



U. S. Department of Justice

Office of the United States Trustee

*Eastern District of Michigan*

211 West Fort Street  
Suite 700  
Detroit, Michigan 48226

Main (313) 226-7999  
Telefax (313) 226-7952

December 6, 2013

In re: The City of Detroit, Michigan  
United States Bankruptcy Court, Eastern District of Michigan  
Case No. 13-53846-SWR

To: Unsecured creditors who may be eligible to serve on the committee of unsecured creditors.

The City of Detroit filed for relief under Chapter 9 of the Bankruptcy Code on July 18, 2013. On December 5, 2013 the Court entered an order for relief after making the determination that the City is eligible to be a bankruptcy debtor. The United States Trustee is in the process of soliciting membership for a Committee of Unsecured Creditors ("Committee"). You are among the creditors who may be eligible to serve on the Committee. The United States Trustee urges you to consider serving on the Committee. The Committee represents the interests, and acts on behalf, of all unsecured creditors.

If you wish to be considered for membership on the Committee, please complete the enclosed Questionnaire and return it to the Office of the United States Trustee by email [[det9credcomm@usdoj.gov](mailto:det9credcomm@usdoj.gov)] or fax [313.226.7952] on or before close of business December 16, 2013. Return of the questionnaire does not guaranty appointment to the Committee, only that you will be considered. Once the United States Trustee receives and reviews your questionnaire, you may be contacted and asked to provide follow-up information to finalize the review process.

Very truly yours,

Daniel M. McDermott  
Daniel M. McDermott  
United States Trustee  
Region 9



# UNSECURED CREDITORS' COMMITTEE QUESTIONNAIRE

In Re: **City of Detroit**  
Case No.: 13-53846-SWR

Date: December 6, 2013

Are you willing to serve on the committee of unsecured creditors? ( ) YES ( ) NO

A. Creditor's name, contact information, and address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Telephone \_\_\_\_\_ E-mail \_\_\_\_\_  
Fax \_\_\_\_\_

B. Counsel (if any) for creditor, contact information, and address:

\_\_\_\_\_  
\_\_\_\_\_  
Telephone \_\_\_\_\_ E-mail \_\_\_\_\_

C. If you have been contacted by a professional person(s) (e.g., attorney, accountant, or financial advisor) regarding the formation of this committee, please provide that individual's name and/or contact information:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

D. Amount of **unsecured** claim (U.S. \$): \_\_\_\_\_

E. Describe the nature of your claim(s), *i.e.*, whether arising from goods or services provided; loans made; litigation; etc., including whether any portion of the claim is secured. If secured, please describe the collateral securing the claim. If any portion of the claim(s) arises from litigation, please state the nature of the claim, the case number and jurisdiction (if applicable) and the status.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

F. Amount of unsecured claim entitled to 11 U.S.C. § 503(b) treatment as an administrative expense.

\_\_\_\_\_

G. Is all or any portion of your claim a claim for a pension, a retiree health benefit, or any other benefit arising from prior employment by the debtor? ( )YES ( )NO

H. Would your schedule permit you to actively participate on the committee by attending regular (perhaps weekly) meetings, either by telephone or in person? ( )YES ( )NO

I. Are you an "insider" of the debtor? For example, a related or affiliated entity; a manager, elected official or current employee. ( )YES ( )NO

If yes, explain: \_\_\_\_\_  
\_\_\_\_\_

J. Have you assigned all or any part of your claim to any person or entity, or did you purchase the claim from another person or entity. If so, please provide the name, address and telephone number of that person or entity:

\_\_\_\_\_  
\_\_\_\_\_

K. Do you or any affiliated entities have any other claims against, or debt securities of, the debtor(s)? YES NO

L. Do you or any affiliated entities have any financial arrangements with any third party or parties that may affect the value of your claim(s) against the debtor (e.g., personal guarantees, credit insurance, etc.)? YES NO

**You may attach a written statement to explain or supplement any responses.**

**Creditors wishing to serve as fiduciaries on an official committee are advised that they may not purchase, sell or otherwise trade in or transfer claims against the debtor while they are committee members absent an order of the court on application of the creditor.**

Please be advised that once a committee is formed, the United States Trustee will file a notice of appointment in the court record that contains contact information for any creditor appointed, including the creditor's name, address, and telephone number.

**Privacy Act Statement.** 11 U.S.C. § 1102 authorizes the collection of this information. The information will be used by the United States Trustee to determine your qualifications for appointment to the committee. Disclosure of this information may be to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties, or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: [http://www.justice.gov/ust/eo/rules\\_regulations/index.htm](http://www.justice.gov/ust/eo/rules_regulations/index.htm). Your disclosure of information is voluntary; however, failure to provide the requested information may result in the rejection of your application to be appointed to the committee.

I hereby certify that, to the best of my knowledge and belief, the answers to this Questionnaire are true and correct. By executing this Questionnaire, I also agree to the restrictions and conditions set forth in the preceding paragraphs and in the Committee Information Sheet, and I agree to provide the periodic certifications upon the request of the United States Trustee.

