

Who's who in Detroit's bankruptcy

By Brent Snavelly, Nathan Bomey and Alisa Priddie

Detroit Free Press Staff Writers

The fate of Detroit's bankruptcy case is largely in the hands of people most Detroiters had never heard of just a few weeks ago.

Many of the most influential players are top-notch, highly paid bankruptcy attorneys who live in New York or New Jersey. A few are from firms in Detroit, and some, including Michigan Gov. Rick Snyder, are already household names.

What follows is a quick look at 11 players in key roles during the first phase of Detroit's bankruptcy case and who will likely play decisive roles down the road:



Bruce Bennett

BRUCE BENNETT, partner at Jones Day law firm representing the city:

Bennett opened the case for the city Wednesday in the trial to determine whether Detroit is even eligible for bankruptcy. He is recognized as among the nation's top

attorneys for municipal bankruptcies. He represented Orange County, Calif., in the early 1990s when it declared bankruptcy. At the time, Orange County was the largest municipal bankruptcy on record, and Bennett was only in his 30s.

"He was, not infrequently, the youngest lawyer in the room, and was usually the dominant person ... not because he has a real bombastic personality but simply because he knew more than anyone else," said Mike Hennigan, a former partner of Bennett who also was involved in the Orange County case.



Kenneth Buckfire

KENNETH BUCKFIRE, copresident of Miller Buckfire, serving as Detroit's investment banker: Buckfire doesn't like to waste time. In person, he tends to answer questions with a direct yes or no and quickly explains his thinking in terse, datapacked sentences. But he remains friendly while doing this.

Buckfire is among the best in the country at the art of renegotiating and restructuring complex financial transactions

for companies and municipalities in distressed situations.

"However badly things appear to be going, and whatever obstacles there may be, (Buckfire) is going to hang tough and work like crazy to solve the problem and reach a successful conclusion," said former partner Henry Miller.

BABETTE CECCOTTI, lead attorney for the UAW and partner with Cohen, Weiss and Simon in New York:

Ceccotti has emerged in bankruptcy hearings as a forceful advocate for the city's employees and retirees. She has often reminded the judge of key technical points that others have glossed over or forgotten to press and also has kept her eye on the big picture when it comes to Detroit's historic bankruptcy case.

"It's one of those moments that I think we will look back on and say, 'This is when Chapter 9 changed,'" she said last week.



Bob Gordon

BOB GORDON, lead attorney for Detroit's Retirement Systems and member of Clark Hill in Detroit:

Few attorneys involved in the bankruptcy case know U.S. Bankruptcy Judge Steven Rhodes as well as Gordon, and it shows. The judge has openly

expressed appreciation for the lawyer's role in organizing opposition arguments to avoid duplication. Gordon has pressed his arguments aggressively but also has quickly dropped certain ones when it became clear Rhodes disagreed.

"We all have a sense of urgency. How could we not?" Gordon said in August. "But there is proceeding in all due dispatch and there is proceeding in haste."

CLAUDE MONTGOMERY, a lead attorney for the retiree creditors committee, which was organized so retirees would have formal representation during the bankruptcy. Montgomery is a partner with Dentons cq, law firm in New York:

The retiree creditors committee did not exist until late August and quickly established itself in September as a loud voice on behalf of retired city workers who fear their pensions will be slashed.

"We think you don't actually have to wait until the harm has befallen you if the threat is imminent," he told Rhodes during a hearing.



Heather Lennox

HEATHER LENNOX, partner with Jones Day law firm representing the city:

Lennox made her mark during the very first bankruptcy hearing in August when creditors sought to put the city's bankruptcy case on hold until all open

lawsuits involving the city were resolved. She argued: "Having widespread litigation... can only confuse the parties, confuse the case and create serious barriers to efficient administration of this case."

She won a clean sweep in rulings from Rhodes, who agreed to freeze all pending city litigation.

Lennox is known for leaving the fire and brimstone to others as she steeps her arguments in a crisp synopsis of case law backed by sound logic.

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Sharon Levine

SHARON LEVINE, lead attorney for American Federation for State, County and Municipal Employees (AFSCME) and partner with Lowenstein Sandler in New Jersey:

No attorney has been more assertive in court hearings so far than Levine.

"I'd ask your honor to come back with me to elementary and high school when we first talked about what the Constitution means," she said to Rhodes during one hearing.

Levine is charged with defending the rights of city employees and retirees. At times, Rhodes has rewarded Levine for her forceful arguments by giving her wide leeway to press her case.

Levine has tried contested and litigated matters in venues that include federal bankruptcy courts in New York, Delaware, California, Texas and New Jersey.



Kevyn Orr

KEVYN ORR, Detroit emergency manager, former partner with Jones Day law firm representing the city:

Orr, who was appointed emergency manager in March, wasted little time dissecting the depth of the city's financial crisis. He issued a 134-page

financial report in June that peeled back the ugly realities of the city's finances. He gave creditors a short window of opportunity to agree to steep concessions and then received approval from Gov. Rick Snyder to

file for Chapter 9 bankruptcy on July 18.

Orr is tasked with developing Detroit's restructuring plans and overseeing the bankruptcy, which give him tremendous power to shape Detroit's future. "All too often, the voices of division and the voices of destruction (drown) out the voices of reason," Orr said earlier this month when he spoke at the Detroit Economic Club.

Orr is expected to testify during Detroit's eligibility trial on Friday.

Orr received a law degree from the University of Michigan in 1983 and joined Jones Day in 2001. In 2009, Orr was part of the team that represented Chrysler when it went through Chapter 11 bankruptcy.



Steven Rhodes

STEVEN RHODES, U.S. bankruptcy judge overseeing the case:

Bankruptcy law is designed to force debtors and creditors to negotiate and for the judge to act as referee. Nevertheless, Rhodes ultimately will decide whether

Detroit is eligible for bankruptcy protection and, at the moment, could be viewed as the most influential player of all. He has managed Detroit's bankruptcy case with an awareness of the local angst and national interest.

He has consistently challenged attorneys on their arguments and points of law while adhering to his own tight timetable. An attorney for the State of Michigan, who tried to prevent Snyder from testifying in court, encountered Rhodes' no-nonsense approach last week.

"The rules contemplate the use of

deposition testimony when witnesses are not available," Rhodes said. "So why should there be a different process here?"

The state returned with an agreement to make the officials available.



Matthew Schneider

MATTHEW SCHNEIDER, lead bankruptcy attorney for the State of Michigan's Attorney General's Office.

Schneider has penned strong legal briefs in defense of Detroit's eligibility for bankruptcy protection. But in court hearings, he has

had a tough time dealing with Rhodes. Last week, Schneider failed to convince Rhodes that Snyder should not be called to testify in person about his role in the bankruptcy process.



Rick Snyder

RICK SNYDER, governor of Michigan:

Snyder selected Orr to be Detroit's emergency manager and appointed him to the position in March. Snyder also authorized Orr to file for Chapter 9 bankruptcy. For those and other reasons,

Snyder already has played a major role in Detroit's bankruptcy saga, and creditors want to know more about exactly how and why Snyder made certain decisions. He is expected to testify in court Monday.

Robert D. Gordon leads Clark Hill's Corporate Restructuring & Bankruptcy Practice Group. Robert focuses his practice in the areas of corporate reorganization, bankruptcy and insolvency-related matters, debtor and creditor rights, workouts, and related commercial litigation. **Contact him at: rgordon@clarkhill.com or (248) 988-5882.**

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