

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

-----X  
In re : Chapter 9  
: :  
CITY OF DETROIT, MICHIGAN, : Case No. 13-53846  
: :  
Debtor : Hon. Thomas J. Tucker  
: :  
-----X

**THE CITY OF DETROIT’S OBJECTION TO CLAIM NO. 1288 FILED BY 36<sup>TH</sup>  
DISTRICT COURT AS A DUPLICATE CLAIM**

The City of Detroit (the “City”), by and through its undersigned counsel, for objection to Claim No. 1288 filed by the 36<sup>th</sup> District Court, State of Michigan (the “Claim”) as a duplicate claim (the “Objection”) and its request for an order disallowing and expunging the Claim, substantially in the form attached hereto as Exhibit 1, respectfully states as follows:

**JURISDICTION AND VENUE**

1. This Court has jurisdiction over this Objection pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

**BACKGROUND FACTS**

2. On July 18, 2013 (the “Petition Date”), the City filed a petition for relief in this Court, thereby commencing the largest chapter 9 bankruptcy case in history.

3. Information regarding the City’s economic challenges and the events leading up to the filing of this case can be found in the *Declaration of Kevyn D. Orr in Support of City of Detroit, Michigan's Statement of Qualifications Pursuant to Section 109(c) of the Bankruptcy Code* filed on July 18, 2013 (Dkt. No. 11).

4. On December 5, 2013, this Court held that the City was eligible for relief under chapter 9 of the Bankruptcy Code. *See Order for Relief Under Chapter 9 of the Bankruptcy Code* (Dkt. No. 1946).

5. On November 12, 2014, this Court entered an Order Confirming the Eighth Amended Plan for the Adjustment of Debts of the City of Detroit (Dkt. 8272) (the “Plan”).

6. The Plan became effective on December 10, 2014 (the “Effective Date”).

7. On November 21, 2013, this Court issued its *Order, Pursuant to Sections 105, 501, and 503 of the Bankruptcy Code and Bankruptcy Rules 2002 and 3003(c), Establishing Bar Dates for Filing Proofs of Claim and Approving Form and Manner of Notice Thereof* (Dkt. No. 1782) (the “Bar Date Order”) establishing deadlines to file proof of claims in this case. The Bar Date Order set the deadline to file proofs of claim as February 21, 2014 at 4:00 p.m. Eastern Time (the “Bar Date”).

8. On February 20, 2014, the 36<sup>th</sup> District Court, State of Michigan (the “36<sup>th</sup> District Court”) filed the Claim, seeking an unknown amount. The Claim is attached as Exhibit 2.

9. On February 21, 2014, the 36<sup>th</sup> District Court also sent the same claim to the City’s claims agent, Kurtzman Carson Consultants, LLC (“KCC”), which was entered on the Claims Register as Claim No. 2422. Claim No. 2422 is attached hereto as Exhibit 3.

10. Claim No. 1288 and Claim No. 2422 are identical and cover certain employment-related claims.

11. The City and the 36<sup>th</sup> District Court entered into a settlement of the employment-related claims in the Plan (the “Settlement”). See Plan, Exhibit I.A.9. The Settlement resolved the Claims of the 36<sup>th</sup> District Court.

12. Pursuant to the Settlement, the City began to make payments to satisfy its obligations on the Effective Date.

### **RELIEF REQUESTED**

13. The City files this Objection pursuant to section 502(b) of the Bankruptcy Code<sup>1</sup> and Rule 3007(d) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), seeking entry of an order disallowing and expunging Claim No. 1288, because it is duplicative of Claim No. 2422 filed against the City.

14. Specifically, the City has reviewed Claim 1288 and determined that it duplicates Claim No. 2422. Accordingly, the City requests that Claim No. 1288 be disallowed and expunged.

15. This Objection does not affect Claim No. 2422 or the Settlement involving that Claim, and does not constitute any admission or determination as to any fact concerning Claim No. 2422.

### **BASIS FOR RELIEF REQUESTED**

16. Section 502(b)(1) of the Bankruptcy Code provides that a claim asserted in a proof of claim shall be allowed, except to the extent “such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law.” 11 U.S.C. § 502(b)(1). The City cannot be required to pay on the same claim more than once. Moreover, allowing duplicative claims could inappropriately lead to multiple recoveries to a creditor on account of a single claim to the detriment of other creditors.

17. This Court has the authority to enter an order approving this Objection. In light of the interest that all creditors have in reducing the total amount of claims in the case where appropriate, the City believes that the relief sought by this Objection is in the best interests of the

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<sup>1</sup> Section 502 is made applicable to Chapter 9 proceedings through Section 901(a) of the Bankruptcy Code.

