt, Hanging: 35.2 pt, Right: 2.75 pt, Don't adjust right indent when grid is defined, Space Before: 12 pt, Line spacing: Multiple 1.07 li, No widow/orphan control, Don't adjust space between Latin and Asian text, Don't adjust space between Asian text and numbers

Formatted: Indent: Left: 108 pt

Formatted: Indent: Left: 162 pt

Formatted: Bullets and Numbering

Formatted: List Paragraph, Left, Indent: Left: 162 pt, Right: 0 pt, Automatically adjust right indent when grid is defined, Space Before: 0 pt, Line spacing: single, Bulleted + Level: 1 + Aligned at: 54 pt + Tab after: 0 pt + Indent at: 72 pt, Widow/Orphan control, Adjust space between Latin and Asian text, Adjust space between Asian text and numbers

Formatted: Font: 9 pt

Deleted: 570921v1

2.02 The City's Finance Director shall not authorize any payment pursuant to this Contract until the Contract has been approved by the required City departments, the Contract has been approved by resolution of the Detroit City Council, and the Contract is signed by the City's Purchasing Director.

Formatted: Font: 9 pt

Deleted: 570921v1

570921v1

3. Information Gathering for the Engagement

- 3.01 Upon request, the City shall provide to the Attorney without charge all information in its possession ("Information") the City deems necessary for the performance of this Contract. Information includes, but is not limited to, available data, reports, records, interviews, and consultations with City personnel. The City will consider all requests for information made by the Attorney and will undertake to provide the information requested as the City determines is reasonable.
- 3.02 The Attorney shall be permitted to visit City offices and facilities, as approved by the City, to obtain necessary Information.
- 3.03 Appropriate conferences and consultations shall be scheduled at convenient times with appropriate City personnel for the purpose of gathering Information.

4. Attorney Personnel and Administration

- 4.01 The Attorney warrants that all personnel in its employ and all subcontractors, agents or consultants assigned to the performance of the Services ("Associates") are fully qualified to perform such Services under the state laws and governing professional regulations where such Associates are employed.
- 4.02 Each Associate utilized by the Attorney in the performance of this Contract shall devote such time, attention, skill, knowledge and professional ability as are necessary to most effectively and efficiently perform the Services in accordance with the standard of professional practice in the State of Michigan.
- 4.03 The relationship of the Attorney and the Attorney's Associates to the City is and shall continue to be, that of an independent contractor and not an employer/employee relationship. No liability for benefits characteristic of an employer/employee relationship, including but not limited to, workers' compensation, pension rights or liabilities, insurance rights or liabilities, or other provisions or liabilities, arising out of or related to an employer/employee relationship, shall arise or accrue to the City as a result of the Attorney's or the Associate's performance of this Contract. The Attorney agrees to indemnify and hold the City harmless against any claims of the Attorney and the Attorney's Associates, including related costs and expenses, for benefits arising out of an employer/employee relationship related to the performance of this Contract.
- 4.04 Upon request of the City, separate and apart from monthly statements of Services, the Attorney shall submit monthly or other regular written progress reports delineating work performed and significant events achieved. Such reports shall be signed by an authorized representative of the Attorney.
- 4.05 Notwithstanding the provisions of Section 4.04, the Attorney and the City shall inform each other of the status of the Services on a regular basis, and shall inform each other of all material and significant developments in the subject matter of this Contract as soon as practicable under all relevant circumstances, including without

Deleted: the City

Deleted: the City

Formatted: Font: 9 pt

Deleted: 570921v1

limitation:



- (a) Probable delays or adverse conditions which do or may prevent accomplishment of the objectives of this Contract. This disclosure shall be accompanied by a statement of any remedial action taken or contemplated by the Attorney.
- (b) Favorable developments or events which enable Contract objectives or time schedules to be accomplished sooner than anticipated.

4.06 The Attorney shall maintain full and complete books, records, documents, memoranda, notes, correspondence, files, books and accounts (collectively "Records") which shall reflect the Attorney's performance of this Contract. Financial Records shall be kept in accordance with generally accepted accounting practices.

4.07 After the termination of our engagement, Attorney will retain the Records in our possession for a period of 5 years following such termination. If the City does not request the Records before the end of that 5 year period, upon the expiration of such period Attorney will have no further obligation to retain the Record and may, in Attorney's discretion, destroy them without further notice to the City.

5. Compensation

5.01 The City agrees to pay the Attorney for the complete and proper performance of the Services as set forth in Exhibit B. It is understood by the parties that the compensation stated above does not include the reimbursable expenses authorized in Exhibit B ("Reimbursable Expenses") and any and all remuneration of any kind to which the Attorney may be entitled.

Deleted: t the rate

Deleted: a sum not to exceed _____ and 00/100 Dollars (\$_____.00), unless otherwise agreed to by the parties in writing and legally authorized pursuant to Article 13.

