

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

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In re	:	Chapter 9
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CITY OF DETROIT, MICHIGAN,	:	Case No. 13-53846
	:	
Debtor.	:	Hon. Steven W. Rhodes
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**SUPPLEMENTAL BRIEF REGARDING PETITIONERS
ROBERT DAVIS’ AND CITIZENS UNITED AGAINST CORRUPT
GOVERNMENT’S EMERGENCY MOTION FOR CLARIFICATION
OF THE COURT’S JULY 25, 2013 STAY ORDER**

The City of Detroit, Michigan (“City”) files this supplemental brief in order to (a) inform the Court of developments that have occurred since October 3, 2013 (the date the City filed its Combined Objection and Memorandum of Law [Dkt. #1079] (“Objection”) in response to Petitioners Robert Davis’ and Citizens United Against Corrupt Government’s Emergency Motion for Clarification of the Court’s July 25, 2013 Stay Order [Dkt. #949] (“Motion”)); and (b) to propose the form of an Order that would be acceptable to the City.

1. On July 18, 2013 (“Petition Date”), the City commenced this case under chapter 9 of title 11 of the United States Code (“Bankruptcy Code”).
2. On July 25, 2013, the Court entered its Order Pursuant to Section 105(a) of the Bankruptcy Code Confirming the Protections of Sections 362, 365 and 922 of the Bankruptcy Code [Dkt. #167] (“Stay Confirmation Order”).
3. Also on July 25, 2013, the Court entered its Order Pursuant to Section 105(a) of the Bankruptcy Code Extending the Chapter 9 Stay to Certain (A) State Entities, (B) Non Officer Employees and (C) Agents and Representatives of the Debtor [Dkt. #166] (“Stay Extension Order”).
4. After the Petition Date, on August 20, 2013, the Plaintiffs filed, in the 3rd Circuit Court for the County of Wayne, State of Michigan (Case No. 13-010901-AW), an *ex parte* application for leave to file a complaint in *quo warranto* seeking to remove City Council President Saunteel Jenkins from office (“State Court Case”).
5. On September 19, 2013, Robert Davis and Citizens United Against Corrupt Government (“Plaintiffs”) filed the Motion requesting a clarification of the applicability of the Stay Extension Order to the State Court Case.
6. On October 11, 2013, Judge Popke entered her Order Denying Application for Leave to File Complaint for Writ of Quo Warranto Against Saunteel Jenkins (Exhibit A), stating:

[T]he Application for Leave is DENIED for the reasons set forth in the Defendant's Response. The action was filed in violation of the bankruptcy stay. Nonetheless, the response establishes that there was no violation of the City Charter and the election of Jenkins as President and Spivey as Pro Tem was done in conformance with charter requirements.

7. Although the Circuit Court has already ruled against Petitioners in the State Court Action and, consequently, there is even less likelihood that Plaintiffs will succeed on the merits in the State Court Action or reason to grant the Motion, the City is willing to stipulate to permit the Plaintiffs to proceed with the State Court Action if the Plaintiffs agree not to seek or otherwise pursue any monetary claims, including, without limitation, damages, penalties, fines, costs and/or attorneys' fees against Saunteel Jenkins or the City, either directly or indirectly (except as part of the claims resolution process to be established by the Court in this case). That would enable the Plaintiffs to pursue a late-filed appeal or otherwise continue the State Court Case in whatever lawful manner they see fit. However, the City asserts that collection actions against Saunteel Jenkins or the City, either directly or indirectly, should remain stayed, and the City does not consent to a modification of or relief from the stay for Plaintiffs to assert any monetary claims in the State Court Case or another forum (except in accordance with the claims resolution procedures to be established by this Court in this case).

8. Therefore, to resolve the Motion, and in keeping with the Court's direction made at the hearing on the previous "motion for clarification" brought by

Davis and White [Dkt. #1120], the City prepared and proposed a Stipulation and Proposed Order (Exhibit B). Plaintiffs have declined to enter into the stipulation.

The Motion may well be moot given Judge Popke's order, however, the City remains prepared to enter into the Stipulation and agree to entry of the Proposed Order resolving the Motion.

Dated: November 13, 2013

Respectfully submitted,

ATTORNEYS FOR THE CITY OF DETROIT

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EXHIBIT A

STATE OF MICHIGAN
THIRD JUDICIAL CIRCUIT COURT FOR THE COUNTY OF WAYNE

CITIZENS UNITED AGAINST
CORRUPT GOVERNMENT,
A Michigan Nonprofit Corporation,

Petitioner/Plaintiff

vs.

SAUNTEEL JENKINS, in her official
capacity as the duly appointed
President of the Detroit City Council.

Respondent/Defendant

Case: 13-010901-AW
Hon. Lita M. Popke

13-010901-AW

FILED IN MY OFFICE
WAYNE COUNTY CLERK
10/11/2013
CATHY M. GARRETT

/s/ Belinda Roberts

**ORDER DENYING APPLICATION FOR LEAVE TO FILE COMPLAINT
FOR WRIT OF QUO WARRANTO AGAINST SAUNTEEL JENKINS**

At a session of Court held in the City
of Detroit, County of Wayne, and State
of Michigan, on 10/11/2013

THIS MATTER is before the Court on the Plaintiff's Ex Parte Application for Leave to File Complaint for Writ of Quo Warranto Against Saunteel Jenkins. On September 10, 2013, the Court issued an Order for responsive briefs by September 26, 2013. Defendant Jenkins filed her responsive brief consistent with that order. The Court has reviewed the Application, the responsive briefs, and the applicable law.

