

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

In re)	
)	Case No. 13-53846
CITY OF DETROIT, MICHIGAN,)	
)	In Proceedings Under
Debtor.)	Chapter 9
)	Hon. Steven W. Rhodes
)	
AMBAC ASSURANCE CORPORATION,)	
)	
Plaintiff,)	
)	
v.)	Adversary Proceeding
)	No. 13-05310-swr
CITY OF DETROIT, MICHIGAN,)	
KEVYN D. ORR, in his official capacity)	Hon. Steven W. Rhodes
as EMERGENCY MANAGER,)	
JOHN NAGLICK, in his official capacity)	
as FINANCE DIRECTOR, MICHAEL)	
JAMISON, in his official capacity as)	
DEPUTY FINANCE DIRECTOR, and)	
CHERYL JOHNSON, in her official)	
capacity as TREASURER,)	
)	
Defendants.)	
)	

STIPULATION TO STAY LITIGATION

The City of Detroit, Michigan (the “City”) and Ambac Assurance Corporation (“Ambac” and collectively with the City, the “Parties”), by and through their undersigned counsel, stipulate as follows:

1. Effective as of July 18, 2014, the City, Ambac, Assured Guaranty

Municipal Corp. and Assured Guaranty Corp. (together “Assured”), and National Public Finance Guarantee Corporation (“NPFPG”, and together with Ambac and Assured, the “UTGO Parties”) entered into a Settlement Agreement (the “UTGO Settlement”) resolving, *inter alia*, the issues raised in the above-captioned action (the “Ambac Action”) with regard to the unlimited tax general obligation bonds insured by the UTGO Parties.

2. Effective as of July 24, 2014, the City, Ambac, and BlackRock Financial Management (“BlackRock” and collectively with Ambac, the “LTGO Parties”) entered into a Settlement Agreement (the “LTGO Settlement”) resolving, *inter alia*, the issues raised in the Ambac Action with regard to the limited tax general obligation bonds insured by Ambac or held by BlackRock and others.

3. The UTGO Settlement and the LTGO Settlement provide that as soon as practicable subsequent to the execution and delivery of the UTGO Settlement and the LTGO Settlement, respectively, but in no event later than five (5) business days subsequent thereto, the UTGO Parties and the LTGO Parties are to take any and all action as is appropriate to stay (A) the UTGO Litigation (as defined in the UTGO Settlement), which includes the Ambac Action, and (B) the Ambac Action.

4. The UTGO Settlement was fully executed and delivered as of August 27, 2014. The LTGO Settlement was fully executed and delivered as of August 27, 2014.

5. Pursuant to the UTGO Settlement and the LTGO Settlement, the Parties hereby stipulate to a stay of the Ambac Action. The stay is subject to termination, and the Ambac Action may be resumed, only as described in the UTGO Settlement and LTGO Settlement, attached as Exhibits I.A.317 and I.A.198, respectively, to the Corrected Fifth Amended Plan for the Adjustment of Debts of the City of Detroit (ECF # 6379).

Respectfully Submitted,

Dated: August 28, 2014

/s/ Carol Connor Cohen
Carol Connor Cohen
Caroline Turner English
ARENT FOX LLP
1717 K Street, NW
Washington, DC 20036-5342
Telephone: (202) 857-6000
Facsimile: (202) 857-6395
Carol.Cohen@arentfox.com
Caroline.English@arentfox.com

and

David L. Dubrow
Mark A. Angelov
ARENT FOX LLP
1675 Broadway
New York, NY 10019
Telephone: (212) 484-3900
Facsimile: (212) 484-3990
David.Dubrow@arentfox.com
Mark.Angelov@arentfox.com

and

/s/ Heather Lennox
David G. Heiman (OH 0038271)
Heather A. Lennox (OH 0059649)
Thomas A. Wilson (OH 0077047)
JONES DAY
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114
Telephone: (216) 586-3939
Facsimile: (216) 579-0212
dgheiman@jonesday.com
hlennox@jonesday.com
tawilson@jonesday.com

Bruce Bennett (CA 105430)
JONES DAY
555 South Flower Street
Fiftieth Floor
Los Angeles, California 90071
Telephone: (213) 243-2382
Facsimile: (213) 243-2539
bbennett@jonesday.com

Robert S. Hertzberg (P30261)

Daniel J. Weiner (P32010)
Brendan G. Best (P66370)
SCHAFER AND WEINER, PLLC
40950 Woodward Ave., Ste. 100
Bloomfield Hills, MI 48304
Telephone: (248) 540-3340
dweiner@schaferandweiner.com
bbest@schaferandweiner.com

ATTORNEYS FOR AMBAC
ASSURANCE CORPORATION

Deborah Kovsky-Apap (P68258)
PEPPER HAMILTON LLP
4000 Tower Center
Suite 1800
Southfield, Michigan 48075
Telephone: (248) 359-7300
Facsimile: (248) 359-7700
hertzbergr@pepperlaw.com
kovskyd@pepperlaw.com

ATTORNEYS FOR THE CITY OF
DETROIT

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DEPUTY FINANCE DIRECTOR, and)	
CHERYL JOHNSON, in her official)	
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CERTIFICATE OF SERVICE

I hereby certify that on August 28, 2014, Stipulation to Stay Litigation 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.

Dated: August 28, 2014

Respectfully Submitted,
ARENT FOX LLP

By: /s/ Carol Connor Cohen
Carol Connor Cohen
Caroline Turner English
Randall Brater
1717 K Street, NW
Washington, DC 20036-5342
(202) 857-6054
Email: Carol.Cohen@arentfox.com

David L. Dubrow
Mark A. Angelov
1675 Broadway
New York, NY 10019
(212) 484-3900

-and-

SCHAFFER AND WEINER, PLLC
Daniel J. Weiner (P32010)
Brendan G. Best (P66370)
40950 Woodward Ave., Ste. 100
Bloomfield Hills, MI 48304
(248) 540-3340
Email: bbest@schaferandweiner.com

Attorneys for Ambac Assurance Corporation