UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re: City of Detroit, Michigan, Debtor.	Bankruptcy Case No. 13-53846 Judge Thomas J. Tucker Chapter 9

REPLY IN SUPPORT OF CITY OF DETROIT'S MOTION FOR FINAL DECREE

The City of Detroit (the "City") replies (this "Reply") in support of the *City of Detroit's Motion for Final Decree* ("Motion," Doc No. 14007) and in response to John P. Quinn's ("Quinn") *Class 11 Creditor John Quinn's Answer to City of Detroit's Motion for Final Decree* ("Objection," Doc. No. 14009). The Objection provides no grounds for denying the Motion.

I. Introduction

Quinn's Objection asks the Court to keep the case open—potentially for decades—until all distributions to pensioners under the Plan[1] have been completed, even where nothing remains for the Court to manage or administer. To justify this, Quinn argues a position that is unsupported by the law: that entry of a final decree permanently strips the Court of jurisdiction to enforce the Plan, leaving the parties

[1] Terms capitalized but not defined in this Reply have the meanings ascribed to them in the City's *Eighth Amended Plan for the Adjustment of Debts of the City of Detroit* ("Plan"), as filed as Docket Number 8045 and confirmed with minor modifications by this Court's order filed at Docket Number 8272.

with no recourse other than for the City to commence a new bankruptcy case. The Bankruptcy Code and reported decisional law say otherwise. Sections 350(b) and 901(a) expressly permit reopening of a chapter 9 case "for cause," and bankruptcy courts retain authority to enforce prior orders even after closure. The hypothetical future disputes Quinn raises do not support keeping this case open indefinitely because the Bankruptcy Code provides a mechanism for relief should any of those hypotheticals materialize. Accordingly, the Court should grant the City's Motion.

II. The Objection Misstates the Authority upon Which it Relies

The Objection cites *In re Lake Lotawana Community Improvement District* for the proposition that closure of the case under section 945(b)[2] permanently strips the Court of its jurisdiction to hear future disputes concerning the Plan's implementation. Objection, p. 3 (citing No. 10-44629-CAN9, 2017 WL 1968282 (Bankr. W.D. Mo. May 11, 2017)). The *Lake Lotawana* court did not address that issue, however, and other courts have held to the contrary. "It is well established that bankruptcy courts retain jurisdiction after a case has been dismissed or closed to interpret or enforce previously entered orders." *Gulf Ins. Co. v. Glasbrenner*, 343 B.R. 47, 56 (S.D.N.Y. 2006) (quoting *In re Williams*, 256 B.R. 885, 892 (8th Cir. BAP 2001)) (alterations and internal citations omitted); *see also In re Cent. Proc.*

[2] Section II of the Objection refers to "11 U.S.C. § 954" instead of section 945. The City presumes this was a typographical error.

Servs., LLC, 611 B.R. 563, 566 (Bankr. E.D. Mich. 2019) ("A 'bankruptcy court may retain jurisdiction over matters related to the bankruptcy even after the underlying case has been adjudicated or dismissed.'") (quoting *Dery v. Cumberland Cas. & Sur. Co. (In re 5900 Assocs., Inc.)*, 468 F.3d 326, 330 (6th Cir. 2006)).

In *Lake Lotawana*, an interested party objected to closure of the case, arguing that "[the] court should continue to retain jurisdiction" over the matter. 2017 WL 1968282, at *2. Here, Quinn appears to construe that argument as presenting an "either-or" proposition. Under Quinn's logic, the Court can either retain jurisdiction by keeping the case open or forfeit its jurisdiction by closing the case. That is a false dichotomy, however, and one which the *Lake Lotawana* court did not adopt.

The *Lake Lotawana* court analyzed the problem by comparing chapter 11 and chapter 9 cases. It concluded that, for this question, the main relevant difference between them was that a chapter 11 case creates an "estate," whereas a chapter 9 case does not. *Id.* Thus, the idea of waiting for an "estate" to be "fully administered" does not make sense in chapter 9. *Id.* Accordingly, the court concluded that it is appropriate to close a chapter 9 case when there is nothing left for the court to manage, instead of trying to wait for a time when all "estate" assets have been fully administered. *Id.* at *2-3.

The statute itself and its legislative history are in accord. "Section [945] permits the court to retain jurisdiction over the case to ensure successful execution

of the plan." S. Rep. No. 95-989, 95th Cong., 2d Sess. 2 (1978); *see also* 11 U.S.C. § 945. This strongly suggests that Congress did not intend to deprive parties of any ability to resolve chapter 9 disputes if needed, any more than it intended to force courts to keep chapter 9 cases open longer than necessary.

Thus, neither section 945 nor *Lake Lotawana* supports Quinn's assertion that entry of a final decree strips the Court of its authority to hear future disputes concerning the Plan's implementation.