Deleted: s

5.02 The City agrees to reimburse the Attorney for the Reimbursable Expenses identified in Exhibit B which are actually incurred in connection with the proper performance of the Services. Expenses outside the categories enumerated in Exhibit B shall be in addition to the amount payable stated in Section 5.01, and shall not be reimbursed by the City unless such charges are reasonable and are incurred after written approval is given by the City.

Deleted: not increase

5.03 The City shall have the right to examine and audit all Records and other supporting data of the Attorney as the City deems necessary to permit adequate evaluation of the Services performed, or the charges for time or the requests for Reimbursable Expenses submitted by the Attorney. The Attorney shall include a similar covenant allowing for City audit in any contract the Attorney has with a subcontractor, consultant, or agent whose services will be charged directly or indirectly to the City. The City may delay payment to the Attorney pending the results of any such audit without penalty or interest.

6. Method of Payment

6.01 Payment for the proper performance of this Contract shall be contingent upon receipt by the City of accurate, complete, and timely invoices from the Attorney. The invoice

Formatted: Font: 9 pt

Deleted: 570921v1

shall state the cost of all Services for the subject billing period and the total cost of the Services rendered to date. The invoices shall also itemize the date of each Service performed, the name of the attorney or other person who performed the Service (each item should refer to only one person), a brief description of the Service performed, the amount of time expended on performing the Service and each expenditure or charge for which reimbursement is sought.

- 6.02 The Attorney's invoice for each month of Services shall be submitted to the City within sixty (60) days of the rendering of such Services. If the invoice requests payment or reimbursement for Reimbursable Expenses, the appropriate receipts for such Reimbursable Expenses shall be attached, if so requested by the City.
- 6.03 Invoices and reports shall be directed to the attention of the Corporation Counsel as specified in the Notice provisions contained in Article 15 of this Contract.
- 6.04 Payment for Services provided under this Contract is governed by the terms of Ordinance No 42-98 entitled "Prompt Payment of Vendors", being Sections 18-5-71 through 18-5-79 of the 1984 Detroit City Code.

The City employee responsible for accepting performance under this Contract and from whom payment should be requested is:

Corporation Counsel
City of Detroit Law Department
2 Woodward Avenue, Suite 500
Detroit, Michigan 48226-3535
Telephone: (313) 237-3031
Facsimile: (313) 224-5505

6.05 City shall advise Attorney of any difference it may have with any invoice within 10 calendar days after the date of the invoice. City further agrees, within 10 calendar days following its receipt of Attorney's invoice, to pay any undisputed portion of the invoice. Attorney and the City will attempt in good faith to resolve any dispute regarding an invoice.

Formatted: Indent: Left: 9 pt,
Hanging: 31.5 pt, Right: 4.2 pt, Line
spacing: Multiple 1.06 li

7. Indemnity

- 7.01 The Attorney agrees to indemnify and hold the City harmless against any and all liabilities, obligations, damages, penalties, claims, and reasonable costs, charges and expenses (including, without limitation, reasonable fees and expenses for attorneys, expert witnesses and other consultants at the prevailing market rate for such services) which are incurred by the City solely by reason of any of the following (as determined by final order of a court of competent jurisdiction):

Deleted: may be imposed upon,

Deleted: , or asserted against,

- (a) Any grossly negligent or tortious act, error, or omission attributable in whole or, in part, to the Attorney or any of the Attorney's Associates, now existing or hereafter created.

Formatted: Font: 9 pt

Deleted: 570921v1

(b) Any grossly negligent failure by the Attorney or any Associate to perform their obligations either implied or expressed under this Contract.

7.02 The Attorney agrees that it is the responsibility of the Attorney and not the responsibility of the City to safeguard City property and material that is used by the Attorney or its Associates in the performance of this Contract. Further, the Attorney agrees to indemnify and hold the City harmless against reasonable costs and expenses resulting to the City from any material loss of such property or material.

Formatted: Font: 9 pt

Deleted: 570921v1

8. Insurance

8.01 During the term of this Contract the Attorney shall maintain at all times at the Attorney's sole expense the following insurance coverage placed with an insurance carrier or carriers licensed to conduct business in Michigan and rated "A" or better by Bests, or with a risk retention group that is subject to Public Act 214 of 1989, MCL 500.1801, *et seq.*, as amended:

(a) Professional liability (errors and/or omissions) insurance with minimum limits of One Million Dollars (\$1,000,000.00) per occurrence and Three Million Dollars (\$3,000,000.00) in the aggregate.

(b) Workers' Compensation Insurance which meets Michigan statutory requirements Attorney has provided the City with a copy of the Attorney's Workers' Compensation Insurance and the City confirms that it meets Michigan statutory requirements.