City and its creditors. Based upon the foregoing, to avoid the possibility of multiple recoveries by the same creditor on account of the same claim, the City seeks entry of an order, substantially in the form annexed hereto as Exhibit 1, disallowing Claim No. 1288 as duplicative. Accordingly, pursuant to section 502(b) of the Bankruptcy Code and Bankruptcy Rule 3007(d), the Court should grant the relief requested.

### **RESERVATION OF RIGHTS**

18. The City files this Objection without prejudice to or waiver of its rights pursuant to section 904 of the Bankruptcy Code, and nothing herein is intended to, shall constitute or shall be deemed to constitute the City's consent, pursuant to section 904 of the Bankruptcy Code, to this Court's interference with (a) any of the political or governmental powers of the City, (b) any of the property or revenues of the City or (c) the City's use or enjoyment of any income-producing property.

### **NOTICE**

19. The City has provided notice of this Objection to the 36<sup>th</sup> District Court through the address on the proof of claim, and all other parties who requested notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, the City respectfully submits that no other or further notice of the relief requested in this Objection need be given.

### **NO PRIOR REQUEST**

20. No previous request for the relief requested herein has been made to this or any other court.

WHEREFORE, the City respectfully requests that this Court enter an order, substantially in the form annexed hereto as Exhibit 1, granting the relief requested herein and granting the City such other and further relief as this Court may deem just and proper.

Dated: September 24, 2015

FOLEY & LARDNER LLP

By: /s/ Tamar N. Dolcourt  
John A. Simon (P61866)  
Jeffrey S. Kopp (P59485)  
Tamar N. Dolcourt (P73425)  
500 Woodward Ave., Ste. 2700  
Detroit, MI 48226  
313.234.7100  
jsimon@foley.com  
jkopp@foley.com  
tdolcourt@foley.com

*Counsel for the Debtor, City of Detroit,  
Michigan*

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

-----X  
In re : Chapter 9  
: :  
CITY OF DETROIT, MICHIGAN, : Case No. 13-53846  
: :  
Debtor : Hon. Thomas J. Tucker  
: :  
-----X

**NOTICE OF THE CITY OF DETROIT’S OBJECTION TO  
CLAIM NO. 1288 FILED BY 36<sup>TH</sup> DISTRICT COURT**

**PLEASE TAKE NOTICE THAT** the City of Detroit (the “City”), by and through its undersigned counsel, has filed an objection to claim number 1288 filed by 36<sup>th</sup> District Court, State of Michigan (the “Claim”) as a duplicate claim (the “Objection”) and for an order disallowing and expunging the Claim.

If you do not want the court to change your claim, or grant the relief request in the Objection, then on or before **October 21, 2015**, you or your lawyer must:

1. File with the court, at the address below, a written response to the objection. Unless a written response is filed and served by the date specified, the court may decide that you do not oppose the objection to your claim.

Clerk of the Court  
United States Bankruptcy Court  
211 W. Fort Street, Suite 2100  
Detroit, MI 48226

If you mail your response to the Court for filing, you must mail it early enough so that the Court will **receive** it on or before the date stated above. All attorneys are required to file pleadings electronically.

2. A copy of your response must also be mailed to counsel for the City:

John A. Simon  
Jeffrey S. Kopp  
Tamar N. Dolcourt  
Leah R. Imbrogno  
Foley & Lardner LLP  
500 Woodward Ave., Ste. 2700  
Detroit, MI 48226

3. You must also attend the hearing on the objection scheduled to be held on **October 28, 2015** at 1:30 p.m. in Courtroom 1925, 211 W. Fort Street, Detroit, MI 48226 unless your attendance is excused by mutual agreement between yourself and the objector's attorney.

**If you or your attorney do not take these steps, the court may decide that you do not oppose the objection to your claim, in which event the hearing will be canceled and the objection sustained.**

Date: September 24, 2015

FOLEY & LARDNER LLP

By: /s/ Tamar N. Dolcourt  
John A. Simon (P61866)  
Jeffrey S. Kopp (P59485)  
Tamar N. Dolcourt (P73425)  
Leah R. Imbrogno (P79384)  
500 Woodward Ave., Ste. 2700  
Detroit, MI 48226  
313.234.7100  
jsimon@foley.com  
jkopp@foley.com  
tdolcourt@foley.com  
limbrogno@foley.com

*Counsel for the Debtor, City of Detroit,  
Michigan*

**EXHIBIT 1: PROPOSED ORDER**



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

	X	
	:	Chapter 9
In re	:	
	:	Case No. 13-53846
CITY OF DETROIT, MICHIGAN,	:	
	:	Hon. Thomas J. Tucker
Debtor	:	
	X	

**ORDER GRANTING THE CITY OF DETROIT’S OBJECTION TO CLAIM NO. 1288  
FILED BY 36<sup>TH</sup> DISTRICT COURT AS A DUPLICATE CLAIM**

