

**NOTICE OF FILING OF CITY OF DETROIT'S PLAN OF ADJUSTMENT AND  
RELATED DISCLOSURE STATEMENT AND OTHER CHAPTER 9 CASE  
DEVELOPMENTS TO HOLDERS ("HOLDERS") OF**

**DETROIT RETIREMENT SYSTEMS FUNDING TRUST 2006  
CERTIFICATES OF PARTICIPATION SERIES 2006-A**

CUSIP Affected: 251228AA0\*

**DETROIT RETIREMENT SYSTEMS FUNDING TRUST 2006  
CERTIFICATES OF PARTICIPATION SERIES 2006-B**

CUSIP Affected: 251228AB8 and 251228AC6\*

**COLLECTIVELY, THE "CERTIFICATES"**

**NOTE: THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE SUBJECT SECURITIES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS, AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE RE-TRANSMITTAL TO BENEFICIAL OWNERS OF THE SECURITIES IN A TIMELY MANNER.**

Wilmington Trust, National Association ("WNTA") is successor to U.S. Bank National Association as Trustee (the "Trustee") under that certain Trust Agreement dated June 12, 2006 (the "Trust Agreement") by and among the Trustee, the Detroit General Retirement System Service Corporation (the "GRS Corporation"), and the Detroit Police and Fire Retirement System Service Corporation (the "PFRS Corporation," and collectively with the GRS Corporation, the "Service Corporations").

Separate from its role as Trustee under the Trust Agreement, WTNA is also successor to U.S. Bank National Association in its capacity as contract administrator (the "Contract Administrator") under that certain Contract Administration Agreement dated June 12, 2006 (the "Contract Administration Agreement") by and among the Contract Administrator, the Funding Trust (defined herein), the GRS Corporation, and the PFRS Corporation.

Unless otherwise noted, capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Trust Agreement and the accompanying General Terms and Conditions dated May 1, 2005.

**The Certificates**

The Certificates were issued by the "Detroit Retirement Systems Funding Trust 2006"

(the "Funding Trust") established under the Trust Agreement for the purpose of funding the unfunded accrued actuarial liability of the Detroit General Retirement System and the Detroit Police and Fire Retirement System. The Certificates evidence individual undivided proportionate interests in the rights to receive certain payments (the "Funding Trust Receivables") to be made by the City of Detroit, Michigan (the "City") under two service contracts of the City, namely (i) a Service Contract dated June 7, 2006 between the City and the GRS Corporation and (ii) a Service Contract dated June 7, 2006 between the City and the PFRS Corporation (collectively, the "Service Contracts"). The Trust Agreement, the Contract Administration Agreement and the Service Contracts are sometimes referred to herein collectively as the "Transaction Documents."

Pursuant to the Service Contracts, the City is obligated to make service payments and certain additional payments to the Contract Administrator corresponding to the principal and interest payments due and owing on the Certificates. Pursuant to the Trust Agreement, the Service Corporations assigned their respective rights and interests in the Funding Trust Receivables due under the Service Contracts to the Funding Trust.

### **Insurance Policies**

The scheduled payment of principal and interest on the Certificates is guaranteed under certain insurance policies (the "Policies") issued by Financial Guaranty Insurance Company ("FGIC") and Syncora Guarantee Inc. f/k/a XL Capital Assurance Inc. ("Syncora," and collectively with FGIC, the "Insurers"), respectively. Pursuant to Section 6.9.2 of the Contract Administration Agreement and Section 802 of the Trust Agreement, so long as the Policies are in effect and the Insurers are not in default thereunder, the Insurers are deemed to be holders of Certificates equal to the principal amount insured by them and generally have the right to direct the Contract Administrator with respect to remedial actions to be taken in response to an Event of Default.

### **Chapter 9 Bankruptcy Filing**

As previously reported by the prior Trustee, on July 18, 2013 (the "Petition Date"), the City filed a voluntary petition under chapter 9 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of Michigan (the "Bankruptcy Court"). The chapter 9 case number is 13-53846 (the "Chapter 9 Case") and the presiding judge is the Hon. Steven W. Rhodes. Commencement of the Chapter 9 Case constitutes an Event of Default under Section 6.2.1(2) of the Contract Administration Agreement.

Copies of all pleadings, orders and documents filed in the Chapter 9 Case may be accessed by visiting the website maintained by the City's claims and noticing agent, Kurtzman Carson Consultants, LLC at <http://www.kccllc.net/Detroit>.

### **Official Committee of Unsecured Creditors**

As previously reported, on December 23, 2013, the U.S. Trustee appointed an Official Committee of Unsecured Creditors (the "Committee"), comprised of five (5) members. WTNA

was appointed to the Committee. The Committee engaged the law firms of Morrison & Foerster LLP and Steinberg Shapiro & Clark as counsel.