Formatted: Left, Indent: Left: 45 pt, Hanging: 27 pt, Right: 0 pt, Automatically adjust right indent when grid is defined, Space Before: 0 pt, Widow/Orphan control, Adjust space between Latin and Asian text, Adjust space between Asian text and numbers

8.02 If during the term of this Contract changed conditions or other pertinent factors should, in the reasonable judgment of the City, render inadequate the foregoing insurance limits, the City may demand that the limits be increased. Within thirty (30) days of such a demand, the Attorney shall obtain the additional coverage to the extent reasonably available at a reasonable cost and furnish evidence of such coverage to the City. The rating requirements of Section 8.01 apply to the Attorney's procurement of additional coverage under this Section.

8.03 The insurance coverage described in Section 8.01, as well as any modification thereto required by Section 8.02, shall name the Attorney as the insured. In the event the Attorney receives notice of policy cancellation, the Attorney shall immediately notify the City of same in writing. Certificates of insurance evidencing the coverage described in Section 8.01 have been submitted to the Corporation Counsel and are acceptable.

Deleted: shall, in a form acceptable to the City, be

9. Termination

9.01 The City may terminate this Contract with or without cause at any time without incurring any further liability whatsoever other than as stated in this Article 9, by giving written notice to the Attorney of such termination ("Notice of Termination"). The Notice of Termination shall specify the effective date of termination, at least three (3) calendar days prior to the effective date of such termination, and this Contract shall terminate in all respects as if such date were the date originally given for the expiration of this Contract.

Deleted: prior to the commencement of the Services and at least fifteen (15) days prior to the expiration dates of expiring policies.

9.02 Except as provided in Section 9.03, 9.04 and 9.05, if this Contract is terminated, the City will pay the Attorney for the Services rendered prior to termination as soon thereafter as can be authorized by the Finance Department. The amount of the final payment shall be computed by the City on the basis of the Services rendered, less the amount of any

Formatted: Font: 9 pt

Deleted: 570921v1

previous payments made. Acceptance of the final payment by the Attorney shall constitute full and complete payment for the Services rendered by the Attorney pursuant to the Contract and shall be an accord and satisfaction between the parties.

9.03 Without waiver of any right under law, the City may terminate this Contract for cause by issuing a Notice of Termination to the Attorney at least twenty-four (24) hours before the effective date of the termination. Cause for termination shall include but not be limited to the following circumstances: (a) failure by the Attorney to fulfill in a timely and proper manner its obligations under this Contract; or (b) violation by the Attorney of any of the covenants, agreements, or stipulations of this Contract; or (c) termination by the Attorney of business in the normal course.

9.04 In the event that this Contract is terminated for cause, the Attorney shall be liable to the City as provided for in section 7.01 hereof. The City may withhold any payment(s) to the Attorney for the purpose of set-off until such time as the exact amount of damages due the City is determined. It is expressly understood that the Attorney will remain liable for any damages the City sustains in excess of any set-off.

Deleted: for any damages the City sustains by virtue of the Attorney's breach and any reasonable costs the City might incur enforcing or attempting to enforce this Contract, including reasonable attorney's fees.

9.05 The parties expressly agree that the total of any payments made by the City to the Attorney pursuant to this Section 9.01 shall not exceed the amount payable under Section 5.01, as amended pursuant to Article 13, less the amount of any previous payments made by the City to the Attorney.

9.06 After receipt of a Notice of Termination and except as otherwise directed by the City, the Attorney shall:

- (a) Stop work under the Contract on the date and to the extent specified in the Notice of Termination.
- (b) Obligate no additional Contract funds for payroll costs and other costs beyond such date as the City shall specify.
- (c) As of the date the termination is effective, present all Records and submit to the City such other records, reports, documents and pleadings as the City shall specify. The Attorney shall carry out such directives as the City may issue concerning the safeguarding or disposition of files and property.
- (d) Submit within thirty (30) days a final report of receipts and expenditures of funds relating to this Contract.
- (e) For each pending lawsuit in which the Attorney has entered an appearance under this Contract, notify the court in writing that the Attorney is no longer the attorney of record and advise the court to address all correspondence to the Corporation Counsel.

Formatted: Font: 9 pt

Deleted: 570921v1

- 9.07 Within seven (7) calendar days following the Notice of Termination, all the Attorney's finished or unfinished original (or copies when originals are unavailable) documents, data, studies, briefs, memoranda, drawings, maps, models, photographs, files, intermediate materials, supplies, notes, reports or other materials (collectively "Work Product") prepared by the Attorney under this Contract or in anticipation of this Contract shall be delivered to the City free from any claim or reservation of rights thereto on the part of the Attorney.
- 9.08 In the event of termination of this Contract, access to the Work Product prior to delivery to the City shall be restricted to duly authorized representatives of the City and the Attorney. The Attorney shall have no right to disclose or use any information gathered in the course of performance under this Contract without obtaining the written concurrence of the City. All such information shall be regarded as confidential and handled in such a manner at all times as to preserve confidentiality. The Attorney acknowledges that the Work Product, as well as any products and materials related thereto, are proprietary to the City, having been developed for the sole use of the City.

