

**UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
(DETROIT)**

In re:)	
)	
CITY OF DETROIT, MICHIGAN,)	CASE NO.: 13-53846
)	
)	CHAPTER 9
Debtor.)	
)	Hon. Steven W. Rhodes
)	

JOINDER, LIMITED OBJECTION AND RESERVATION OF RIGHTS OF THE AD HOC BONDHOLDER COMMITTEE TO THE WATER/SEWER BOND TRUSTEE'S LIMITED OBJECTION TO THE MOTION OF THE CITY OF DETROIT FOR ENTRY OF AN ORDER (I) ESTABLISHING PROCEDURES FOR SOLICITATION AND TABULATION OF VOTES TO ACCEPT OR REJECT PLAN OF ADJUSTMENT AND (II) APPROVING NOTICE PROCEDURES RELATED TO CONFIRMATION OF THE PLAN OF ADJUSTMENT

The Ad Hoc Bondholder Committee¹, holding approximately twenty three (23%) of the outstanding Water/Sewer Bonds² hereby files this (A) joinder to the *Limited Objection* (the “*Trustee’s Limited Objection*”) of U.S. Bank National Association, in its capacity as trustee (the “*Trustee*”) to the *Motion of the City of Detroit for Entry of an Order (I) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan of Adjustment and (II) Approving Notice Procedures Related to Confirmation of the Plan of Adjustment* (Doc. 2789) (as

¹ The Ad Hoc Bondholder Committee members, Fidelity Management & Research Company, Eaton Vance Management, Franklin Advisers, Inc., Nuveen Asset Management, and BlackRock Asset Management, Inc., through various institutional funds they or their affiliates manage, hold Water/Sewer Bonds in the approximate aggregate principal amount of \$1,362,225,000.

² As defined in the Trustee’s Limited Objection.

the same may be amended, the “*Solicitation Motion*”³, (B) limited objection to the Solicitation Motion, and (C) reservation of rights (collectively, this “*Joinder and Response*”). In support of the Joinder and Response, the Ad Hoc Bondholder Committee adopts the arguments in the Trustee’s Limited Objection as if restated below and additionally states as follows.

LIMITED OBJECTION

By this Joinder and Response, the Ad Hoc Bondholder Committee requests certain modifications to the Solicitation Procedures. The members of the Ad Hoc Bondholder Committee are Beneficial Holders of certain Water/Sewer Bonds and, as participants in this case and having been in mediation proceedings with the City, are well known to the City. The Solicitation Procedures should be modified to authorize, but not require, members of the Ad Hoc Bondholder Committee to submit any ballot in the form of an Individual Ballot with respect to any Plan directly to the City’s Balloting Agent, rather than returning a completed Beneficial Ballot to the holder’s respective Nominee.

The voting procedures with respect to the Water/Sewer Bonds are complicated, in part, because of the unknown identity of the majority of Beneficial Holders of the Water/Sewer Bonds and the necessity to solicit votes through Nominees on behalf of Beneficial Holders. While this process is required for unknown holders, allowing direct voting by the members of the Ad Hoc Bondholder Committee will streamline voting and provide additional integrity to the process by allowing those holders to confirm their votes directly with the Balloting Agent and avoid any inadvertent mistakes associated with transferring information from a Beneficial Ballot to the Master Ballot, especially in a case such as this involving complicated and substantive elections.

The limited relief requested herein has been authorized in other bankruptcy cases,

³ Terms capitalized but not otherwise defined herein bear the meanings ascribed to them in the Solicitation Motion.

including other large chapter 9 cases. *See In re Jefferson County*, No. 11-05736, (N.D. Ala.) (Dkt. No. 1975, August 7, 2013) (allowing direct voting under plan solicitation procedures).

RESERVATION OF RIGHTS

The Ad Hoc Bondholder Committee reserves its rights to seek further relief with respect to the Solicitations Motion if circumstances hereafter warrant.⁴

WHEREFORE, for the reasons stated herein, and for such other reasons as may be stated at any hearing, the Ad Hoc Bondholder Committee respectfully requests that this Court (i) sustain the Trustee's Limited Objection, (ii) allowing direct Plan voting by members of the Ad Hoc Bondholder Committee, and (iii) grant such other and further relief as necessary and

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⁴ By filing this Joinder and Response, the Ad Hoc Bondholder Committee reserves all rights, including but not limited to decisions to vote and in what manner, elections under the Plan, any objection or other response to the Disclosure Statement and/or Plan, and any and all claims against the City and/or other third parties, including with respect to surety policies/agreements, and/or other credit support agreements, including with respect to Bond Insurance Policies and Bond Insurers.

consistent with this Joinder and Response.

Respectfully submitted this the 4th day of March, 2014.

/s/ William W. Kannel, Esq.

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*Attorneys for Nuveen Asset Management, and
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of the Ad Hoc Bondholder Committee*

CERTIFICATE OF SERVICE

I hereby certify that the foregoing *Joinder, Limited Objection and Reservation of Rights of the Ad Hoc Bondholder Committee to the Water/Sewer Bond Trustee's Limited Objection to the Motion of the City of Detroit for Entry of an Order (I) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan of Adjustment and (II) Approving Notice Procedures Related to Confirmation of the Plan of Adjustment* was filed and served via the Court's electronic case filing and noticing system to all parties registered to receive electronic notices in this matter, this 4th day of March, 2014.

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