

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

| | |
|----------------------------|----------------------------------|
| In re |) |
| |) Chapter 9 |
| |) |
| CITY OF DETROIT, MICHIGAN, |) Case No. 13-53846 |
| |) |
| Debtor. |) Hon. Steven W. Rhodes |
| |) |
| |) Expedited Consideration |
| |) Requested |

***EX PARTE* MOTION FOR AN ORDER SHORTENING NOTICE AND
SCHEDULING AN EXPEDITED HEARING ON THE MOTION OF
SYNCORA GUARANTEE INC. AND SYNCORA CAPITAL ASSURANCE
INC. FOR AUTHORITY TO ISSUE DOCUMENT AND DEPOSITION
SUBPOENAS TO THE DEBTOR, THE EMERGENCY MANAGER, AND
CERTAIN OF THE DEBTOR’S ADVISORS PURSUANT TO FEDERAL
RULE OF BANKRUPTCY PROCEDURE 2004**

Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, “Syncora”) file this motion for the entry of an *ex parte* order pursuant to Rules 9006(c)(1) and 9007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 9006-1(b) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Eastern District of Michigan (the “Local Rules”) (a) shortening the notice period regarding the *Motion of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. for Authority To Issue Document and Deposition Subpoenas to the Debtor, the Emergency Manager, and Certain of the Debtor’s Advisors Pursuant to Federal Rule of Bankruptcy Procedure 2004* (the “2004 Motion”), and (b) scheduling a

hearing on the 2004 Motion for October 29, 2013. In support of this motion, Syncora respectfully states as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue for this matter is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

RELIEF REQUESTED

2. In the 2004 Motion, filed contemporaneously herewith, Syncora seeks entry of an order authorizing Syncora to issue document and deposition subpoenas to the City of Detroit, the emergency manager, and certain of the City's advisors pursuant to Federal Rule of Bankruptcy Procedure 2004. By the instant motion, Syncora seeks an order shortening the notice period regarding the 2004 Motion, and scheduling a hearing on the 2004 Motion on October 29, 2013 at 9:00 a.m.

BASIS FOR RELIEF

3. Bankruptcy Rule 9006(c)(1) provides that "when an act is required or allowed to be done within a specified time by these rules or by a notice given thereunder or by order of court, the court for cause shown may in its discretion and without motion or notice order the period reduced." Fed. R. Bankr. P. 9006(c)(1). Local Rule 9006-1(b) further provides that a party may file a motion for an *ex parte* order reducing or enlarging the time for a party to take any action or file any

paper.” E.D. Mich. LBR 9006-1(b). Additionally, under Bankruptcy Rule 9007, “[w]hen notice is to be given under the [Bankruptcy Rules], the court shall designate, if not otherwise specified herein, the time within which, the entities to whom, and the form and manner in which the notice shall be given.” Fed. R. Bankr. P. 9007. Together, these rules provide the Court with the authority to enter an *ex parte* order scheduling a hearing on shortened notice and approving the manner of such notice.

4. On October 11, 2013, the emergency manager posted proposed order number 17 approving debtor in possession financing for the City to be funded by Barclays Capital Inc. (the “Barclays’ DIP”). On October 21, the City Council denied approval of the Barclays’ DIP. Pursuant to PA 436, the Barclays’ DIP, together with an alternate proposal provided by the City Council, if any, will be submitted to the financial assistance loan board for review within 7 days of the City’s disapproval.

5. Because the Barclays’ DIP will be submitted to the financial assistance loan board for review by October 28, 2013 and may be ruled on shortly thereafter, it is necessary to bring the 2004 Motion before the Court expeditiously to ensure Syncora has the requisite information to timely and constructively engage the debtor in possession review and approval process. Syncora will serve this *Ex*

Parte Motion via the Court's ECF system to the parties in the above-captioned proceeding and will provide notice of the *ex parte* order promptly upon issuance.

6. For these reasons, Syncora submits that cause exists to schedule a hearing on its Motion for October 29, 2013, at 9:00 a.m., on shortened notice.

WHEREFORE, Syncora respectfully request that the Court enter an order, substantially in the form attached as Exhibit 1, granting the relief requested in this motion and granting such further relief as the Court deems appropriate.

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Dated: October 23, 2013

Respectfully submitted,

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Syncora Capital Assurance Inc.*

Exhibit 1

Proposed Order

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

| | |
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| In re |) |
| |) Chapter 9 |
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| CITY OF DETROIT, MICHIGAN, |) Case No. 13-53846 |
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| Debtor. |) Hon. Steven W. Rhodes |
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| |) Expedited Consideration |
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**ORDER GRANTING SYNCORA GUARANTEE INC. AND SYNCORA
CAPITAL ASSURANCE INC.’S MOTION FOR AN ORDER
SHORTENING NOTICE AND SCHEDULING AN EXPEDITED HEARING
ON THE MOTION OF SYNCORA GUARANTEE INC. AND SYNCORA
CAPITAL ASSURANCE INC. FOR AUTHORITY TO ISSUE DOCUMENT
AND DEPOSITION SUBPOENAS TO THE DEBTOR, THE EMERGENCY
MANAGER, AND CERTAIN OF THE DEBTOR’S ADVISORS PURSUANT
TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 2004**

This matter having come before the Court on the motion (the “Motion”) of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, “Syncora”) for the entry of an order shortening the notice period and scheduling an expedited hearing on the 2004 Motion,¹ the Court having reviewed the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.

¹ Capitalized terms used but not defined herein have the meaning set forth in the Motion.

2. The hearing on the 2004 Motion shall be held on October 29, 2013, at 9:00 a.m. before Hon. Steven Rhodes in Courtroom 716, U.S. Courthouse, 231 W. Lafayette, Detroit, Michigan.

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

4. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

IT IS SO ORDERED.

STEVEN W. RHODES
United States Bankruptcy Judge