

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. Steven W. Rhodes
	:	
	:	
-----X	:	
CITY OF DETROIT, MICHIGAN,	:	Chapter 9
	:	
Plaintiff,	:	Adversary No. 14-04112
	:	
vs.	:	Hon. Steven W. Rhodes
	:	
DETROIT GENERAL RETIREMENT	:	
SYSTEM SERVICE CORPORATION, et al.,	:	
	:	
	:	
Defendants.	:	
-----X	:	

**FINANCIAL GUARANTY INSURANCE COMPANY’S
 MOTION TO FILE COUNTERCLAIMS PURSUANT TO THIS
 COURT’S ORDER GRANTING MOTIONS TO INTERVENE WITH LIMITATIONS**

Financial Guaranty Insurance Company (“FGIC”), by its undersigned counsel, hereby files this motion (the “Motion”) for leave to file counterclaims pursuant to this Court’s order granting motions to intervene with limitations. In support of the Motion, FGIC respectfully refers the Court to the Memorandum in Support attached hereto as Exhibit 3.

Jurisdiction

2. This Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334. The Court's consideration of the Motion is a core proceeding. Venue is proper before this Court pursuant to 28 U.S.C. § 1409.

Statement of Concurrence Sought

3. Pursuant to Local Rule 9014-1(g), on July 9, 2014, counsel for FGIC sought the concurrence of counsel for the City in the relief sought in the Motion. Counsel for the City has advised that they oppose the filing of the proposed counterclaims.

WHEREFORE FGIC respectfully requests that the Bankruptcy Court enter the Order, substantially in the form attached hereto as Exhibit 1,¹ granting the relief requested herein and such other and further relief as the Court may deem just and proper.

Dated: July 17, 2014

Respectfully submitted,

/s/ Mark R. James

Ernest J. Essad Jr.

Mark R. James

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PLUNKETT, P.C.

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Email: edward.soto@weil.com

*Attorneys for Financial Guaranty Insurance
Company*

¹ FGIC has attached two proposed forms of order. Exhibit 1(a) contains a proposed form of order granting leave to file all counterclaims. Exhibit 1(b) contains an alternative proposed form of order, granting FGIC leave to file only those counterclaims that relate to a cause of action currently pending, while preserving FGIC's right to seek leave to bring additional counterclaims, as discussed more thoroughly in footnote 5 of Exhibit 3 filed herewith.

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
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Plaintiff,	:	Adversary No. 14-04112
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vs.	:	Hon. Steven W. Rhodes
	:	
DETROIT GENERAL RETIREMENT	:	
SYSTEM SERVICE CORPORATION, <i>et al.</i>,	:	
	:	
	:	
Defendants.	:	
-----X		

Order Granting Financial Guaranty Insurance Company’s Motion to File Counterclaims Pursuant to this Court’s Order Granting Motions to Intervene with Limitations

This matter having come before the Court on a motion of Financial Guaranty Insurance Company (“FGIC”) for leave to file counterclaims pursuant to this Court’s order granting motions to intervene with limitations (the “Motion”), and the Court having jurisdiction to consider the Motion in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. § 1409; and upon the entire record of all the proceedings before the Court; the Court finds as follows:

1. FGIC risks serious prejudice if it were not permitted to file its counterclaims in this action because, as recognized in this Court's June 30, 2014 Order ("Intervention Order"), "[t]he disposition of this action may impair or impede [FGIC's] ability to protect [its] legal interest." *Id.*, page 10.

2. The Sixth Circuit, recognizing that leave to amend must be freely given, outlined several factors to for courts to consider when deciding when to allow a motion to amend:

Undue delay in filing, lack of notice to the opposing party, bad faith by the moving party, repeated failure to cure deficiencies by previous amendments, undue prejudice to the opposing party, and futility of amendment.

See Commercial Money Ctr., Inc. v. Illinois Union Ins. Co., 508 F.3d 327, 346 (6th Cir. 2007).

The Court concludes that these factors weigh in favor of granting FGIC's Motion. First, as previously recognized in this Court's Intervention Order, the motions are timely. *See* Intervention Order, p. 10. Second, the City has been on notice of FGIC's counterclaims since the initial stages of this Adversary Proceeding and faces no undue prejudice. Third, there has been no appearance of bad faith on behalf of FGIC in raising these claims.

