

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

In re:

Case No. 13-53846

CITY OF DETROIT, MICHIGAN

In Proceedings Under
Chapter 9

Debtor.

Hon. Steven W. Rhodes

/

**EX PARTE MOTION OF AMBAC ASSURANCE
CORPORATION FOR AN ORDER AUTHORIZING IT
TO FILE A RESPONSE IN EXCESS OF PAGE LIMIT**

Ambac Assurance Corporation (“Ambac”), a creditor and/or party in interest in the above-captioned case, hereby files this ex parte motion (the “Request”) for the entry of an order authorizing it to file an objection (the “Objection”) to the *Motion of Debtor for Entry of an Order (I) Authorizing the Assumption of That Certain Forbearance 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. 17, corrected at Docket No. 157) (the “Motion”) in excess of the twenty-five (25) page limit set by Eastern District of Michigan Local Rule (“L.D.R.”) 7.1(d)(3)(A). In support of the Request, Ambac respectfully submits as follows:

1. L.D.R. 7.1(d)(3)(A), made applicable to this case pursuant to Bankruptcy Court for the Eastern District of Michigan Local Rule 9029-1(a), states

that briefs supporting a response, including footnotes and signatures, may not exceed twenty-five (25) pages, but that a party seeking to file a longer brief may apply *ex parte* in writing setting forth the reasons.

2. Ambac seeks an order expanding the twenty-five (25) page limit imposed by L.D.R. 7.1(d)(3)(A) for the reasons set forth below.

3. The Objection raises serious issues as to the validity of swaps obligations of the City, as well as the validity of alleged liens related to those swaps, which form the basis for the claims the City proposes to settle in its Motion. The underlying financial documents that evidence the relevant transactions occurring in 2006, 2009, and 2013, are voluminous, dense, and complex. The applicable legal framework is also complex, as it includes not only several sections of the Bankruptcy Code, but also pervasive and multi-faceted state statutory schemes governing municipal finance and borrowing, as well as gaming tax matters, not to mention the various City resolutions that were passed to support the transactions at issue. Accordingly, the legal issues presented require detailed explanation, citation, and analysis of both state and federal statutory and case law and legislative history.

4. Furthermore, the Motion is actually a combined motion seeking two different forms of relief (*i.e.* the assumption of an executory contract and the

approval of a settlement), necessitating briefing addressing two different, albeit somewhat similar, standards.

5. Finally, pursuant to this Court's order, the Motion exceeds the limitation set forth in L.D.R. 7.1(d)(3)(A) and is itself thirty-four (34) pages long. This independently warrants relief from the page limit for the Objection in order to address the complex and numerous issues raised by the Motion.

WHEREFORE, for these reasons Ambac respectfully requests that this Court enter an order substantially in the form attached hereto as **Exhibit 1** and grant such other relief as the Court deems proper.

Respectfully Submitted,

ARENT FOX LLP

Dated: August 16, 2013

By: /s/ Carol Connor Cohen
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EXHIBIT 1

**UNITED STATES BANKRUPTCY COURT
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***EX PARTE* ORDER AUTHORIZING AMBAC ASSURANCE
CORPORATION TO FILE A RESPONSE IN EXCESS OF
PAGE LIMIT**

This matter coming before the Court on the *Ex Parte* Motion of Ambac Assurance Corporation (“Ambac”) for an Order Authorizing it to File a Response in Excess of Page Limit (the “Motion”); and the Court being fully advised in the premises;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. Ambac is granted relief from Eastern District of Michigan Local Rule 7.1(d)(3)(A) to file a response in excess of twenty-five (25) pages.

EXHIBIT 2

**UNITED STATES BANKRUPTCY COURT
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CERTIFICATE OF SERVICE

I, Brendan G. Best, Esq., hereby certify that the *Ex Parte Motion of Ambac Assurance Corporation for an Order Authorizing it to File a Response in Excess of Page Limit* 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 and *via* electronic mail to the parties set forth in **Exhibit A**, attached hereto, this 16th day of August, 2013.

/s/ Brendan G. Best, Esq. _____

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EXHIBIT A

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