

City of Detroit Bankruptcy: Challenge to Bankruptcy Plan and Pension Grand Bargain

A team from Miller Canfield, led by Marc Swanson, represented the City in an appeal to Sixth Circuit Court of Appeals regarding a challenge to the City's confirmed bankruptcy plan, including the Grand Bargain reached in the City's bankruptcy negotiations. Creditors in five different appeals attacked the Grand Bargain reached between the City and beneficiaries, employees and retirees related to the reduction of pension benefits; an agreement essential to the overall bankruptcy plan. The court upheld the plan and dismissed each appeal as moot, citing the "complex network of settlements and agreements with its thousands of creditors and stakeholders" previously approved by the bankruptcy court. This result kept the bankruptcy plan from unraveling and allowed the City to move forward with regrowth.