10. Assignment or Subcontracting

- 10.01 The Attorney shall not assign, encumber or transfer any interest in this Contract and shall not transfer any interest in this Contract without the prior written consent of the City. Any such consent given in any one instance shall not relieve the Attorney of its obligation to obtain the prior written consent of the City to any further assignment, encumbrance or transfer.
- 10.02 None of the Services covered by this Contract shall be subcontracted without the prior written approval of the City. The Attorney agrees to indemnify and hold the City harmless against any claims against the City arising out of subcontracts entered by the Attorney and the subcontractor in the performance of this Contract.
- 10.03 This Contract shall inure in all particulars to the benefit of the City and its agents, successors, assigns and all other associated, affiliated or subsidiary entities, now existing, or hereafter created.

11. Conflict of Interest

- 11.01 The Attorney shall devote all of the time which may be required for the proper performance of the Services to be rendered to the City pursuant to this Contract. However, the Attorney shall not be prevented or barred by this Contract from accepting other employment herein specified. The City is aware that the Attorney represents, or may represent, clients in matters in which the interests of such clients are adverse to the City or its departments, boards or agencies. The Attorney covenants: that the Attorney has fully disclosed or will fully disclose the nature of these conflicts to the City before undertaking representation of such clients; that the Attorney obtained or will obtain appropriate written waivers from the City with

Formatted: Font: 9 pt

Deleted: 570921v1

respect to such conflicts before undertaking representation of such clients; that the Attorney has undertaken, or may undertake, the representation of specific clients and subject matters which are the subject of such waivers; and, that such conflicts do not and will not affect the Attorney's ability to perform the Services required under this Contract. If the City grants the Attorney a waiver for a specific client and subject matter pursuant to this Section 11.01, the City will not later hold the Attorney in default of this Contract for undertaking representation of such client with regard to the specific subject matter for which the waiver was granted as long as the Attorney continues to comply with the Michigan Rules of Professional Conduct.

- 11.02 The Attorney further covenants that no officer or employee of the City, and no other public official who exercises any responsibility in the review or approval of the engagement or the performance of this Contract, has any personal or financial interest, direct or indirect, in the Contract or in the proceeds thereof.
- 11.03 The Attorney warrants that no persons have been, or will be, employed to solicit or secure this Contract upon any agreement or arrangement for payment of a commission, percentage, brokerage, or contingent fee, either directly or indirectly. If the Attorney or its Associates breaches this warranty, the City may, at its option, terminate this Contract without penalty, liability, or obligation, or may deduct from any amounts owed to the Attorney hereunder, the amounts of any such commission, percentage, brokerage or contingent fee.
- 11.04 It is recognized that the Attorney may engage in legal services for other clients to the extent that the rendering of such services does not conflict with the Services to be performed under this Contract.
- 11.05 It is further recognized that during the term of this Contract, the City may contract with other attorneys providing the same or similar Services.

12. Confidential Information

- 12.01 In order that the Attorney may effectively fulfill its obligations to the City under this Contract, it may be necessary or desirable for the City to disclose confidential and proprietary information pertaining to the City's past, present, and future activities. Since it is difficult to separate confidential and proprietary information from that which is not, the Attorney and its Associates shall regard all information gained as confidential and proprietary to the City and such information shall not to be disclosed to any organization or individual without the prior written consent of the City. The above obligation shall not apply to information already in the public domain or information required to be disclosed by a court order.
- 12.02 The Attorney shall take appropriate action to ensure that all its Associates comply with this policy of non-disclosure of confidential information.

Formatted: Font: 9 pt

Deleted: 570921v1

13. Amendments

- 13.01 The City may consider it in its best interest to change, modify, or extend, a term or condition of this Contract; or the City may request the Attorney to perform additional services. Any such change, extension or modification which is mutually agreed upon by the City and the Attorney shall be incorporated by written amendments to this Contract. Such amendments shall not invalidate this Contract nor relieve or release the Attorney or the City from any of their respective obligations under this Contract.
- 13.02 No amendment to this Contract shall be effective and binding upon the parties unless it expressly makes reference to this Contract, is in writing, is signed and acknowledged by duly authorized representatives of both parties, is approved by the appropriate City departments and the Detroit City Council, and signed by the Purchasing Director.

14. Fair Employment Practices

- 14.01 The Attorney shall comply with the United States Constitution, the State of Michigan Constitution and all federal, state and local legislation and regulations governing fair employment practices and equal employment opportunity.
- 14.02 The Attorney agrees that all subcontractors will be notified of the obligations relating to nondiscrimination and affirmative action under this Contract when they are solicited and will include the provisions of this Article in any subcontract, as well as provide the City with a copy of any subcontract agreement.