III. The Bankruptcy Code Permits Reopening a Closed Chapter 9 Case

Section 350(b), made applicable to chapter 9 cases by section 901(a), provides that a "[a] case may be reopened in the court in which such case was closed to administer assets, to accord relief to the debtor, or for other cause." 11 U.S.C. §§ 350(b), 901(a).

At least one court has recognized that this mechanism applies in chapter 9. "Even if the administration of the plan has been complete and the consideration under the plan has been distributed, and all claims have been determined, the court can always reopen the case under § 350(b) (11 U.S.C. § 350(b))." *In re Wolf Creek Valley Metro. Dist. No. IV*, 138 B.R. 610, 620 n.8 (D. Colo. 1992).

Federal Rule of Bankruptcy Procedure 5010 likewise provides that "[o]n the debtor's or another party in interest's motion, the court may, under §350(b), reopen a case." Fed. R. Bankr. P. 5010.

Quinn or any other Plan beneficiary likely qualifies as a party in interest who may seek relief under section 350(b) and Bankruptcy Rule 5010 should a future dispute arise regarding the Plan's implementation. *See* 11 U.S.C. § 1109(b) (addressing the standing of a party in interest); *see also* 11 U.S.C. § 901(a) (applying § 1109 to chapter 9 cases). Closure of the case under section 945 does not foreclose this relief. *In re Wolf Creek Valley Metro. Dist. No. IV*, 138 B.R. at 620 n.8.

Thus, the Objection's argument that closure of the case strips the Court of jurisdiction to supervise and enforce the Plan is simply wrong. Sections 350(b) and 901(a), together with Bankruptcy Rule 5010, expressly permit reopening a closed chapter 9 case for cause. This case can be closed; there is no need to worry that there will no longer be a remedy should an issue arise down the road that cannot be resolved absent this Court's aid.

IV. The Remainder of the Objection's Arguments are Speculative

Quinn's Objection argues that administration of the case has not been completed, as distribution of New B Notes is ongoing. But, as the City explained in its Motion and as discussed again here, administration of a chapter 9 case is complete when there is no longer anything for the court to manage in the case. Motion, ¶¶ 8-9; *see also In re Lake Lotawana Cmty. Improvement Dist.*, 2017 WL 1968282, at *3 ("Black's Law Dictionary defines 'administration' as the 'judicial action in which a court undertakes the management and distribution of property.' Black's Law

Dictionary 49 (9th ed. 2009).”). Quinn presents a parade of hypotheticals concerning distributions, but does not pretend that any of them have occurred or are about to occur. Under Quinn’s scenario, this case would remain open for decades on the mere possibility that someday, somehow, something could go wrong. That cannot be the standard.

On a final note, the City has made additional progress since the Motion was filed. As the City noted in its Motion, 96% of B Notes have been distributed, Motion, p. 2. As of May 7, 2026, the City estimates that approximately 98% of the accrued interest on the B Notes has been distributed as well. Distribution of the remaining 4% of B Notes and 2% of interest does not require management of the Court. Likewise, the City is competent to make the required payments required on its bonds and administer its retirement systems without further Court assistance.

The City deeply appreciates this Court’s help in resolving issues with the City’s bankruptcy case and in settling Plan disputes over the years. The case has been administered, however, and it is time for it to close. The Objection provides no basis to find otherwise.

V. Conclusion

For these reasons, the City respectfully asks that the Court grant the Motion, closing this bankruptcy case.

Dated: May 14, 2026

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

By: /s/ *Marc N. Swanson*
Marc N. Swanson (P71149)
Ronald A. Spinner (P73198)
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
Telephone: (313) 496-7591
Facsimile: (313) 496-8451
swansonm@millercanfield.com

Counsel for the City of Detroit, Michigan

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re: City of Detroit, Michigan, Debtor.	Bankruptcy Case No. 13-53846 Judge Thomas J. Tucker Chapter 9

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on May 14, 2026, that he electronically filed the *Reply in Support of City of Detroit's Motion for Final Decree* (the "Reply") with the Clerk of the Court which sends notice by operation of the Court's electronic filing service to all ECF participants registered to receive notice in this case.

The undersigned further certifies that on May 14, 2026, he caused a true and correct copy of the Reply to be served via overnight mail on the following address:

John P. Quinn
1611 Michigan Ave.
Apt. 627
Detroit, MI 48216

[*Signature on the following page*]

Respectfully submitted,

MILLER, CANFIELD, PADDOCK AND STONE, PLC

By: /s/ Marc N. Swanson
Marc N. Swanson (P71149)
Miller Canfield Paddock & Stone PLC
150 W. Jefferson Ave., Suite 2500
Detroit, MI 48226
(313) 496-7591
(313) 496-7500 (Fax)
Email: swansonm@millercanfield.com

Counsel for the City of Detroit, Michigan

Dated: May 14, 2026