3. The legal and factual bases set forth in the Motion establish just and sufficient cause to grant the relief requested therein; and the relief requested herein is necessary, reasonable and appropriate;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The objections, if any, to entry of this Order are overruled in their entirety.
3. FGIC is granted leave to file its proposed counterclaims.

4. FGIC's counterclaims will be adjudicated along with the Trust Defendant's counterclaims.

It is so ordered.

Signed on _____, 2014

STEVEN RHODES
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1(b)

Proposed Alternative Form of Order

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

-----X	:	
In re	:	
	:	Chapter 9
	:	
CITY OF DETROIT, MICHIGAN,	:	Case No. 13-53846
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CITY OF DETROIT, MICHIGAN,	:	Chapter 9
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Plaintiff,	:	Adversary No. 14-04112
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vs.	:	Hon. Steven W. Rhodes
	:	
DETROIT GENERAL RETIREMENT	:	
SYSTEM SERVICE CORPORATION, <i>et al.</i>,	:	
	:	
	:	
Defendants.	:	
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Order Granting Financial Guaranty Insurance Company’s Motion to File Counterclaims Pursuant to this Court’s Order Granting Motions to Intervene with Limitations

This matter having come before the Court on a motion of Financial Guaranty Insurance Company (“FGIC”) for leave to file counterclaims pursuant to this Court’s order granting motions to intervene with limitations (the “Motion”), and the Court having jurisdiction to consider the Motion in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. § 1409; and upon the entire record of all the proceedings before the Court; the Court finds as follows:

1. FGIC risks serious prejudice if it were not permitted to file its counterclaims in this action because, as recognized in this Court's June 30, 2014 Order ("Intervention Order"), "[t]he disposition of this action may impair or impede [FGIC's] ability to protect [its] legal interest." *Id.*, page 10.

2. The Sixth Circuit, recognizing that leave to amend must be freely given, outlined several factors to for courts to consider when deciding when to allow a motion to amend:

Undue delay in filing, lack of notice to the opposing party, bad faith by the moving party, repeated failure to cure deficiencies by previous amendments, undue prejudice to the opposing party, and futility of amendment.

See Commercial Money Ctr., Inc. v. Illinois Union Ins. Co., 508 F.3d 327, 346 (6th Cir. 2007).

The Court concludes that these factors weigh in favor of granting FGIC's Motion. First, as previously recognized in this Court's Intervention Order, the motions are timely. *See* Intervention Order, p. 10. Second, the City has been on notice of FGIC's counterclaims since the initial stages of this Adversary Proceeding and faces no undue prejudice. Third, there has been no appearance of bad faith on behalf of FGIC in raising these claims.

3. The legal and factual bases set forth in the Motion establish just and sufficient cause to grant the relief requested therein; and the relief requested herein is necessary, reasonable and appropriate;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The objections, if any, to entry of this Order are overruled in their entirety.

3. In the interests of judicial efficiency, FGIC is granted leave to file only those counterclaims that relate to a cause of action currently pending, and FGIC shall not file additional counterclaims except upon leave of Court.

4. FGIC's counterclaims will be adjudicated along with the Trust Defendant's counterclaims.

It is so ordered.

Signed on _____, 2014

STEVEN RHODES
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 2

Notice

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

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	:	Chapter 9
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CITY OF DETROIT, MICHIGAN,	:	Chapter 9
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Plaintiff,	:	Adversary No. 14-04112
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vs.	:	Hon. Steven W. Rhodes
	:	
DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION, <i>et al.</i> ,	:	
	:	
	:	
Defendants.	:	
-----X		

**NOTICE OF FINANCIAL GUARANTY INSURANCE COMPANY'S
MOTION TO FILE COUNTERCLAIMS PURSUANT TO THIS COURT'S ORDER
GRANTING MOTIONS TO INTERVENE WITH LIMITATIONS**

Financial Guaranty Insurance Company (“FGIC”) has filed papers with the court to seek entry of an order granting leave to file counterclaims pursuant to the Court’s order granting motions to intervene with limitations in Adversary Proceeding Number 14-04112-SWR, captioned *City of Detroit Michigan v. Detroit General Retirement System Service Corporation, et al.*

Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. (If you do not have an attorney, you may wish to consult one.)