15. Notices

- 15.01 All notices and communications under this Contract shall be given in writing, addressed as follows and mailed by first-class mail:

If to the Attorney: [Stutman, Treister & Glatt Professional Corporation](#)
[675 Third Avenue](#)
[Suite 2216](#)
[New York, NY 10017](#)
Attention: [Michael H. Golden](#)

If to the City: City of Detroit
Law Department
2 Woodward Avenue, Suite 500
Detroit, Michigan 48226-3535
Attention: Corporation Counsel

Formatted: Indent: Left: 78.55 pt, Right: -1 pt, Line spacing: Exactly 13 pt, Tabs: 184 pt, Left + 382 pt, Left

Deleted: ¶
¶
¶

Formatted: Font: 9 pt

Deleted: 570921v1

15.02 All notices shall be deemed given on the day of mailing. Either party to this Contract may change its address for the receipt of notices at any time by giving notice thereof to the other as herein provided. Any notice given by a party hereunder must be signed by an authorized representative of such party.

15.03 Termination notices, change of address notices, or other notices of a legal nature shall be sent by certified mail, postage prepaid, return receipt requested.

16. Miscellaneous

16.01 The failure by a party to insist upon the strict performance of any term of this Contract or to exercise any right, term or remedy consequent upon a breach thereof shall not constitute a waiver of any breach of such Contract. The waiver of any breach shall not affect or alter this Contract, and each and every covenant, agreement, term, and condition of this Contract shall continue in full force and effect.

16.02 If any provision of this Contract, or its application to any person or circumstances, shall be judicially determined to be invalid or unenforceable, the remainder of this Contract shall not be affected thereby, and each provision of this Contract shall be valid and enforceable to the fullest extent permitted by law.

16.03 This instrument, including Exhibits A and B attached hereto and made a part hereof, contains the entire agreement between the parties, and all prior negotiations and agreements are merged herein. Neither party has made any representations except those expressly set forth in this Contract, and no rights or remedies are, or shall be, acquired by either party by implication unless expressly set forth in this Contract.

16.04 Unless the context otherwise expressly requires, the words "herein", "hereof" and "hereunder", and other words of similar import refer to this Contract as a whole and not to any particular article, section or other subdivision.

16.05 The headings of the sections in this Contract are for convenience only and shall not be used to construe or interpret the scope or intent of this Contract or in any way affect the same.

16.06 The rights and remedies set forth in this Contract are not exclusive and are in addition to any of the rights or remedies provided by law or equity.

16.07 This Contract, and all actions arising hereunder, shall be governed by the laws of the State of Michigan.

16.08 The Attorney submits to the personal jurisdiction of any competent court in Wayne County, Michigan, for any action arising out of this Contract.

16.09 The Attorney agrees that it will not commence any action against the City because of any matter arising out of this Contract in any state or federal court of competent jurisdiction other than one in Wayne County, Michigan.

Formatted: Font: 9 pt

Deleted: 570921v1

16.10 The Attorney covenants that the Attorney is not and will not become in arrears to the City upon any obligations to the City including, without limitation, real property, personal property and income taxes, and water, sewage or other utility bills.

16.11 As used in this Contract, the singular shall include the plural, the plural shall include the singular.

16.12 For purposes of the hold-harmless provisions contained in this Contract, the term "City" shall be deemed to include the City of Detroit, its officers, agents and employees, and all other associated, affiliated or subsidiary entities, now existing, or hereafter created and their officers, agents and employees.

16.13 The City shall have the right to recover by setoff from any payment owed to the Attorney all delinquent withholding, income, corporate and property taxes owed to the City by the Attorney, any amounts owed to the City by the Attorney under this Contract or other contracts, and any other debt owed to the City by the Attorney.

The City and the Attorney, by and through their duly authorized officers and representatives, have executed this Contract as follows:

Witnesses:

1. _____

2. _____

Witnesses:

1. _____

2. _____

THIS CONTRACT WAS APPROVED
BY THE CITY COUNCIL ON:

Purchasing Director

Date

Attorney:

By: _____

(Signature)

Michael H. Goldstein

(Print name)

Its: Authorized Signatory

(Title)

City of Detroit Law Department:

By: _____

Its: Corporation Counsel

APPROVED BY LAW DEPARTMENT
PURSUANT TO SECTION 7.5-206 OF THE
CHARTER OF THE CITY OF DETROIT:

Corporation Counsel

Date

**THIS CONTRACT IS NOT VALID OR AUTHORIZED UNTIL APPROVED BY
RESOLUTION OF THE DETROIT CITY COUNCIL AND SIGNED BY THE
PURCHASING DIRECTOR.**

Formatted: Left

Deleted: _____

Deleted: _____

Formatted: Font: 9 pt

Deleted: 570921v1

570921v1

EXHIBIT A

SCOPE OF SERVICES

The Attorney shall act for and assist the City of Detroit Law Department by providing, within the scope of this Agreement, legal representation to the City in connection with the foregoing.

