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BANKRUPTCY - DETROIT

In re City of Detroit

United States Bankruptcy Court, E.D. Michigan, Southern Division - February 12, 2015 - Slip Copy 2015 WL 603888

In this Amended Opinion and Order Regarding the Reasonableness of Fees Under 11 U.S.C. § 943(b)(3), the Bankruptcy Court found that the fees were reasonable. This finding was based primarily on the number and complexity of the issues in the case, the City's extreme financial challenges, the results obtained, the substantial reductions to which many professionals have agreed, and the lack of objections or negative comments regarding fees filed with this Court.

The Order concluded with the following:

"In its oral opinion confirming the plan on November 7, 2014, the Court stated:

'Profound thanks to the attorneys and other professionals in the case. You conducted yourselves with the highest degree of civility, respect, and professionalism, both to each other and to the Court. At the same time, you demonstrated zealous advocacy as well as loyalty to your oaths and to your clients. Your work in this case is a model of the public service role that lawyers and the legal profession perform in our society. It has made me proud to be a part of the judicial process and of the legal profession and each of you should share in that pride.'

In its eligibility opinion near the beginning of the case, the Court made detailed and, frankly, depressing findings about the City's fiscal and service delivery insolvency. Those findings reflected the awesome challenges that the professionals in the case faced, embraced, met and overcame. They understood from the beginning the profound personal stake that each of the 700,000 residents of the City of Detroit had in the outcome of their work.

It is perhaps too easy now to fast-forward through the play-back that is necessary to comprehend the magnitude of the accomplishments of the professionals in this case. But now is the time to appreciate and credit that accomplishment and all of the effort and skill of those professionals in achieving it. The City is now on a path to success precisely because of the expertise, skill, commitment, endurance, personal sacrifice, civility and proficiency of all of the professionals in the case, including most certainly those whose fees are subject to review in this opinion.

In utter contrast to the community sense when the case was filed, the residents of the City as well as its community and political leaders now justly feel and express a strong and genuine sense of enthusiasm, optimism and confidence about the City's future. They should also feel and express a strong and genuine sense of appreciation for these professionals and their service.

The Court, and for that matter the City itself, must acknowledge that the City's own professionals bore the burden of the many challenges in this case. It is therefore proper now to recognize in particular the contribution of the City's advisors, Ernst & Young, Conway MacKenzie, and Miller Buckfire. It is also proper now to specially recognize the singular and extraordinary contribution of the City's attorneys, Jones Day."

