UNITED STATES DISTRICT COURT EASTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION

CATHERINE PHILLIPS, Staff Representative Michigan AFSCME Council 25, and Chief Negotiator with the City of Detroit; JOSEPH VALENTI, Co-Chief Negotiator with the Coalition of Unions of the City of Detroit; MICHIGAN AFSCME COUNCIL 25; RUSS BELLANT, President of the Detroit Library Commission; TAWANNA SIMPSON, LAMAR LEMMONS, ELENA HERRADA, Detroit Public School Board Members; DONALD WATKINS AND KERMIT WILLIAMS. Pontiac City Council Members; DUANE SEATS, DENNIS KNOWLES, JUANITA HENRY AND MARY ALICE ADAMS, Benton Harbor Commissioners; WILLIAM "SCOTT" KINCAID, Flint City Council President; **BISHOP BERNADEL JEFFERSON; PAUL** JORDAN; REV. JIM HOLLEY, National Board Member, Rainbow Push Coalition: REV. CHARLES E. WILLIAMS II, Michigan Chairman, National Action Network; REV. DR. MICHAEL A. OWENS, REV. LAWRENCE GLASS, REV. DR. DEEDEE COLEMAN, BISHOP ALLYSON ABRAMS, Executive Board, Council of Baptist Pastors of Detroit and Vicinity,

Plaintiffs,

v

RICHARD D. SNYDER, as Governor of the State of Michigan, and ANDREW DILLON, as the Treasurer of the State of Michigan, acting in their individual and/or official capacities,

Defendants.

No. 2:13-cv-11370

HON. GEORGE CARAM STEEH

MAG. R. STEVEN WHALEN

NOTICE OF PENDENCY OF BANKRUPTCY CASE AND APPLICATION OF THE AUTOMATIC STAY Herbert A. Sanders (P43031) The Sanders Law Firm PC Attorney for Plaintiffs 615 Griswold Street, Suite 913 Detroit, Michigan 48226 313.962.0099 haslaw@earthlink.net

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NOTICE OF PENDENCY OF BANKRUPTCY CASE AND APPLICATION OF THE AUTOMATIC STAY

On July 18, 2013, the City of Detroit, Michigan filed a petition for relief under Chapter 9 of Title 11 of the United States Code. (Document 1, *In re City of Detroit, Michigan*, Case No. 13-53846, (Bankr. E.D. Mich.)) In accordance with the automatic stay imposed by operation of §§ 362 and 922 of the Bankruptcy Code, 11 U.S.C. §362 and 922, no cause of action filed prior to, or relating to the period prior to, the Petition Date may be continued or commenced against (i) the City and/or its employees, or (ii) an officer, employee, or inhabitant of the City, in any judicial, administrative or other court or tribunal to enforce a claim against the City without the Bankruptcy Court first issuing an order lifting or modifying the Stay for such specific purpose. Further, no related judgment or order may be entered or enforced against the City without the Bankruptcy Court first issuing an order lifting or modifying the State for such specific purpose.

On July 25, 2013, the provisions of this automatic stay were extended in all respects (to the extent not otherwise applicable) to include certain "State Entities" defined as "the Governor, the State Treasurer and the members of the Loan Board, collectively with the State Treasurer and the Governor, and together with each entity's staff, agents and representatives." (Exhibit 1). Governor Snyder and Treasurer Dillon are named Defendants in the captioned matter which was filed prior to the Petition Date and which is subject to this Bankruptcy Court Order extending the automatic stay.

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Actions taken while this Stay is in effect and/or in violation of this Stay, including proceedings in this case, are void and without effect.

The Bankruptcy Court for the Eastern District of Michigan has not issued an order lifting or modifying the Stay for the specific purpose of allowing any party in the captioned case to continue this action against the Governor or Treasurer. Under these circumstance, the above-captioned proceeding may not be prosecuted, and no valid judgment or order may be entered or enforced against these "certain State Entities."

These certain "State Entities" will not defend against, or take any other action with respect to, the above-captioned proceeding while the Stay remains in effect.

These certain "State Entities" hereby expressly reserve all rights with respect to the above-captioned proceeding, including, but not limited to, the right to move to vacate any judgment entered in the above-captioned proceeding as void.

Respectfully submitted,

BILL SCHUETTE Attorney General

<u>s/Denise C. Barton</u> Denise C. Barton (P41535) Ann M. Sherman (P67762) Michael F. Murphy (P29213) Assistant Attorneys General Attorneys for Defendants P.O. Box 30736 Lansing, Michigan 48909 517.373.6434 Email: <u>bartond@michigan.gov</u> P41535

Dated: August 7, 2013

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CERTIFICATE OF SERVICE

I hereby certify that on August 7, 2013, I electronically filed the foregoing paper with the Clerk of the Court using the ECF system which will send notification of such. I also mailed the foregoing paper via US Mail to all non-ECF participants.

<u>s/Denise C. Barton</u> Denise C. Barton (P41535) Assistant Attorney General Attorney for Defendants P.O. Box 30736 Lansing, Michigan 48909 517.373.6434 E-mail: <u>bartond@michigan.gov</u>