If you do not want the court to grant the relief sought in the motion, or if you want the court to consider your views on the motion, **on or by July 31, 2014**, you or your attorney must:

1. File with the court a written response or an answer, explaining your position at:¹

United States Bankruptcy Court
211 W. Fort Street, Suite 2100
Detroit, Michigan 48266

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

You must also mail a copy to:

Ernest J. Essad Jr.
Mark R. James
WILLIAMS, WILLIAMS, RATTNER & PLUNKETT, P.C.
280 North Old Woodward Avenue, Suite 300
Birmingham, MI 48009
Telephone: (248) 642-0333
Facsimile: (248) 642-0856

Alfredo R. Pérez
WEIL, GOTSHAL & MANGES LLP
700 Louisiana Street, Suite 1600
Houston, TX 77002
Telephone: (713) 546-5000
Facsimile: (713) 224-9511

2. If a response or answer is timely filed and served, the clerk will schedule a hearing on the motion and you will be served with a notice of the date, time and location of the hearing.

¹ Response or answer must comply with F. R. Civ. P. 8(b), (c) and (e).

If you or your attorney do not take these steps, the court may decide that you do not oppose the relief sought in the motion and may enter an order granting that relief.

DATED: July 17, 2014

Respectfully submitted,

/s/ Mark R. James

Ernest J. Essad Jr.

Mark R. James

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*Attorneys for Financial Guaranty Insurance
Company*

EXHIBIT 3

Memorandum in Support

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

-----X
In re :
: Chapter 9
: :
CITY OF DETROIT, MICHIGAN, : Case No. 13-53846
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Debtor. : Hon. Steven W. Rhodes
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CITY OF DETROIT, MICHIGAN, : Chapter 9
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Plaintiff, : Adversary No. 14-04112
: :
vs. : Hon. Steven W. Rhodes
: :
DETROIT GENERAL RETIREMENT :
SYSTEM SERVICE CORPORATION, *et al.*, :
: :
Defendants. :
-----X

BRIEF IN SUPPORT OF FINANCIAL GUARANTY INSURANCE
COMPANY'S MOTION TO FILE COUNTERCLAIMS PURSUANT TO THIS
COURT'S ORDER GRANTING MOTIONS TO INTERVENE WITH LIMITATIONS

By Order dated April 25, 2014, this Court stayed briefing regarding the City of Detroit's Motion to Dismiss in Part the Funding Trusts' Counterclaims (the "Motion to Dismiss") pending a decision on the motions to intervene and pending the Court setting a deadline for briefing on the Motion to Dismiss (the "Stay"). *See* Doc 45. In order to preserve its right to file counterclaims against the City of Detroit (the "City"), movant Financial Guaranty Insurance Company ("FGIC") respectfully submits this brief in support of its motion (the "Motion") and requests leave to file its proposed counterclaims to the extent the Court lifts the Stay and moves forward with briefing on the Motion to Dismiss.¹

PRELIMINARY STATEMENT

On June 30, 2014, this Court granted the request of FGIC to intervene in the above-captioned adversary proceeding (the "Adversary Proceeding") brought by the City against the Detroit General Retirement System Service Corporation, Detroit Police and Fire Retirement System Service Corporation, Detroit Retirement Systems Funding Trust 2005, and Detroit Retirement Systems Funding Trust 2006 (together with the Detroit Retirement Systems Funding Trust 2005, the "Trust Defendants"), with the condition that FGIC may defend against the City's claims, but could not file a third party complaint or a counterclaim except upon leave of the Court. *See* June 30, 2014, Order ("Intervention Order"). Two days later, on July 2, 2014, the

¹ FGIC requests relief to file the six proposed counterclaims it submitted to this Court along with its proposed Answer, Affirmative Defenses, & Counterclaims attached to its Motion to Intervene as Exhibit 6. *See* Doc 11, Exhibit 6. The proposed counterclaims consist of Counterclaim I (Contract Interpretation), Counterclaim II (Fraudulent Inducement), Counterclaim III (Misrepresentation), Counterclaim IV (Unjust Enrichment), Counterclaim V (Promissory Estoppel), and Counterclaim VI (Mutual Mistake).

