

**UNITED STATES BANKRUPTCY COURT FOR  
THE EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION – DETROIT**

In Re:

Case No. 13-53846

CITY OF DETROIT, MICHIGAN,

Chapter 9

Debtor.

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Hon. Steven W. Rhodes

**DEPFA BANK PLC'S JOINDER IN (A) PRELIMINARY OBJECTION OF  
ECPK TO MOTION OF DEBTOR FOR ENTRY OF AN ORDER (I) AUTHORIZING  
THE ASSUMPTION OF THAT CERTAIN FORBEARANCE AGREEMENT AND  
OPTIONAL TERMINATION AGREEMENT PURSUANT TO SECTION 365(a)  
OF THE BANKRUPTCY CODE, (II) APPROVING SUCH AGREEMENT  
PURSUANT TO RULE 9019, AND (III) GRANTING RELATED RELIEF AND  
(B) MOTION OF SYNCORA GUARANTEE, INC. AND SYNCORA CAPITAL  
ASSURANCE INC. FOR LEAVE TO CONDUCT LIMITED DISCOVERY**

DEPFA BANK plc (“DEPFA”), by and through its undersigned counsel, hereby joins (A) the preliminary objection [Docket No. 246] (the “Objection”) of Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg S.A. (“ECPK”) to the Motion of Debtor for Entry of an Order (I) Authorizing the Assumption of that Certain Forbearance Agreement and Optional Termination Agreement Pursuant to Section 365(a) of the Bankruptcy Code, (II) Approving Such Agreement Pursuant to Rule 9019, and (III) Granting Related Relief [Docket No. 157] (the “Settlement Motion”) and (B) the Motion of Syncora Guarantee, Inc. and Syncora Capital Assurance Inc. for Leave to Conduct Limited Discovery [Docket No. 142] (the “Motion for Leave”), and in support thereof states as follows:

1. DEPFA is a creditor in this bankruptcy case because it holds certificates of participation (the “COPs”) supported by service contracts between the City<sup>1</sup> and each of the

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<sup>1</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Objection.

Service Corporations in the aggregate amount of approximately \$175 million.

2. Like EEPK, DEPFA is concerned that the Settlement Motion fails to provide sufficient information about the potential claims that the City is waiving to allow creditors, such as DEPFA, other parties in interest, and this Court to fully evaluate the proposed assumption and assignment. Examples of the Settlement Motion's many deficiencies are set forth more fully in EEPK's Objection.

3. The City has not provided sufficient information to establish that it is entitled to assumption of the Forbearance Agreement or approval of the settlement contained therein. Accordingly, the Settlement Motion should be denied.

4. At a minimum, DEPFA respectfully requests that the Court permit discovery related to the Settlement Motion so that the record with respect to the Settlement Motion may be more fully developed and the potential effect of the approval of the settlement and assumption of the Forbearance Agreement may be more fully understood. Accordingly, DEPFA also hereby joins the Motion for Leave, and pursuant to Local Rule 7026-3, requests leave to conduct discovery related to the Settlement Motion.

5. Given the necessity of discovery to more fully develop the record with respect to the Settlement Motion, DEPFA cannot presently respond in full to the Settlement Motion. Accordingly, DEPFA reserves the right to supplement, amend, or modify this preliminary objection as new information comes to light.

WHEREFORE, DEPFA BANK plc respectfully requests that the Court deny the Settlement Motion, or, in the alternative, grant it leave to take discovery concerning the Settlement Motion, and grant it such other and further relief as is just and proper.

Dated: August 1, 2013

Respectfully submitted,

/s/ Suzanne L. Wahl  
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*Attorneys for DEPFA Bank PLC*

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**CERTIFICATE OF SERVICE**

I, Suzanne L. Wahl, state that on August 1, 2013, I filed a copy of DEPFA BANK PLC'S JOINDER IN (A) PRELIMINARY OBJECTION OF EEPK TO MOTION OF DEBTOR FOR ENTRY OF AN ORDER (I) AUTHORIZING THE ASSUMPTION OF THAT CERTAIN FORBEARANCE AGREEMENT AND OPTIONAL TERMINATION AGREEMENT PURSUANT TO SECTION 365(a) OF THE BANKRUPTCY CODE, (II) APPROVING SUCH AGREEMENT PURSUANT TO RULE 9019, AND (III) GRANTING RELATED RELIEF AND (B) MOTION OF SYNCORA GUARANTEE, INC. AND SYNCORA CAPITAL ASSURANCE INC. FOR LEAVE TO CONDUCT LIMITED DISCOVERY with the clerk of the Court using the ECF System, and I hereby certify that the Court's ECF system has served all registered users.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: August 1, 2013

/s/ Suzanne L. Wahl

Suzanne L. Wahl

swahl@schiffhardin.com