

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re CITY OF DETROIT, MICHIGAN, Debtor.	Chapter 9 Case No. 13-53846 Hon. Steven W. Rhodes
THE OFFICIAL COMMITTEE OF RETIREES OF THE CITY OF DETROIT, MICHIGAN, et al., Plaintiffs, v. THE CITY OF DETROIT, MICHIGAN, et al., Defendants.	Chapter 9 Adv. Pro. No. 13-05244 Hon. Steven W. Rhodes

**MOTION FOR PRELIMINARY INJUNCTION OR, IN THE
ALTERNATIVE, RELIEF FROM THE AUTOMATIC STAY**

Plaintiffs¹, by and through their undersigned attorneys, and pursuant to Fed. R. Civ. P. 65, hereby move this Court for issuance of a preliminary injunction, enjoining the Defendants, the City of Detroit, Michigan, and Kevyn Orr (individually and in his official capacity as Emergency Manager of the City of Detroit), from imposing upon the City's Retirees the healthcare benefits described in the City's "2014 Calendar Year City of Detroit Retiree Health Care Plan." In the alternative, Plaintiffs seek relief from the automatic stay to obtain the requested relief in the appropriate non-bankruptcy forum.

¹ The Plaintiffs are the Official Committee of Retirees of the City of Detroit, Michigan, the Retired Detroit Police and Fire Fighters Association, the Detroit Retired City Employees Association, and AFSCME Sub-Chapter 98, City of Detroit Retirees.

For many years, the City of Detroit has been bound by written contract (and ordinance) to provide healthcare benefits to its employees, its retired employees and their spouses. The City of Detroit Code of Ordinances reflects that agreement as do a number of collective bargaining agreements freely negotiated between the City and its employees. These agreements require the City to provide healthcare benefits at no cost or significantly-reduced cost to the Retirees, both during and after their employment.

On October 11, 2013, the City began the process of unilaterally and without court approval imposing significantly worse and more expensive healthcare benefits on the Retirees -- thereby breaching the City's contracts with the Retirees. On that day, the City distributed to the Retirees its "2014 Calendar Year City of Detroit Retiree Health Care Plan" which reports that effective January 1, 2014, the City will be: (a) reducing its overall funding of Retiree healthcare benefits by almost 83% per year; (b) reducing its funding of healthcare benefits for Retirees who are not eligible for Medicare from 72% of the total share of costs to a mere 15%; and (c) providing Medicare-eligible Retirees with coverage that will substantially increase their out-of-pocket expenses for both medical treatment and prescription drugs. The net result of the City's actions is that Medicare-eligible Retirees will have to absorb somewhere between \$35,000 to \$370,000 in additional healthcare costs over their lifetime (depending on their marital status and lifespan) and Retirees who are not Medicare eligible will see their share of healthcare costs skyrocket from 28% of the overall costs to 85%.

Retirees who are Medicare eligible have been instructed to choose or buy their new Medicare Advantage plans by December 7. Retirees who are not eligible for Medicare must choose their insurance plans by December 15.

The City's actions violate the Michigan and Federal Constitutions by significantly impairing the City's contracts with the Retirees, when it was not necessary or reasonable to do so. Several less drastic options existed here, other than so significantly impairing the Retirees' healthcare benefits.

The grounds for this Motion are set forth in the accompanying brief.

The relief requested by this Motion was sought from Defendants on several occasions, but they refused. Hence it is necessary to bring this Motion.

WHEREFORE, Plaintiffs request this Court to issue the requested preliminary injunction.

Respectfully submitted,

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