Court scheduled a status conference for July 14, 2014 (the “Status Conference”) regarding the Motion to Dismiss.²

Consistent with the Intervention Order, FGIC has a right to be heard on its request to have its counterclaims resolved in conjunction with resolution of similar, yet not identical, counterclaims of the Trust Defendants. The request is authorized under federal law and is necessary because FGIC has claims and interests that may be impacted by adjudication of the Motion to Dismiss. Furthermore, the Trust Defendants do not have standing to bring FGIC’s claims or the ability or basis to adequately represent FGIC’s interests. Accordingly, contingent upon the Court lifting the Stay in order to set a briefing schedule on the Motion to Dismiss, FGIC respectfully requests leave to file its proposed counterclaims.³

BASIS FOR THE REQUESTED RELIEF

Resolving the counterclaims by the Trust Defendants on a parallel track with those proposed by FGIC will promote efficiency, conserve judicial resources, avoid duplicative litigation and/or inconsistent rulings, and protect FGIC’s interests that would otherwise be prejudiced by resolving the Trust Defendants’ counterclaims prior to FGIC’s proposed counterclaims.

² In accordance with the Court’s instructions provided at the Status Conference, FGIC will file its answer in this Adversary Proceeding on Friday, July 18, 2014. FGIC brings this motion now, prior to filing its answer, in an abundance of caution and in response to statements made by counsel for the City at the Status Conference, whereby counsel suggested that the Intervention Order did not prohibit FGIC from moving for leave to file counterclaims.

³ While FGIC does not request leave to file any proposed third-party claims at this time, FGIC expressly reserves and does not waive such right, consistent the limitations set forth in the Intervention Order.

(1) FGIC Will be Prejudiced Without the Requested Relief

FGIC's proposed claims (and the interests it seeks to protect through those claims) are inextricably intertwined with the Motion to Dismiss. FGIC seeks to bring six counterclaims, all of which arise from the same operative facts as the thirteen counterclaims brought by the Trust Defendants. In fact, five of FGIC's proposed counterclaims would allege a cause of the action that the Trust Defendants already alleged, and four mirror a cause of action that the City has moved to dismiss.

Although the claims are tied together, FGIC's claims and defenses are distinct based on its exclusive position as an insurer involved in the transaction before the City created the Funding Trusts and issued the COPs and based on its status as a creditor that made payments after the City default. As the Court noted in its Intervention Order at page 3:

In order to make the COPs marketable to investors, the City sought out monoline insurers, including FGIC to issue policies guaranteeing the scheduled payments of principal and interest on certain of the COPs. Immediately before filing its petition for relief under chapter 9 of the bankruptcy code, the City stopped making the payments it owed under the Service Contracts, including those that came due on June 17, 2013, September 16, 2013, and December 16, 2013. FGIC has made payments to the COPs Holders under the insurance policies it issued for the amounts that are due and owing by the City.

Though the City suggests that the Trust Defendants can protect FGIC's interests, it has already acknowledged that the Trust Defendants lack standing to bring claims that FGIC would raise, such as fraudulent inducement and misrepresentation. *See* Motion to Dismiss, p. 13 note 5.

This Court's Intervention Order likewise recognized that the Trust Defendants have not – and cannot – raise FGIC's claims and defenses. *See* Intervention Order, p. 12. Based on this finding, the Court allowed intervention because “[t]he disposition of this action may impair or impede the Intervenors’ ability to protect their legal interest.” *Id.*, p. 10. The Court likewise noted the varying interests of the parties, which could lead to FGIC having an increased

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incentive to raise and litigate arguments in response to any attack on the counterclaims.

Intervention Order, p. 12 (“the Trustee’s pecuniary interest in the Service Contracts is limited to its general corporate expenses. This is in sharp contrast to the \$1 billion that the Intervenors have at stake.”). The Court’s reasoning was as applicable to intervention as it is to this Motion.