Upon the objection to Claim No. 1288 as a duplicate claim, dated September 24, 2015 (the “Objection”),<sup>1</sup> of the Debtor, the City of Detroit, Michigan (the “City”), seeking entry of an order disallowing and expunging Claim No. 1288 as described in the Objection, and it appearing that this Court has jurisdiction over the Objection pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having found that venue of this proceeding and the Objection in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that the relief requested in the Objection is in the best interests of the City, and its creditors; and due and proper notice of the Objection having been given as provided in the Objection; and it appearing that no other or further notice of the Objection need be given; and a hearing on the Objection having been held before the Court; and any objections to the Objection having been overruled or withdrawn; and the Court finding that the legal and factual bases set forth in the Objection and at the hearing establish just cause for the relief granted; after due deliberation and good and sufficient cause appearing therefore; it is

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

ORDERED that:

1. The Objection is granted as set forth herein.
2. Claim No. 1288 hereby disallowed and expunged in their entirety, pursuant to Section 502(b) of the Bankruptcy Code.
3. Claim No. 2422 shall remain on the claims register, and is not disallowed or expunged by this Order.
4. The City's claims agent is hereby authorized to update the claims register to reflect the relief granted in this Order.
5. The City is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Objection.
6. Notice of the Objection as provided therein is good and sufficient notice of such objection and the requirements of Bankruptcy Rule 3007(a) and the local rules of the Court are satisfied by such notice.

**EXHIBIT 2: CLAIM NO. 1288**

B10 (Official Form 10) (04/13) (Modified)

UNITED STATES BANKRUPTCY COURT      EASTERN DISTRICT of MICHIGAN		CHAPTER 9 PROOF OF CLAIM
Name of Debtor: <b>City of Detroit, Michigan</b>		Case Number: <b>13-53846</b>
NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): <b>36TH DISTRICT COURT, STATE OF MICHIGAN</b>		COURT USE ONLY
Name and address where notices should be sent:  John T. Gregg, Esq., Barnes & Thornburg LLP 171 Monroe Avenue, NW, Suite 1000 Grand Rapids, MI 49503		<input type="checkbox"/> Check this box if this claim amends a previously filed claim.  <b>Court Claim Number:</b> _____ (If known)
Telephone number: (616) 742-3930      email: jgregg@btlaw.com		Filed on: _____
Name and address where payment should be sent (if different from above): <b>36th District Court, State of Michigan, Attn: Hon. Michael J. Talbot</b> 421 Madison Avenue Detroit, MI 48226		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.
Telephone number: (313) 965-2200      email: n/a		
1. Amount of Claim as of Date Case Filed:      \$ <u>Unknown</u>		
If all or part of the claim is secured, complete item 4. If all or part of the claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.		
2. Basis for Claim: <u>See attached addendum</u> (See instruction #2)		
3. Last four digits of any number by which creditor identifies debtor:	3a. Debtor may have scheduled account as: _____ (See instruction #3a)	
4. Secured Claim (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.		Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____
Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe:		Basis for perfection: _____
Value of Property: \$ _____		Amount of Secured Claim: \$ _____
Annual Interest Rate (when case was filed) _____% <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable		Amount Unsecured: \$ _____
5. Amount of Claim Entitled to Priority as an Administrative Expense under 11 U.S.C. §§ 503(b)(9) and 507(a)(2).      \$ _____		
5b. Amount of Claim Otherwise Entitled to Priority. Specify Applicable Section of 11 U.S.C. § _____.      \$ _____		
6. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)		
7. Documents: Attached are redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, security agreements, or, in the case of a claim based on an open-end or revolving consumer credit agreement, a statement providing the information required by FRBP 3001(c)(3)(A). If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #7, and the definition of "redacted".) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:		
8. Signature: (See instruction # 8) Check the appropriate box.		
<input type="checkbox"/> I am the creditor. <input type="checkbox"/> I am the creditor's authorized agent. <input type="checkbox"/> I am the trustee, or the debtor, or their authorized agent. <input type="checkbox"/> I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.) (See Bankruptcy Rule 3004.)		
I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.		
Print Name: <u>Hon. Michael J. Talbot</u>		 _____ (Signature)
Title: <u>Special Judicial Administrator</u>		
Company: <u>36th District Court</u>		
Address and telephone number (if different from notice address above): <u>421 Madison Avenue</u> <u>Detroit, MI 48226</u>		
Telephone number: (313) 965-2200 email: n/a		
		<u>2/20/14</u> _____ (Date)

## 36<sup>th</sup> DISTRICT COURT, STATE OF MICHIGAN

### **Addendum to Proof of Claim**

The 36<sup>th</sup> District Court for the State of Michigan (the “36<sup>th</sup> District Court”) hereby asserts a contingent and unliquidated claim in an unknown amount against the City of Detroit, Michigan (the “City”). The 36<sup>th</sup> District Court is filing this Proof of Claim solely as a precaution, as any claims asserted against it by third parties are actually claims against the City.

