



UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF MICHIGAN
THEODORE LEVIN UNITED STATES COURTHOUSE
231 W. LAFAYETTE BOULEVARD
DETROIT, MICHIGAN 48226

DIVISIONAL OFFICES
ANN ARBOR
BAY CITY
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PORT HURON

January 13, 2014

STATEMENT OF DETROIT BANKRUPTCY MEDIATORS

Because of the high interest in the Detroit bankruptcy, the Detroit Bankruptcy Mediators today wish to provide some information about the status of one of the key sets of issues in order to both inform the public and ensure the accuracy of media reports.

In an extraordinary and unprecedented effort to help resolve two very challenging sets of issues – the underfunding of Detroit's two pension systems and the preservation of the DIA and its iconic art collection -- some of the leading national and local Foundations have stepped forward with a truly generous philanthropic offer of assistance that, to date, has resulted in commitments of more than \$330 million in assistance, with additional Foundations expected to announce their participation in the near future. Reports of the Foundations' generosity in the media have inspired others to come forward, including Dr. Paul Schaap, who, with no solicitation, has committed \$5 million, and a fund has been established with the Community Foundation for Southeast Michigan to capture other such private voluntary contributions, which, to date, has attracted almost 130 individual contributors. It is hoped that other public and private entities will also commit to participate in the near future.

To coordinate and direct this philanthropic effort, a Leadership Committee has been established consisting of the Presidents of the Ford Foundation, The Kresge Foundation, the John S. and James L. Knight Foundation and the Community Foundation for Southeast Michigan.

As the mediators attempt to achieve a settlement of all claims, it bears emphasis that the Foundations' agreement to participate is specifically conditioned upon all of their funds being committed to the twin goals of helping the City's recovery from bankruptcy by assisting the funding of the retirees' pensions and preserving the DIA's art collection as part of an overall balanced settlement of disputes in the bankruptcy. All recognize that if these two goals can be accomplished, a third absolutely critical goal of facilitating the revitalization of the City in the aftermath of the bankruptcy will also be greatly advanced.

Inspired by the Foundations' commitment, the mediation team has continued its work in attempting to facilitate agreements among as many of the varied creditor constituencies involved in the bankruptcy as possible, agreements which can be part of a larger agreed upon Plan of Adjustment. As the Mediators attempt to balance the very real concerns of all of the creditor parties involved in the bankruptcy and accommodate their legitimate interests as part of an overall plan designed to create a successful exit from the bankruptcy, we are deeply grateful for the incredibly generous and constructive part the Foundations have agreed to play in this larger process.

Updates will be provided when and if appropriate. Contact Rod Hansen, Media Information Officer at 313-234-5421.