The law is clear and convincing on this issue. Based on the similarity in claims and FGIC’s unique ability to protect its interests, if the Court determines the Motion to Dismiss without permitting FGIC to bring its counterclaims, FGIC could be precluded from raising and litigating those claims at a later date. The Court has recognized the preclusive effect of moving forward without FGIC, noting that FGIC “could lose rights based on findings in an action in which they were not permitted to take part.” Specifically, at Intervention Order, page 11, the Court stated:

If the Court were to declare that the Service Contracts are void *ab initio* and the City has no duty to make payments under them, the Intervenors may be precluded from re-litigating that issue in later proceedings to determine their own rights and obligations under the same and related transactional documents. Indeed, in response to these motions to intervene, the City argues that, under Michigan law, bondholders have no right to restitution when they hold debt that was unlawfully issued. City of Detroit’s Opposition to Motions to Intervene, at 21 n.8. (Dkt. #19). So, if intervention in this adversary proceeding is denied, the Intervenors could lose rights based on findings in an action in which they were not permitted to take part. This is exactly the type of concern that warrants intervention. *See Smith v. Nitschke (In re Nitschke)*, Bankr. No. 05-74861, Adv. No. 06-3131, 2008 WL 141510, at *2-3 (Bankr. N.D. Ohio Jan. 11, 2008) (finding insurer could intervene in adversary proceeding because of potential collateral estoppel effect in later proceedings).

Although FGIC’s counterclaims are supported by unique facts, the claims involve issues that are intertwined with those raised by the Trust Defendants, and FGIC could suffer needless and unjustified prejudice should the Court rule on the Motion to Dismiss without considering FGIC’s proposed claims. As a result, considering FGIC’s counterclaims and the Trust Defendants’ counterclaims at the same time will not only prevent a duplication of efforts and waste of

resources, but will also prevent a potentially prejudicial collateral estoppel effect in later proceedings.

(2) FGIC Seeks Leave to File its Counterclaims if the Court Prefers to Move Forward with Briefing on the Motion to Dismiss

Continuation of the Stay with respect to the Motion to Dismiss the Trust Defendants' counterclaims, while moving forward with the Adversary Proceeding regarding the City's affirmative claims (and all parties defenses thereto), is most consistent with this Court's order granting our intervention. However, if this Court decides to let the City's Motion to Dismiss move forward, then consistent with its Intervention Order, FGIC requests this Court's permission to move forward with its own, unique counterclaims.⁴

Assuming the Court deems it appropriate to move forward with the Motion to Dismiss, FGIC therefore seeks leave to file its proposed counterclaims, in effect amending the answer due to be filed this week. Courts in the Sixth Circuit agree that – in considering motions for leave to amend – leave should be freely given. For instance, in granting leave to amend, the court in *Cendrowski Selecky Prof'l Corp. v. Nat'l Ass'n of Certified Valuation Analysts, Inc.*, 10-CV-14432, 2012 WL 1554209, at *3 (E.D. Mich. Apr. 30, 2012) found that “leave to amend must be freely given” before outlining the factors considered by courts in this Circuit:

The court is to consider several factors when deciding when to allow a motion to amend: Undue delay in filing, lack of notice to the opposing party, bad faith by

⁴ In the alternative to continuing the Stay, the City has suggested that FGIC may participate in the briefing of the Motion to Dismiss, while not bringing its own proposed counterclaims. For the same reason that the Trust Defendants may not have standing (or the right incentives) to argue for FGIC's interests, FGIC is not the proper party to argue to protect the Trust Defendants' counterclaims. Moreover, it is by bringing its distinct counterclaims, which are related to, but not identical to, the Trust Defendants' counterclaims, that FGIC has the ability to protect its interests. Accordingly, simply allowing FGIC to participate in the briefing on the Motion to Dismiss does not resolve the important legal issues regarding the intervenors' ability to preserve its claims. Those issues are recognized by this Court's June 30th, 2014 Order and they are also addressed by this Motion.

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the moving party, repeated failure to cure deficiencies by previous amendments, undue prejudice to the opposing party, and futility of amendment are all factors which may affect the decision.

See id. (citing *Commercial Money Ctr., Inc. v. Illinois Union Ins., Co.*, 508 F.3d 327, 346 (6th Cir. 2007)). Based on these factors, leave to amend is warranted.