#### **A. Nature of the Claim**

The State of Michigan is divided into judicial districts of the district court, each of which is an administrative unit subject to the superintending control of the Michigan Supreme Court. MCL § 600.8101. A district of the third class is a district consisting of one or more political subdivisions within a county and in which each political subdivision comprising the district is responsible for maintaining, financing and operating the district within its respective political subdivision. MCL § 600.8103(3); *see also* MCL § 600.8271(1) (requiring appropriation and budgeting of funds by funding unit for benefit of district court).

The thirty-sixth district is a district of the third class consisting solely of the City. MCL § 600.8121a(1). The City, therefore, is responsible for maintaining, financing and operating the 36th District Court. *Id.*; MCL § 600.8103(3). The 36th District Court does not receive advance funding from the City on an annual or other temporal basis. Instead, the City provides funding on an ongoing basis according to the needs and requirements of the 36th District Court by directly paying its creditors. *Id.* The primary exceptions to this funding scheme are the payment of salaries to the employees of the 36th District Court, which are paid directly by the City through separate payroll accounts maintained in the name of the City, and the payment of salaries to the judges of the 36th District Court, which are paid by the State of Michigan. *Id.*; MCL § 8202.

Prior to July 18, 2013 (the “Petition Date”), the 36th District Court was the subject of several pending actions, arbitrations and other proceedings. The majority of these actions were based on tort claims alleged by various employees and former employees against the 36th District Court and its representatives. In addition, the 36th District Court was a named defendant in certain actions alleging breach of contract, or was the subject of demands made for money damages by third parties. When monetary judgments or other awards are entered against the 36th District Court, the City is responsible for satisfying, and has historically and consistently satisfied, the claims of judgment creditors.

As of the date of this Proof of Claim, the 36<sup>th</sup> District Court was aware of the following unsatisfied claims arising prior to the Petition Date (the “Creditor Claims”) more fully described in Exhibit A attached hereto.<sup>1</sup> The Creditor Claims are not exclusive, as additional claims that

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<sup>1</sup> Documents related to, or providing support for, Creditor Claims have not been attached to this Proof of Claim due to their voluminous nature. Any party seeking additional documentation related to this Proof of Claim may request copies of the same from counsel to the 36<sup>th</sup> District Court identified in the Proof of Claim.

allegedly arose prior to the Petition Date against the 36<sup>th</sup> District Court, and thus the City, may be asserted in the future.

**B. Reservation of Rights**

The 36th District Court reserves the right to amend this Proof of Claim at any time. The 36<sup>th</sup> District Court files this Proof of Claim without waiving or affecting in any manner whatsoever any rights that may hold against the City, including, but not limited to, its rights to request allowance of administrative expenses, assert setoff and/or recoupment, or commence an adversary proceeding or seek other relief related to the satisfaction of Creditor Claims and any other claims that may be asserted directly against the 36<sup>th</sup> District Court pursuant to the inherent powers doctrine. Finally, the 36<sup>th</sup> District Court reserves its right to file a proof of claim on behalf of any alleged creditor of the Court and the City in accordance with Fed. R. Bankr. P. 3005(a) and to vote to accept or reject any plan of adjustment pursuant to Fed. R. Bank. P. 3005(b).

**EXHIBIT A**

<b>Plaintiff/ Grievant</b>	<b>Contact Information</b>	<b>Venue</b>	<b>Union</b>	<b>Estimate of Liability<sup>1</sup></b>	<b>Status</b>
Constance Grimes	Constance Grimes 29562 Grandon Livonia, MI 48150	EEOC	N/A	\$7,500	Settled
Carlton Carter Bobby Jones Richard Weatherly Roderick Holley	Carlton Carter 14450 Rosemont Detroit, MI 48223  Bobby Jones 14019 Prevost St. Detroit, MI 48227  Richard Weatherly 535 Meadowbrook Detroit, MI 48124  Roderick Holley 537 Meadowbrook Detroit, MI 48124	Arbitration	AFSCME 917	\$5,528,156.06	Arbitration subject to appeal before the Wayne County Circuit Court for the State of Michigan.
Arnette Rodgers Katrina Tate-Anderson Jaunice Flowers (Gooden) Cheryl Sharpley Anthony Cooper Wendell Finley	Arecia Stevens 17354 Greenlaw Detroit, MI 48221  Laura Hill P.O. Box 20471	E.D. Mich.	AFSCME 3308	Unknown	Due process claims of Moss, Stevens, Cruce, and Flowers (Gooden) settled for nominal amounts paid through insurer. Value of remaining Plaintiffs unknown. The claims of

<sup>1</sup> Nothing contained in the Proof of Claim, including this Exhibit A, should be construed as any admission of liability by the 36th District Court as to any claim asserted against it and/or the City. Unless resolved pursuant to settlement, the 36th District Court denies any and all liability with respect to the Creditor Claims identified herein. The amounts listed herein are based solely on the damages sought by the holders of the Creditor Claims, and do not include interest, fees, expenses and other charges.