Also, as previously reported, on January 31, 2014, the City filed a motion with the Bankruptcy Court seeking to vacate the appointment of the Committee (the "Motion to Vacate"). Objections to the Motion to Vacate were filed by the U.S. Trustee and the Committee, and the Bankruptcy Court conducted a hearing on the Motion to Vacate and the objections filed thereto on February 19, 2014. On February 28, 2014, the Bankruptcy Court entered an order and written opinion vacating the appointment of the Committee.

### **Ruling on Eligibility for Chapter 9**

As previously reported, on December 3, 2013, the Bankruptcy Court ruled that the City was eligible to be a debtor under chapter 9 of the Bankruptcy Code (the "Eligibility Ruling"). On December 5, 2013, the court entered its written Opinion Regarding Eligibility (the "Eligibility Opinion").

The Eligibility Opinion has been appealed by several parties, some of whom have requested a direct appeal to the United States Court of Appeals for the Sixth Circuit (the "Appeals Court"). On December 20, 2013, the Bankruptcy Court certified that one of the circumstances allowing for a direct appeal of the Eligibility Ruling existed, namely that the Eligibility Ruling "involves a matter of public importance." However, in the same ruling, the Bankruptcy Court recommended that the Appeals Court decline to authorize the direct appeals, noting that the Eligibility Ruling and Eligibility Opinion were interlocutory orders that did not finally determine any creditors' rights. By order dated February 21, 2014, the Appeals Court granted the request for direct appeal of the Eligibility Opinion, but declined to expedite that direct appeal at this time.

### **Filing of Plan of Debt Adjustment and Related Disclosure Statement**

On February 21, 2014, the City filed its "Plan for the Adjustment of Debts of the City of Detroit" (as the same may be amended from time to time, the "Plan") and the "Disclosure Statement with Respect to Plan for the Adjustment of Debts of the City of Detroit" (as the same may be amended from time to time, the "Disclosure Statement"). The Plan provides for the treatment of claims of the City's creditors, including the Holders. Copies of the Plan and Disclosure Statement are available through the special link on the website of the Trustee's counsel: <http://www.drinkerbiddle.com/services/industries/Bondholders/city-of-detroit-cops-holders>. The Disclosure Statement contains, among other things, descriptions and summaries of the provisions of the Plan.

Under the Bankruptcy Code, before the Plan can be submitted to creditors (including the Holders) for a vote, the Plan's accompanying Disclosure Statement must be deemed adequate and approved by the Bankruptcy Court. If the Disclosure Statement is approved by the Bankruptcy Court, the Plan and Disclosure Statement will then be distributed to creditors entitled to vote on the Plan. Because the terms of the Plan are subject to change, the Trustee is not

providing a description of the current Plan herein, but intends to provide additional notice to Holders upon approval of the Disclosure Statement.

**Attached to this notice is a copy of the order entered by the Bankruptcy Court on March 6, 2014, establishing certain deadlines and setting certain hearing dates with respect to the process for approving the Disclosure Statement and confirming the Plan.**

### **City's Adversary Proceeding Against the Service Corporations and the Funding Trust**

As previously reported, on January 31, 2014, the City filed an adversary complaint (the "Complaint") against the Service Corporations, the Funding Trust and the Detroit Retirement Systems Funding Trust 2005 (together with the Funding Trust, the "Funding Trusts"). Among other things the Complaint alleges that "the Service Corporations are shams" and that the "COPs transactions were nothing more than borrowings by the City of Detroit thinly disguised as a back-to-back series of contract payments." The Complaint seeks (1) a declaratory judgment that the Service Contracts are illegal, unenforceable and void *ab initio* because they effectuated the incurrence of further indebtedness by the City in violation of the debt ceiling established by Michigan's Home Rule City Act and without the authorization required by the Revised Municipal Finance Act or any other state law, (2) a declaratory judgment that any claims based on the City's obligations to make Service Payments under the Service Contracts should be disallowed pursuant to 11 U.S.C. § 502(b)(1), and (3) preliminary, temporary and permanent orders enjoining the defendants from taking any actions to enforce or pursue any terms, claims, rights or other obligations under the Service Contracts relating to COPs transactions. The adversary proceeding number is 14-4112. A copy of the Complaint can be obtained through the special link on the website of the Trustee's counsel: <http://www.drinkerbiddle.com/services/industries/Bondholders/city-of-detroit-cops-holders>.

The Trustee and its counsel are reviewing and analyzing the Complaint and assessing the Funding Trust's options with respect thereto. The deadline to answer or otherwise respond to the Complaint is March 17, 2014.