FGIC has not unduly delayed its filing seeking leave to amend, nor is there a lack of notice. The Court ruled on timeliness in its Intervention Order at pg. 10, finding, “[t]he motions are timely. They were filed on the same day the Funding Trusts filed their answer to the complaint and the case is clearly in its initial stages.” By moving to intervene and asking to bring these very counterclaims, FGIC has put the City on notice of its request to file counterclaims since the initial stages of the Adversary Proceeding. Moreover, prejudice to the City does not exist. The Court has not resolved the Motion to Dismiss. There is no briefing schedule or timetable for such resolution. If anything, through this Motion, FGIC seeks to streamline the proceedings and avoid duplicative, piecemeal litigation.

Accordingly, leave to amend is warranted, and FGIC respectfully requests to file its proposed counterclaims and have such counterclaims adjudicated along with the Trust Defendants’ counterclaims.⁵

⁵ While it will promote efficiency for the Court to hear all counterclaims at once, to the extent the Court wishes to hear only those causes of action currently pending, FGIC will preserve its right to bring proposed counterclaim VI (for mutual mistake) and only move forward with the five proposed counterclaims that allege a cause of action currently alleged by the Trustee. Proposed counterclaims II through V, claims that request relief, respectively, for fraudulent inducement, misrepresentation, unjust enrichment, and promissory estoppel, match causes of action the City moved to dismiss. Proposed counterclaim I, for contract interpretation, was raised by the Trust Defendants, and the City did not move to dismiss the cause of action. Proposed counterclaim VI, for mutual mistake, was not alleged by the Trust Defendants.

CONCLUSION

For all the reasons stated above, assuming the Court deems it appropriate to lift the Stay, FGIC is entitled to leave to file its proposed counterclaims, and the Court should hear those counterclaims at the same time it resolves the Trust Defendants' counterclaims. There is no value in moving forward with the Trust Defendants' affirmative claims while holding off on other parties' claims, when the claims arise from the same underlying facts. Any decision to the contrary would prejudice FGIC. Moreover, the request makes practical sense. The Court allowed FGIC to participate in this litigation. There is no harm to the City – especially at this early stage in the proceedings – by allowing FGIC to participate meaningfully in that adversary proceeding, having its claims and defenses heard along with the other participating parties. The converse is not true. If FGIC is not permitted to have its proposed counterclaims heard alongside those of the Trust Defendants, FGIC would be prejudiced, resulting in a potential preclusive effect on its ability to protect its interests. For the foregoing reasons, FGIC respectfully requests that the Court grant the relief requested in this Motion.

DRAFT WORK PRODUCT
ATTORNEY-CLIENT COMMUNICATION

Dated: July __, 2014

Respectfully submitted,

/s/ Mark R. James

Ernest J. Essad Jr.

Mark R. James

WILLIAMS, WILLIAMS, RATTNER &

PLUNKETT, P.C.

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Email: edward.soto@weil.com

*Attorneys for Financial Guaranty Insurance
Company*

EXHIBIT 4

Certificate of Service

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

-----X	:	
In re	:	Chapter 9
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CITY OF DETROIT, MICHIGAN,	:	Case No. 13-53846
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Debtor.	:	Hon. Steven W. Rhodes
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CITY OF DETROIT, MICHIGAN,	:	Chapter 9
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Plaintiff,	:	Adversary No. 14-04112
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vs.	:	Hon. Steven W. Rhodes
	:	
DETROIT GENERAL RETIREMENT	:	
SYSTEM SERVICE CORPORATION, et al.,	:	
	:	
Defendants.	:	
-----X		

CERTIFICATE OF SERVICE

I hereby certify that on July 17, 2014 *FINANCIAL GUARANTY INSURANCE COMPANY'S MOTION TO FILE COUNTERCLAIMS PURSUANT TO THIS COURT'S ORDER GRANTING MOTIONS TO INTERVENE WITH LIMITATIONS* 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.

/s/ Mark R. James

Ernest J. Essad Jr.

Mark R. James

WILLIAMS, WILLIAMS, RATTNER &
PLUNKETT, P.C.

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Email: EJEssad@wwrplaw.com

Email: mrjames@wwrplaw.com

Dated: July 17, 2014

EXHIBIT 5

Affidavits (None)

EXHIBIT 6

Documentary Exhibits (None)