Plaintiff/ Grievant	Contact Information	Venue	Union	Estimate of Liability <sup>1</sup>	Status
Arecia Stevens Crystal Allen-Cruce Keith Carter Laura Hill Alvita Moss	Ferndale, MI 48220 Arnette Rodgers Katrina Tate-Anderson Jaunice Flowers (Gooden) Cheryl Sharpley Anthony Cooper Wendell Finley Crystal Allen-Cruce Keith Carter Alvita Moss c/o Robert Fetter 600 W. Lafayette Blvd. Floor 4 Detroit, MI 48226				Rodgers, Anderson, Sharpley, Hill, Cooper and Finley remain pending. The terminations of Anderson, Sharpley, Cooper and Finley were upheld in arbitration, and their damages are unknown at this time. Laura Hill was reinstated without back pay. Rodgers' claims remain subject to arbitration.
Jonathan Mapp	Jonathan Mapp c/o Robert Fetter 600 W. Lafayette Blvd. Floor 4 Detroit, MI 48226	N/A	AFSCME 917	\$79,713	Pending
Estate of John Mazur	Estate of John Mazur c/o Ven Johnson 535 Griswold Street Ste. 2632 Detroit, MI 48226	WCC	N/A	\$65,000	Settled
AFSCME 3308	AFSCME 3308 c/o Robert Davis AFSCME Council 25	MERC	AFSCME 3308	Unknown	Complaint yet to be issued, fact finding scheduled.



Plaintiff/ Grievant	Contact Information	Venue	Union	Estimate of Liability <sup>1</sup>	Status
	Suite 500 600 W. Lafayette Detroit, MI 48226				
AFSCME 917	AFSCME 917 c/o Robert Davis AFSCME Council 25 Suite 500 600 W. Lafayette Detroit, MI 48226	MERC C13-C045	AFSCME 917	Unknown	Pending
AFSCME 917	AFSCME 917 c/o Robert Davis AFSCME Council 25 Suite 500 600 W. Lafayette Detroit, MI 48226	MERC C13 I-163	AFSCME 917	Unknown	Pending
AFSCME 3308	AFSCME 3308 c/o Robert Davis AFSCME Council 25 Suite 500 600 W. Lafayette Detroit, MI 48226	MERC	AFSCME 3308	Unknown	Subject to appeal.
AFSCME 3308	AFSCME 3308 c/o Robert Davis AFSCME Council 25 Suite 500 600 W. Lafayette Detroit, MI 48226	MERC C13 HI55	AFSCME 3308	Unknown	Pending

Plaintiff/ Grievant	Contact Information	Venue	Union	Estimate of Liability <sup>1</sup>	Status
	Detroit, MI 48226				
Krystal Allen-Cruce	Krystal Allen-Cruce c/o Robert Davis AFSCME Council 25 Suite 500 600 W. Lafayette Detroit, MI 48226	Arbitration	AFSCME 3308	\$100,000	Pending
Dornita Cleveland	Dornita Cleveland 19432 Rutherford Detroit, MI 48235	Arbitration	AFSCME 3308	\$100,000	Settled
Alvita Moss	Alvita Moss c/o Robert Davis AFSCME Council 25 Suite 500 600 W. Lafayette Detroit, MI 48226	Arbitration	AFSCME 3308	\$100,000	Arbitrator's award directed reinstatement and back pay, estimated to be approximately \$400,000; appeal expected.
Arnette Rodgers	Arnette Rodgers c/o Robert Davis AFSCME Council 25 Suite 500 600 W. Lafayette Detroit, MI 48226	Arbitration	AFSCME 3308	\$100,000	Hearing to be scheduled; Rodgers filed for individual bankruptcy.