IT IS THEREFORE ORDERED that the Application for Leave is DENIED for the reasons set forth in the Defendant's Response. The action was filed in violation of the bankruptcy stay. Nonetheless, the response establishes that there was no violation of the City Charter and the election of Jenkins as President and Spivey as Pro Tem was done in conformance with charter requirements.

SO ORDERED.

/s/ Lita M. Popke

LITA M. POPKE
Circuit Court Judge

EXHIBIT B

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

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	:	
In re	:	Chapter 9
	:	
CITY OF DETROIT, MICHIGAN,	:	Case No. 13-53846
	:	
Debtor.	:	Hon. Steven W. Rhodes
-----	X	

**STIPULATION BY AND BETWEEN PETITIONERS ROBERT DAVIS
AND CITIZENS UNITED AGAINST CORRUPT GOVERNMENT AND
THE CITY OF DETROIT RESOLVING PETITIONERS’ EMERGENCY
MOTION FOR CLARIFICATION OF THE COURT’S
JULY 25, 2013 STAY ORDER**

This stipulation regarding Petitioners Robert Davis’ and Citizens United Against Corrupt Government’s Emergency Motion for Clarification of the Court’s July 25, 2013 Stay Order (“Motion”) is entered into on this 12th day of November, 2013, by and among Robert Davis and Citizens United Against Corrupt Government (“Plaintiffs”) and the City of Detroit, Michigan (“City”).

1. On July 18, 2013 (“Petition Date”), the City commenced this case under chapter 9 of title 11 of the United States Code (“Bankruptcy Code”).

2. On July 25, 2013, the Court entered its Order Pursuant to Section 105(a) of the Bankruptcy Code Confirming the Protections of Sections 362, 365 and 922 of the Bankruptcy Code [Dkt. #167] (“Stay Confirmation Order”).

3. Also on July 25, 2013, the Court entered its Order Pursuant to Section 105(a) of the Bankruptcy Code Extending the Chapter 9 Stay to Certain (A) State Entities, (B) Non Officer Employees and (C) Agents and Representatives of the Debtor [Dkt. #166] (“Stay Extension Order”).

4. After the Petition Date, on August 20, 2013, the Plaintiffs filed, in the 3rd Circuit Court for the County of Wayne, State of Michigan (Case No. 13-010901-AW), an *ex parte* application for leave to file a complaint in *quo warranto* seeking to remove City Council President Saunteel Jenkins from office (“State Court Case”).

5. On September 19, 2013, Plaintiffs filed the Motion requesting a clarification of the applicability of the Stay Extension Order to the State Court Case.

6. Plaintiffs agree not to pursue any monetary claims, including without limitation, damages, penalties, fines, costs and attorneys’ fees against Saunteel Jenkins or the City, either directly or indirectly.

7. Plaintiffs and the City agree that, with the Plaintiffs’ agreement not to pursue any monetary claims directly or indirectly against Saunteel Jenkins or the City, the automatic stay of 11 U.S.C. §§362 and 922(a), the Stay Confirmation Order and Stay Extension Order do not apply to the State Court Case and any

appeals. Collection actions against Saunteel Jenkins or the City, either directly or indirectly, are to remain stayed.

8. The Plaintiffs will continue to serve the City with all pleadings and papers filed in the State Court Case or any appeals.

9. Plaintiffs and the City request that the Court enter the proposed Order submitted with this stipulation.

STIPULATED:

Dated: November 12, 2013

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

In re

CITY OF DETROIT, MICHIGAN,

Debtor.

Chapter 9

Case No. 13-53846

Hon. Steven W. Rhodes

**ORDER CLARIFYING THAT THE STAY DOES NOT APPLY TO THE
PLAINTIFFS' QUO WARRANTO ACTION AGAINST
SAUNTEEL JENKINS BUT DOES APPLY TO THE PURSUIT OF
MONETARY CLAIMS AGAINST SAUNTEEL JENKINS
OR THE CITY OF DETROIT**

This matter came before the Court by Petitioners Robert Davis' and Citizens United Against Corrupt Government's ("Plaintiffs") Emergency Motion for Clarification of the Court's July 25, 2013 Stay Order ("Motion") [Dkt. #949]; the parties have reached an agreement to address the issues raised in the Motion as provided in the their stipulation; and the Court being fully advised in the premises;

IT IS HEREBY ORDERED with respect to Plaintiffs' *ex parte* application for leave to file a complaint in *quo warranto* seeking to remove City Council President Saunteel Jenkins from office, filed in the 3rd Circuit Court for the County of Wayne, State of Michigan, Case No. 13-010901-AW ("State Court Case"), the

stays under §§ 362 and 922 (a) and the Order Pursuant to Section 105 (a) of the Bankruptcy Code Extending the Chapter 9 Stay to Certain (A) State Entities, (B) Non Officer Employees and (C) Agents and Representatives of the Debtors do not apply to the State Court Case so long as Plaintiffs do not pursue, either directly or indirectly, any monetary sanctions, including without limitation, any damages, fines, penalties, costs or attorneys' fees against Saunteel Jenkins or the City;

IT IS FURTHER ORDERED, Plaintiffs remain stayed from seeking to recover from Saunteel Jenkins or the City any monetary sanctions, including without limitation, any damages, fines, penalties, costs or attorneys' fees;

IT IS FURTHER ORDERED, Plaintiffs will continue to serve the City with all pleadings and papers filed in the State Court Case or any appeals;

IT IS FURTHER ORDERED, that no other relief is granted.