### **Regarding Proofs of Claim**

On November 21, 2013, the Bankruptcy Court entered an order (the "Bar Date Order") approving the City's motion to establish a bar date for filing proofs of claim. Pursuant to the Bar Date Order, the deadline for filing proofs of claim against the City on account of any debt arising prior to the commencement of the Chapter 9 Case was **February 21, 2014 at 4:00 p.m. EST.**

**On behalf of itself, the Holders, and the Trustee, the Contract Administrator timely submitted proofs of claim against the City in the total amount of the Funding Trust Receivables due and payable at the time of the bankruptcy filing, plus the fees, costs and expenses of the Contract Administrator and the Trustee. Consequently, it was unnecessary for individual Holders to file proofs of claim with respect to the Funding Trust Receivables. Also, the Trustee filed, in its own name, a proof of claim in an unliquidated amount asserting claims and contingent claims arising from or relating to the Complaint, plus the fees, costs and expenses of the Trustee.**

### **Retention of Counsel**

WTNA in its capacities as Trustee and Contract Administrator has retained the law firm of Drinker Biddle & Reath LLP to represent it in connection with the Certificates and certain Events of Default.

### **Reservation of Rights**

WTNA in both its capacities as Contract Administrator and Trustee expressly reserves and preserves all rights, powers, and remedies in respect of each of the Transaction Documents, including without limitation its right to recover fees and costs (including, without limitation, fees and costs incurred or to be incurred by WTNA in performing its duties as Contract Administrator and as Trustee, indemnities owing or to become owing to WTNA, compensation for Contract Administrator and Trustee time spent and reimbursement for fees and costs of counsel and other agents WTNA employs in performing its duties or to pursue remedies) to the extent permitted under the Transaction Documents or otherwise at law, and its right, prior to exercising any rights or powers in connection with the Transaction Documents at the request or direction of any Holder, to receive security or indemnity satisfactory to it against all costs, expenses and liabilities that might be incurred in compliance therewith. No delay or forbearance by the Contract Administrator to exercise any right or remedy accruing upon the occurrence of a default, or otherwise under the terms of the Transaction Documents, other documentation relating thereto or under applicable law, shall impair any such right or remedy or constitute a waiver thereof or acquiescence therein.

### **Website for Accessing Certain Publicly Available Information**

Certain publicly available information which may be of interest to Holders, as well as prior notices given to Holders by the Trustee, is available to Holders through a special link on the website of the Trustee's counsel. Holders wishing to access this information should go to the following web page: <http://www.drinkerbiddle.com/services/industries/Bondholders/city-of-detroit-cops-holders>.

### **Future Events**

The Trustee will periodically communicate with all Holders of the Certificates through written notice of material events of a public nature of which the Trustee has knowledge.

### **Communications with Trustee and its Counsel**

If you have any questions concerning this notice, inquiries may be directed to Jay Smith at Wilmington Trust, National Association at (410) 545-2193 or [jhsmith@wilmingtontrust.com](mailto:jhsmith@wilmingtontrust.com) or to Kristin Going at Drinker Biddle & Reath LLP at (202) 230-5177 or [Kristin.Going@dbr.com](mailto:Kristin.Going@dbr.com) or to Heath D. Rosenblat at Drinker Biddle & Reath LLP at (212) 248-3248 or [Heath.Rosenblat@dbr.com](mailto:Heath.Rosenblat@dbr.com). The Trustee may conclude, however, that a specific

response to particular inquiries from individual Holders is not consistent with equal and full dissemination of information to all Holders. Holders should not rely on the Trustee as their sole source of information. Holders should consult with their own professionals on matters related to the Certificates. The Trustee makes no recommendations and gives no investment advice.

Wilmington Trust, National Association, as  
Successor Trustee

Dated: March 7, 2014

\* The Trustee makes no representation as to the accuracy of the CUSIP number provided and used herein.

NY01/7353190.4

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

In re:  
City of Detroit, Michigan,  
Debtor.

Chapter 9  
Case No. 13-53846  
Hon. Steven W. Rhodes

**Second Amended Order Establishing Procedures, Deadlines and  
Hearing Dates Relating to the Debtor's Plan of Adjustment**

The City has filed a plan of adjustment and a proposed disclosure statement. To promote the just, speedy, and inexpensive determination of this case as required by Fed. R. Bankr. P. 1001, the Court hereby establishes the procedures, deadlines and hearing dates set forth below.