**EXHIBIT 3: CLAIM NO. 2422**

B10 (Official Form 10) (04/13) (Modified)

UNITED STATES BANKRUPTCY COURT      EASTERN DISTRICT of MICHIGAN		RECEIVED FEB 21 2014 KURTZMAN CARSON CONSULTANTS COURT USE ONLY
Name of Debtor: <b>City of Detroit, Michigan</b>		Case Number: <b>13-53846</b>
NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): <b>36TH DISTRICT COURT, STATE OF MICHIGAN</b>		<input type="checkbox"/> Check this box if this claim amends a previously filed claim.  Court Claim Number: _____ (If known)  Filed on: _____
Name and address where notices should be sent:  <b>John T. Gregg, Esq., Barnes &amp; Thornburg LLP                  171 Monroe Avenue, NW, Suite 1000                  Grand Rapids, MI 49503</b>		
Telephone number: <b>(616) 742-3930</b> email: <b>jgregg@btlaw.com</b>		<input checked="" type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.
Name and address where payment should be sent (if different from above): 36th District Court, State of Michigan, Attn: Hon. Michael J. Talbot 421 Madison Avenue Detroit, MI 48226		
Telephone number: <b>(313) 965-2200</b> email: <b>n/a</b>		
1. Amount of Claim as of Date Case Filed:      \$ <u>Unknown</u>		<input checked="" type="checkbox"/> <b>Date Stamped Copy Returned</b> <input type="checkbox"/> <b>No self addressed stamped envelope</b> <input type="checkbox"/> <b>No copy to return</b>
If all or part of the claim is secured, complete item 4. If all or part of the claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.		
2. Basis for Claim: <u>See attached addendum</u> (See instruction #2)		
3. Last four digits of any number by which creditor identifies debtor: _____		3a. Debtor may have scheduled account as: _____ (See instruction #3a)
4. Secured Claim (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.		Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____
Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____		Basis for perfection: _____
Value of Property: \$ _____		Amount of Secured Claim: \$ _____
Annual Interest Rate (when case was filed) _____% <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable		Amount Unsecured: \$ _____
5. Amount of Claim Entitled to Priority as an Administrative Expense under 11 U.S.C. §§ 503(b)(9) and 507(a)(2).      \$ _____		
5b. Amount of Claim Otherwise Entitled to Priority. Specify Applicable Section of 11 U.S.C. § _____      \$ _____		
6. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)		
7. Documents: Attached are redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, security agreements, or, in the case of a claim based on an open-end or revolving consumer credit agreement, a statement providing the information required by FRBP 3001(c)(3)(A). If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #7, and the definition of "redacted".) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain: _____		
8. Signature: (See instruction # 8) Check the appropriate box.		
<input type="checkbox"/> I am the creditor. <input type="checkbox"/> I am the creditor's authorized agent. <input type="checkbox"/> I am the trustee, or the debtor, or their authorized agent. <input type="checkbox"/> I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.) (See Bankruptcy Rule 3004.)		
I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.		
Print Name: <u>Hon. Michael J. Talbot</u> Title: <u>Special Judicial Administrator</u> Company: <u>36th District Court</u> Address and telephone number (if different from notice address above): <u>421 Madison Avenue</u> <u>Detroit, MI 48226</u>		(Signature) <u><i>Michael J. Talbot</i></u> 2/20/14 (Date)
Telephone number: <b>(313) 965-2200</b> email: <b>n/a</b>		

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

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February 20, 2014

## VIA FEDERAL EXPRESS

City of Detroit Claims Processing Center  
c/o Kurtzman Carson Consultants LLC  
2335 Alaska Avenue  
El Segundo, CA 90245

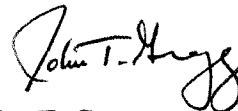
**Re: *In re City of Detroit, Michigan*  
Case No. 13-53846 (Bankr. E.D. Mich.)**

Dear Sir or Madam:

Enclosed please find a Proof of Claim for the 36th District Court for the State of Michigan in connection with the above-referenced bankruptcy case.

Thank you for your assistance. If you have any questions or concerns, please feel free to contact me.

Very truly yours,



John T. Gregg

JTG:ml

Enclosure

GRDS01 488665v1

## 36<sup>th</sup> DISTRICT COURT, STATE OF MICHIGAN

### **Addendum to Proof of Claim**

The 36<sup>th</sup> District Court for the State of Michigan (the “36<sup>th</sup> District Court”) hereby asserts a contingent and unliquidated claim in an unknown amount against the City of Detroit, Michigan (the “City”). The 36<sup>th</sup> District Court is filing this Proof of Claim solely as a precaution, as any claims asserted against it by third parties are actually claims against the City.

#### **A. Nature of the Claim**

The State of Michigan is divided into judicial districts of the district court, each of which is an administrative unit subject to the superintending control of the Michigan Supreme Court. MCL § 600.8101. A district of the third class is a district consisting of one or more political subdivisions within a county and in which each political subdivision comprising the district is responsible for maintaining, financing and operating the district within its respective political subdivision. MCL § 600.8103(3); *see also* MCL § 600.8271(1) (requiring appropriation and budgeting of funds by funding unit for benefit of district court).