Date: \_\_\_\_\_

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Print Name**

\_\_\_\_\_  
**Title**

**NOTE:** You can email this form to [det9credcomm@usdoj.gov](mailto:det9credcomm@usdoj.gov) or fax it to 313.226.7952 or 313.226.2504.

## WHAT'S INVOLVED IN BEING ON A CHAPTER 9 CREDITORS' COMMITTEE?

**Q: How do I know if I am eligible to be on the Committee?**

A: To be eligible, you must hold an unsecured claim against the debtor, and you must generally not be a governmental unit.

You are not automatically precluded from being on the Committee if you have a secured claim in addition to your unsecured claim. The same is true if your claim is disputed by the debtor (although, certain limitations may be imposed on your participation in Committee activities concerning that dispute).

**Q: Do I have to be located in or near Detroit to participate?**

A: No. It is possible to attend Committee meetings via a telephone, or to arrange to have written materials mailed or electronically delivered (e.g., by email or telefax) to you.

**Q: What type of time commitment is involved?**

A: It depends on the case. Some cases involve numerous business transactions and court proceedings which should be reviewed by the Committee, while other cases entail much less.

**Q: How can I be an effective Committee member if I am not knowledgeable about bankruptcy laws and procedures?**

A: The Bankruptcy Code allows the Committee, with court authorization, to hire an attorney to represent it. That attorney can advise the Committee with respect to the law, prepare legal documents, make court appearances, and negotiate with the debtor's counsel. The Committee may also be authorized to hire an accountant to assist it. Representation by a competent professional offers the best opportunity for effective participation in the bankruptcy process. Meanwhile, you yourself have much to offer: your knowledge of the debtor's financial affairs and transactions and your understanding of the position and interests of the unsecured creditors.

**Q: Who pays for the Committee's attorney or accountant?**

A: Unlike a chapter 11 debtor, the debtor in a chapter 9 case is not required to compensate the Committee's professionals. The debtor may, however, agree to do so if it chooses. The debtor might request a budget before it will agree to pay the expenses.

**Q: Will I be compensated for the time I spend and the expenses I incur in performing duties for the Committee?**

A: You will not be compensated for your time. However, under certain circumstances, you may be entitled to reimbursement for necessary expenses incurred in the performance of the duties of the Committee.

**Q: What powers does the Committee have?**

A: The Committee may make recommendations to the debtor concerning the administration of

the bankruptcy case. The Committee also has investigatory powers: it may, upon motion, examine witnesses or compel the production of documents to ascertain the operations and financial condition of the debtor. Its primary power however is to have a stronger voice than an individual creditor, while actively participating in the negotiation of a plan for the adjustment of the debtor's financial obligations. In a chapter 9 a creditor may not propose its own plan; only the debtor may propose a plan.

**Q: What duties does the Committee have?**

A: The Committee has a fiduciary duty to the class of unsecured creditors it represents. That fiduciary duty encompasses both the duty of loyalty and the duty to exercise due care. Therefore, the Committee, and each member of the Committee, must avoid being in the position of having a conflict of interest with the class of unsecured creditors. Committee members must avoid the furthering of self-interest (i.e., self-dealing) at the expense of the other unsecured creditors. They have the duty to keep confidential the information learned as a result of being a member of the Committee. They also have the duty to exercise at least that degree of care that a reasonably prudent person would devote toward his own affairs under similar circumstances.

**Q: How can I get on the Committee?**

A: Complete the enclosed "Questionnaire" and return it to the Office of the United States Trustee by email [[det9credcomm@usdoj.gov](mailto:det9credcomm@usdoj.gov)] or telefax [313.226.7952 or 313.226.2504]. We will review the form to determine your eligibility. We may choose to meet with and/or interview prospective Committee members. We will notify you of any such meeting of interviews. We will form a Committee if at least three eligible creditors have accepted. If you are chosen to be on the Committee, we will notify you, and furnish you with the names, addresses and telephone numbers of the other Committee members.

**Q: Once I am on the Committee, what do I do next?**

A: We suggest that you contact the other members and arrange a telephone or in-person meeting, or ask that we convene a meeting for you. At the meeting, elect a chairperson, share information regarding the debtor, and discuss the possibility of interviewing and hiring a bankruptcy attorney. Keep in mind that the selection of an attorney must take place at a scheduled meeting at which the majority of Committee members are present. Once selected by the Committee, a competent bankruptcy attorney will know how to obtain the necessary court approval.

File a "Request for Special Notice" with the court. Mail a copy to the debtor, the debtor's attorney, all creditors, and to the Office of the United States Trustee. Your request should ask that a copy of all notices and documents filed with the court be mailed to the Committee chairperson.

Establish a schedule for future meetings, if possible.

Numerous publications are available in law libraries regarding Creditors' Committees. However, it is highly recommended that you retain competent bankruptcy counsel in addition to engaging in self-education.