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Costs of Detroit's Bankruptcy Reach About \$178 Million.

Legions of lawyers, consultants and other advisers have been paid nearly \$178 million for their work on Detroit's historic bankruptcy, a number that comes in under budget but still makes it the most expensive municipal restructuring in U.S. history.

The city of Detroit detailed the fees and expenses paid to dozens of advisers in a filing made Tuesday in U.S. Bankruptcy Court in Detroit. The city recently exited bankruptcy protection after cutting about \$7 billion of \$18 billion in long-term obligations and promising to reinvest more than \$1.4 billion in essential city services.

As the bankruptcy advisers and a court-appointed emergency financial manager leave the city, a new set of overseers will soon enter the scene. As part of its restructuring, a financial oversight commission will have direct control over the city's budget for at least three years and indirect oversight for at least 10 years after that.

The law firm Jones Day led the way in the fees disclosed Tuesday with a \$57.9 million bill. Detroit hired the firm in the months leading up to its July 2013 bankruptcy filing and chose one of its former partners, Kevyn Orr, to be emergency manager. Mr. Orr resigned in mid-December after almost 21 months in office.

Jones Day is among 10 firms advising Detroit that must have their fees scrutinized by a court-appointed fee examiner. That group includes restructuring firm Conway MacKenzie, with a \$17.3 million bill, investment bank Miller Buckfire & Co. at \$22.8 million, and financial adviser Ernst & Young at \$20.2 million.

A total of \$164.9 million in fees have been paid out of Detroit's general fund, the filing shows, to advisers of the city, others that advised a committee of Detroit retirees, counsel to the fee examiner, and experts hired by U.S. Bankruptcy Court Judge Steven Rhodes. Mediators that helped negotiate key deals in the Chapter 9 case billed \$980,000, which doesn't include the work of U.S. District Judge Gerald Rosen, who worked on the mediations for free.

The general fund tally comes in under a \$177 million budget allotted as part of the bankruptcy-exit plan, according to the filing, and was decreased by a \$5.3 million contribution made by the state of Michigan.

Other advisers were paid from an enterprise fund, the filing shows, and two city unions paid a total of about \$12 million directly to law firm Clark Hill and investment bank Greenhill & Co.

Judge Rhodes still has the final say on whether the fees will stand. In a Dec. 15 court order, the judge said that once he reviews the city's disclosures, he will "determine what further process is appropriate to determine the reasonableness of fees."

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