The thirty-sixth district is a district of the third class consisting solely of the City. MCL § 600.8121a(1). The City, therefore, is responsible for maintaining, financing and operating the 36th District Court. *Id.*; MCL § 600.8103(3). The 36th District Court does not receive advance funding from the City on an annual or other temporal basis. Instead, the City provides funding on an ongoing basis according to the needs and requirements of the 36th District Court by directly paying its creditors. *Id.* The primary exceptions to this funding scheme are the payment of salaries to the employees of the 36th District Court, which are paid directly by the City through separate payroll accounts maintained in the name of the City, and the payment of salaries to the judges of the 36th District Court, which are paid by the State of Michigan. *Id.*; MCL § 8202.

Prior to July 18, 2013 (the “Petition Date”), the 36th District Court was the subject of several pending actions, arbitrations and other proceedings. The majority of these actions were based on tort claims alleged by various employees and former employees against the 36th District Court and its representatives. In addition, the 36th District Court was a named defendant in certain actions alleging breach of contract, or was the subject of demands made for money damages by third parties. When monetary judgments or other awards are entered against the 36th District Court, the City is responsible for satisfying, and has historically and consistently satisfied, the claims of judgment creditors.

As of the date of this Proof of Claim, the 36<sup>th</sup> District Court was aware of the following unsatisfied claims arising prior to the Petition Date (the “Creditor Claims”) more fully described in Exhibit A attached hereto.<sup>1</sup> The Creditor Claims are not exclusive, as additional claims that

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<sup>1</sup> Documents related to, or providing support for, Creditor Claims have not been attached to this Proof of Claim due to their voluminous nature. Any party seeking additional documentation related to this Proof of Claim may request copies of the same from counsel to the 36<sup>th</sup> District Court identified in the Proof of Claim.

allegedly arose prior to the Petition Date against the 36<sup>th</sup> District Court, and thus the City, may be asserted in the future.

**B. Reservation of Rights**

The 36<sup>th</sup> District Court reserves the right to amend this Proof of Claim at any time. The 36<sup>th</sup> District Court files this Proof of Claim without waiving or affecting in any manner whatsoever any rights that may hold against the City, including, but not limited to, its rights to request allowance of administrative expenses, assert setoff and/or recoupment, or commence an adversary proceeding or seek other relief related to the satisfaction of Creditor Claims and any other claims that may be asserted directly against the 36<sup>th</sup> District Court pursuant to the inherent powers doctrine. Finally, the 36<sup>th</sup> District Court reserves its right to file a proof of claim on behalf of any alleged creditor of the Court and the City in accordance with Fed. R. Bankr. P. 3005(a) and to vote to accept or reject any plan of adjustment pursuant to Fed. R. Bank. P. 3005(b).

GRDS01 488604v1

**EXHIBIT A**

Plaintiff/ Grievant	Contact Information	Venue	Union	Estimate of Liability <sup>1</sup>	Status
Constance Grimes	Constance Grimes 29562 Grandon Livonia, MI 48150	EEOC	N/A	\$7,500	Settled
Carlton Carter Bobby Jones Richard Weatherly Roderick Holley	Carlton Carter 14450 Rosemont Detroit, MI 48223  Bobby Jones 14019 Prevost St. Detroit, MI 48227  Richard Weatherly 535 Meadowbrook Detroit, MI 48124  Roderick Holley 537 Meadowbrook Detroit, MI 48124	Arbitration	AFSCME 917	\$5,528,156.06	Arbitration subject to appeal before the Wayne County Circuit Court for the State of Michigan.
Arnette Rodgers Katrina Tate-Anderson Jaunice Flowers (Gooden) Cheryl Sharpley Anthony Cooper Wendell Finley	Arecia Stevens 17354 Greenlaw Detroit, MI 48221  Laura Hill P.O. Box 20471	E.D. Mich.	AFSCME 3308	Unknown	Due process claims of Moss, Stevens, Cruce, and Flowers (Gooden) settled for nominal amounts paid through insurer. Value of remaining Plaintiffs unknown. The claims of

<sup>1</sup> Nothing contained in the Proof of Claim, including this Exhibit A, should be construed as any admission of liability by the 36th District Court as to any claim asserted against it and/or the City. Unless resolved pursuant to settlement, the 36th District Court denies any and all liability with respect to the Creditor Claims identified herein. The amounts listed herein are based solely on the damages sought by the holders of the Creditor Claims, and do not include interest, fees, expenses and other charges.