*Nothing herein excuses any party from the continuing obligation to participate in good faith in any mediation as ordered by Chief Judge Rosen.*

*Further, the Court again strongly encourages all parties to negotiate with full intensity and vigor with a view toward resolving their disputes regarding the treatment of claims in the City's plan of adjustment.*

1. **March 14, 2014** is the deadline for parties to make a good faith effort to advise counsel for the City in writing of any request to include additional information in the disclosure statement. These requests shall not be filed with the Court.
2. **March 21, 2014** is the deadline for the City, the Retiree Committee, and any other interested parties to submit briefs on whether the classification of retiree claims in the plan of adjustment violates the bankruptcy code.
3. **March 28, 2014** is the deadline for the parties to file reply briefs regarding the issue identified in paragraph 2, above.
4. **April 1, 2014** is the deadline to file objections to the proposed disclosure statement.

*Parties shall not state objections to the plan as objections to the proposed disclosure statement.*

*A party filing an objection to the proposed disclosure statement shall use the proper ECF event code for the filing.*

5. **April 4, 2014 at 10:00 a.m. will be the date and time for the hearing on the issue identified in paragraph 2, above.**
6. **April 8, 2014** is the deadline for the City to file:
  - (a) One combined response to all of the timely objections to the proposed disclosure statement.
  - (b) A list of its fact witnesses and to identify the subjects that each witness will address.
7. **April 10, 2014** is the deadline for attorneys who have filed timely disclosure statement objections and counsel for the City to meet and confer with a view toward narrowing and resolving their disputes regarding the adequacy of the disclosure statement. This “meet and confer” may be in person or by telephone. Any party whose attorney fails to timely participate in this process will be deemed to have waived its objections to the disclosure statement.

*The Court strongly encourages the parties to resolve all disclosure statement objections before the hearing on the disclosure statement, and strongly discourages the parties from pursuing expensive, time-consuming and unnecessary litigation regarding the adequacy of the disclosure statement.*
8. **April 11, 2014** is the deadline:
  - (a) For the City to file a statement identifying the objections to the disclosure statement that remain unresolved after the “meet and confer” process required by paragraph 7, above.
  - (b) For all parties to serve written discovery requests regarding plan confirmation.
9. **April 14, 2014 at 9:00 a.m. will be the date and time of:**
  - (a) **The hearing on any unresolved objections to the disclosure statement; and**
  - (b) **A status conference regarding the plan confirmation process.**
10. **April 18, 2014** is the deadline for the City to file the final disclosure statement resolving any objections that the Court has sustained.
11. **April 25, 2014** is the deadline to comply with timely written discovery requests.
12. **April 26, 2014** is the date on which depositions may commence.
13. **April 28, 2014** is the deadline:
  - (a) For the City to mail plan solicitation packages and, to the extent provided in any order approving vote solicitation procedures, to provide packages to applicable DTC participants;



(b) For parties other than individual bondholders and individual retirees to file objections to the plan; and

(c) For parties who have filed timely objections to plan confirmation to file a list of their fact witnesses and to identify the subjects that each witness will address.

*A party filing an objection to the plan shall use the proper ECF event code for the filing.*

14. **May 12, 2014** is the deadline for the City to file one combined response to all of the timely plan objections filed under paragraph 13(b), above.
15. **May 30, 2014** is the deadline for each party to file a list of expert witnesses and to serve copies of expert reports (which shall not be filed).
16. **June 16, 2014** is the deadline to complete all non-expert witness depositions.
17. **June 30, 2014** is the deadline:
  - (a) For plan voting;
  - (b) For individual bondholders and individual retirees to file objections to the plan; and
  - (c) To complete expert depositions.
18. **July 7, 2014** is the deadline for any party that filed a timely objection to the plan to file a supplemental objection, but only to the extent that discovery or the results of plan voting give rise to additional or modified objections to the plan.
19. **July 11, 2014** is the deadline:
  - (a) To submit a proposed joint final pretrial order in compliance with LBR 7016-1;
  - (b) To file pretrial briefs; and
  - (c) For the City to file one combined response to supplemental objections to the plan and to objections filed by individual bondholders and individual retirees.
20. **July 14, 2014 at 9:00 a.m. will be the date and time of the final pretrial conference on plan confirmation.**
21. **July 16, 2014 at 9:00 a.m. will be the date and time for the commencement of the hearing on plan confirmation.**

**Additional confirmation hearing dates, as necessary, will be July 17-18, 21-25, 28-31 and August 1, 2014.**

*At this hearing, in addition to any evidence addressing the factual issues raised in the parties' plan objections, the City shall present evidence establishing the feasibility of its plan as required by 11 U.S.C. § 943(b)(7).*

The dates and deadlines established herein will be extended only on motion establishing good cause.

It is so ordered.

**Signed on March 06, 2014**

/s/ Steven Rhodes  
**Steven Rhodes**  
**United States Bankruptcy Judge**