Attorney will advise and provide the City of Detroit with a complete and independent legal review relating to the City's current and future financial and operational situation. This advice may pertain to, but is not necessarily limited to, the following categories: evaluation of revenue-enhancing and cost-saving initiatives; assessment of outstanding obligations including bonded indebtedness, derivatives/swaps, pension and OPEB obligations; analysis of existing labor policies and collective bargaining agreements; evaluation of potential value-creating transactions involving the City's assets. The advice will relate to the viability of transaction and policy alternatives and legal strategies, as well as legal risks and various parties' rights and remedies, in the context of the City's current situation as well as alternative structures under current or future Michigan law.

Based on the initial review described above, Attorney will provide information and advice regarding legal implications of options to address the structural deficit of the City of Detroit while still maintaining an adequate level of service to its citizens. This will include, but is not necessarily limited to: evaluation of initiatives relating to labor contracts, vendors and other City operations; review of options for liability restructuring; evaluation of potential strategies for negotiating with creditors and other constituents.

Attorney will be responsible for providing on-the-ground support as necessary to assist with development and execution of restructuring alternatives as deemed necessary by the City of Detroit. This work will take place in the City of Detroit and other locations as directed. This work may require time outside normal business hours.

The specific deliverables for the project will be developed by the City of Detroit, Michigan Department of Treasury, Financial Advisory Board and the City's other advisors. These may include, but are not limited to, the following:

- Evaluation of implementation strategies for revenue generation and cost savings initiatives;
- Evaluation of implementation strategies for restructuring financial obligations;
- Evaluation of potential strategies for negotiation with creditors;

Overall implementation recommendations for dealing with near term and long term cash flow requirements and possible restructuring of City liabilities and obligations to meet its objectives, while still providing adequate services to its citizens.

The selected firm will meet as requested with the Program Management Director, the

Deleted: _____ in
the matter of _____
_____, Court Case No. _____,
_____, through and
including [trial only] [trial and appeal].

Formatted: Font: (Default) Times
New Roman, 12 pt

Formatted: Font: 9 pt

Deleted: 570921v1

Chief Financial Officer and representatives of the State.

Attorney, in consultation with the Program Management Director, will develop a detailed project work plan. The plan must include a project breakdown showing sub- projects, activities and tasks, and resources required and allocated to each (e.g., estimated levels of effort for each level of personnel for Contractor personnel, including any contractual employees, and City personnel). The development of the project work plan will will leverage work already completed and to be completed by various other professionals and consultants assisting in the City's restructuring. It is expected that the work identified in the project plan would be undertaken immediately and be completed by 9/30/2013. A detailed project plan will be developed no later than 3/31/2013. The project plan will include a timeline for the following:

- Period to complete legal due diligence of all material City contracts related to its financial obligations, labor agreements, vendor agreements and of all City assets as identified by the City and its financial advisors;
- Period to evaluate legal aspects of operational initiatives (both revenue generating and cost saving), strategies for restructuring financial obligations (including funded debt, swaps, pension, and OPEB), strategies for negotiating with stakeholders, and developing a final recommendation for the City.

Formatted: Font: (Default) Times
New Roman

* * *

Formatted: Font: 9 pt

Deleted: 570921v1

EXHIBIT B

SCHEDULE OF FEES AND REIMBURSABLE EXPENSES

I. General

The Attorney shall be paid for those Services performed pursuant to this Contract, in an amount based upon the Attorneys' 2013 guideline national hourly rates adjusted downward by ten percent (10%) as noted below with monthly fees not to exceed \$400,000 per month, provided, that, if, in any month, Attorney requests payment of less than \$400,000 in professional fees, the difference between such amount and \$400,000 for such month can be applied forward to future monthly fee requests such that the Attorney's professional fees for the one year period of this Contract shall not exceed the sum of FOUR MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$4,800,000.00). Because the Attorney's knowledge of the specific facts and circumstances are presently limited, the Attorney may request a modification to the monthly fee cap, but Attorney acknowledges and agree that any such request is subject to the City's sole and absolute discretion.

Attorney will bill the services rendered based upon its 2013 guideline national hourly rates adjusted downward by ten (10) 10% based. Attorney's 2013 guideline national hourly rates currently range from \$350 to \$1,065 for attorneys, and \$265 for paralegals. The Fee Schedule below states the maximum hourly billable rate for the currently identified members of Attorney who will work on this engagement.