Plaintiff/ Grievant	Contact Information	Venue	Union	Estimate of Liability <sup>1</sup>	Status
Arecia Stevens Crystal Allen-Cruce Keith Carter Laura Hill Alvita Moss	Ferndale, MI 48220  Arnette Rodgers Katrina Tate-Anderson Jaunice Flowers (Gooden) Cheryl Sharpley Anthony Cooper Wendell Finley Crystal Allen-Cruce Keith Carter Alvita Moss c/o Robert Fetter 600 W. Lafayette Blvd. Floor 4 Detroit, MI 48226				Rodgers, Anderson, Sharpley, Hill, Cooper and Finley remain pending. The terminations of Anderson, Sharpley, Cooper and Finley were upheld in arbitration, and their damages are unknown at this time. Laura Hill was reinstated without back pay. Rodgers' claims remain subject to arbitration.
Jonathan Mapp	Jonathan Mapp c/o Robert Fetter 600 W. Lafayette Blvd. Floor 4 Detroit, MI 48226	N/A	AFSCME 917	\$79,713	Pending
Estate of John Mazur	Estate of John Mazur c/o Ven Johnson 535 Griswold Street Ste. 2632 Detroit, MI 48226	WCC	N/A	\$65,000	Settled
AFSCME 3308	AFSCME 3308 c/o Robert Davis AFSCME Council 25	MERC	AFSCME 3308	Unknown	Complaint yet to be issued, fact finding scheduled.

Plaintiff/ Grievant	Contact Information	Venue	Union	Estimate of Liability <sup>1</sup>	Status
	Suite 500 600 W. Lafayette Detroit, MI 48226				
AFSCME 917	AFSCME 917 c/o Robert Davis AFSCME Council 25 Suite 500 600 W. Lafayette Detroit, MI 48226	MERC C13-C045	AFSCME 917	Unknown	Pending
AFSCME 917	AFSCME 917 c/o Robert Davis AFSCME Council 25 Suite 500 600 W. Lafayette Detroit, MI 48226	MERC C13 I-163	AFSCME 917	Unknown	Pending
AFSCME 3308	AFSCME 3308 c/o Robert Davis AFSCME Council 25 Suite 500 600 W. Lafayette Detroit, MI 48226	MERC	AFSCME 3308	Unknown	Subject to appeal.
AFSCME 3308	AFSCME 3308 c/o Robert Davis AFSCME Council 25 Suite 500 600 W. Lafayette Detroit, MI 48226	MERC C13 H155	AFSCME 3308	Unknown	Pending

Plaintiff/ Grievant	Contact Information	Venue	Union	Estimate of Liability <sup>1</sup>	Status
	Detroit, MI 48226				
Krystal Allen-Cruce	Krystal Allen-Cruce c/o Robert Davis AFSCME Council 25 Suite 500 600 W. Lafayette Detroit, MI 48226	Arbitration	AFSCME 3308	\$100,000	Pending
Dornita Cleveland	Dornita Cleveland 19432 Rutherford Detroit, MI 48235	Arbitration	AFSCME 3308	\$100,000	Settled
Alvita Moss	Alvita Moss c/o Robert Davis AFSCME Council 25 Suite 500 600 W. Lafayette Detroit, MI 48226	Arbitration	AFSCME 3308	\$100,000	Arbitrator's award directed reinstatement and back pay, estimated to be approximately \$400,000; appeal expected.
Arnette Rodgers	Arnette Rodgers c/o Robert Davis AFSCME Council 25 Suite 500 600 W. Lafayette Detroit, MI 48226	Arbitration	AFSCME 3308	\$100,000	Hearing to be scheduled; Rodgers filed for individual bankruptcy.

GRDS01 488624v1

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

-----X	:	Chapter 9
IN RE	:	
	:	Case No. 13-53846
CITY OF DETROIT, MICHIGAN,	:	
	:	Hon. Steven W. Rhodes
DEBTOR	:	
-----X	:	

**CERTIFICATE OF SERVICE**

I hereby certify that on September 24, 2015, I electronically filed *The City of Detroit's Objection to Claim No. 1288 Filed by 36th District Court as a Duplicate Claim* (the "Objection") with the Clerk of the Court which sends notice by operation of the court's electronic filing service to all ECF participants registered to receive notice in this case. The City has engaged a Noticing Agent, which will serve the Objection on its Master Service List and file a subsequent Proof of Service after it has performed the service. In addition, I hereby certify that on September 24, 2015 we have served a copy to Claimant's Counsel via First Class US Mail at the address below:

John T. Gregg, Esq.  
Barnes & Thornburg LLP  
171 Monroe Avenue, NW, Suite 1000  
Grand Rapids, MI 49503

Dated: September 24, 2015

FOLEY & LARDNER LLP

By: /s/ Tamar N. Dolcourt  
John A. Simon (P61866)  
Jeffrey S. Kopp (P59485)  
Tamar N. Dolcourt (P73425)  
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*Counsel for the City of Detroit*