<u>Professional</u>	<u>Position</u>	<u>Year of Initial Admission</u>	<u>Guideline National Rate (2013)</u>	<u>Adjusted Guideline Rate</u>
<u>Ralph R. Mabey</u>	<u>Senior Of Counsel</u>	<u>1972</u>	<u>\$1,065</u>	<u>\$959</u>
<u>Gary E. Klausner</u>	<u>Shareholder</u>	<u>1974</u>	<u>\$985</u>	<u>\$887</u>
<u>Michael H. Goldstein</u>	<u>Shareholder</u>	<u>1984</u>	<u>\$925</u>	<u>\$833</u>
<u>K. John Shaffer</u>	<u>Shareholder</u>	<u>1989</u>	<u>\$975</u>	<u>\$878</u>
<u>Margreta M. Morgulas (</u>	<u>Of Counsel (Shareholder as of May 1, 2013)</u>	<u>1999</u>	<u>\$745</u>	<u>\$671</u>
<u>Eamonn J. O'Hagan</u>	<u>Senior Associate (Shareholder as of May 1, 2013)</u>	<u>2004</u>	<u>\$635</u>	<u>\$572</u>

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Font: 12 pt, Font color: Blue

Formatted: Font: 12 pt, Underline, Font color: Blue

Formatted: Font: 12 pt, Underline, Font color: Blue

Formatted: Font: 12 pt, Underline, Font color: Blue

Formatted: Font: 12 pt, Underline, Font color: Blue

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Font: 9 pt

Deleted: 570921v1

Gregory W. Fox	Associate	2006	\$545	\$491
Kizzy L. Jarashow	Associate	2007	\$485	437

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Overtime pay for Clerical, Paralegal, Legal Assistant or Law Clerk services will not be reimbursed without prior approval of the Corporation Counsel. The rate shall be mutually agreed upon. Further, the Attorney shall submit a statement of itemized expenditures upon request by the City which shall include, but is not limited to, court/hearing appearances, research activities, and other related expenses for the Attorney's billings under this Contract.

III. Reimbursable Expenses

(a) The Attorney shall be paid for its Reimbursable Expenses which shall be the actual cost incurred by the Attorney for expenses advanced on behalf of the City in connection with the Services performed by the Attorney.

(b) In addition, reimbursement is allowable for travel and sustenance for travel in excess of fifty (50) miles outside the corporate limits of the City of Detroit.

(c) The following services shall be invoiced at the rates which represent the actual costs of the Attorney: photocopying, necessary local deliveries, toll or long distance telephone charges, transcript costs, postage, express mail services, outside printing and photocopying, filing, notary, expert witness fees, electronic database services and miscellaneous like expenses directly related and necessary for rendering the Services.

(d) Photocopying (in-house) rates shall not exceed \$.20 per page. Outside printing rates shall be ascertained by contacting at least three (3) commercial agencies and selecting the lowest minimum charge.

Deleted: The Attorney shall be paid for those Services performed pursuant to this Contract, inclusive of all Reimbursable Expenses, an amount not to exceed the sum of _____ 00/100 Dollars (\$ _____ .00) in accordance with the terms and conditions herein and with Article 5 and Article 6, and subject to Article 13. The Fee Schedule below states the maximum hourly billable rate the Attorney may charge the City for performance hereof.¶

II. Fee Schedule¶
CLASSIFICATION

... [1]

Formatted: Font: 9 pt

Deleted: 570921v1

(e) Reimbursement will not be made for local FAX charges; long distance FAX charges will be honored only when the transmission is made at the request of the Law Department.

(f) In order to obtain reimbursement for costs or expenses not enumerated herein, the Attorney shall submit to the Corporation Counsel a written request for approval of such costs or expenses **prior to incurring them.**

(g) The City will not pay any charges relating to the preparation or processing of invoices by the Attorney.

* * *

CITY ACKNOWLEDGMENT

STATE OF MICHIGAN)
)SS
COUNTY OF WAYNE)

 The foregoing contract was acknowledged before me the _____ day of _____,
20_____, by _____, the Corporation Counsel for the City of Detroit,
Michigan, a municipal corporation on behalf of the City.

Notary Public, Wayne County
State of
Michigan
My commission expires:

Formatted: Font: 9 pt
Deleted: 570921v1

LAW FIRM ACKNOWLEDGMENT

STATE OF _____)
 _____)SS
 COUNTY OF _____)

The foregoing contract was acknowledged before me the _____ day of _____,
20_____, by _____,
(name of person who signed the contract)
the _____,
(name of person who signed the contract as it appears on the contract)
of _____,
(complete name of the Law Firm)
on behalf of the Firm, a _____,
(identify type of entity)

Notary Public, _____ County,
State of _____
My commission expires: _____

Formatted: Font: 9 pt

Deleted: 570921v1

LIMITED LIABILITY PARTNERSHIP
CERTIFICATE OF AUTHORITY

I, _____, Chief Executive Officer of _____, L.L.P, a limited liability partnership (the "Company"), **DO HEREBY CERTIFY** that I am the Chief Executive Officer in the Company formulated pursuant to an Operating Agreement, and that the following is a true and correct excerpt from the minutes of the meeting Managing Directors, duly called and held _____, and that the same is now in full force and effect:

"RESOLVED, that the Chairman, the President, each Vice President, the Treasurer, and the Secretary and each of them, is authorized to execute and deliver, in the name of and on behalf of the Company and under its corporate seal or otherwise, any agreement or other instrument or document ("Contract") in connection with any matter or transaction that shall have been duly approved; and the execution and delivery of any Contract by any of the aforementioned officers shall be conclusive evidence of such approval."

FURTHER, I CERTIFY that the following persons are Managing Directors:

FURTHER, I CERTIFY that any of the aforementioned officers or directors of the Company are authorized to execute and commit the Company to the conditions, obligations, stipulations and undertakings contained in the foregoing Contract between the City and the above-referenced Limited Liability Company and that all necessary approvals have been obtained in relationship thereto.

IN WITNESS THEREOF, have set my hand this _____ day of _____, 20____,

Chief Executive Officer

PLEASE NOTE THAT THE PERSON WHO SIGNS THIS CONTRACT ON BEHALF OF YOUR LIMITED LIABILITY PARTNERSHIP MUST BE ONE OF THE INDIVIDUALS LISTED ABOVE AS A PERSON AUTHORIZED TO EXECUTE CONTRACTS IN THE NAME OF AND ON BEHALF OF THE LIMITED LIABILITY PARTNERSHIP.

Formatted: Font: 9 pt

Deleted: 570921v1

RESOLUTION OF CORPORATE AUTHORITY

I, _____, Corporate Secretary of
(name of corporate secretary)

_____, a _____
(complete name of corporation) (state of corporation)

_____ corporation (the "Corporation"), **DO HEREBY CERTIFY** that the following is a true
and correct excerpt from the minutes of the meeting of the Board of Directors duly called and held
on _____, and that the same is now in full force and effect:
(date of meeting)

"**RESOLVED**, that the Chairman, the President, each Vice President, the
Treasurer, the Secretary and the Executive Director and each of them, is
authorized to execute and deliver, in the name of and on behalf of the Corporation
and under its corporate seal or otherwise, any agreement or other instrument or
document ("Contract") in connection with any matter or transaction that shall
have been duly approved; and the execution and delivery of any Contract by any
of the aforementioned officers shall be conclusive evidence of such approval."

FURTHER, I CERTIFY that _____ is Chairman,
_____ is President,
_____ is (are) Vice President(s),
_____ is Treasurer,
_____ is Secretary,
_____ is Executive Director, and
_____ is _____.

FURTHER, I CERTIFY that any of the aforementioned officers or employees of the
Company are authorized to execute and commit the Company to the conditions, obligations,
stipulations and undertakings contained in the foregoing Contract between the City and the
above-referenced corporation and that all necessary corporate approvals have been obtained in
relationship thereto.

IN WITNESS THEREOF, I have set my hand this _____ day of _____,
20____.

CORPORATE SEAL
(if any)

Corporation Secretary

**PLEASE NOTE THAT THE PERSON WHO SIGNS THIS CONTRACT ON
BEHALF OF YOUR ENTITY MUST BE ONE OF THE INDIVIDUALS LISTED
BELOW AS A PERSON AUTHORIZED TO EXECUTE CONTRACTS IN THE
NAME OF AND ON BEHALF OF THE ENTITY.**

Formatted: Font: 9 pt

Deleted: 570921v1

**LIMITED LIABILITY COMPANY
CERTIFICATE OF AUTHORITY**

I, _____, a Manager or Member of
(name of manager)
_____, L.L.C., a limited liability company (the "Company"), **DO HEREBY**
(name of company)

CERTIFY that I am a Manager or Member of the Company who has the authority to act as an agent of the Company in executing this Certificate of Authority. I further certify that the following individuals are Managers or Members of the Company who have the authority to execute and commit the Company to the conditions, obligations, stipulations and undertakings contained in the foregoing Contract between the City and the Company:

FURTHER, I CERTIFY that all necessary approvals by the Managers or Members of the Company have been obtained with respect to the execution of said Contract.

IN WITNESS THEREOF, I have set my hand this _____ day of __, 20____.

CORPORATE
SEAL
(if any)

Manager or Member

PLEASE NOTE THAT THE PERSON WHO SIGNS THIS CONTRACT ON BEHALF OF YOUR LIMITED LIABILITY COMPANY MUST BE ONE OF THE INDIVIDUALS LISTED ABOVE AS A PERSON AUTHORIZED TO EXECUTE CONTRACTS IN THE NAME OF AND ON BEHALF OF THE LIMITED LIABILITY COMPANY.