CPA

Practice **Advisor**

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Nov. 25, 2013

Detroit has paid nearly \$11 million through Oct. 1 to the Jones Day law firm, more than double the amount paid so far to any other of the city's restructuring and bankruptcy consultants or law firms.

Including payments to Jones Day — emergency manager Kevyn Orr's former employer — the city's restructuring firms have collected through the beginning of last month more than \$22 million, according to the most recent figures available from Orr's office.

Conway MacKenzie, a restructuring firm in Birmingham, has been paid \$4.59 million so far. Ernst & Young, an accounting firm in Detroit, has been paid \$4.17 million.

But the money paid out so far is only a portion of what the city will pay to more than a dozen bankruptcy and restructuring consultants.

The city has agreed to pay those firms, including Jones Day, more than \$62 million. The restructuring contracts are expected to be amended as the bankruptcy case proceeds.

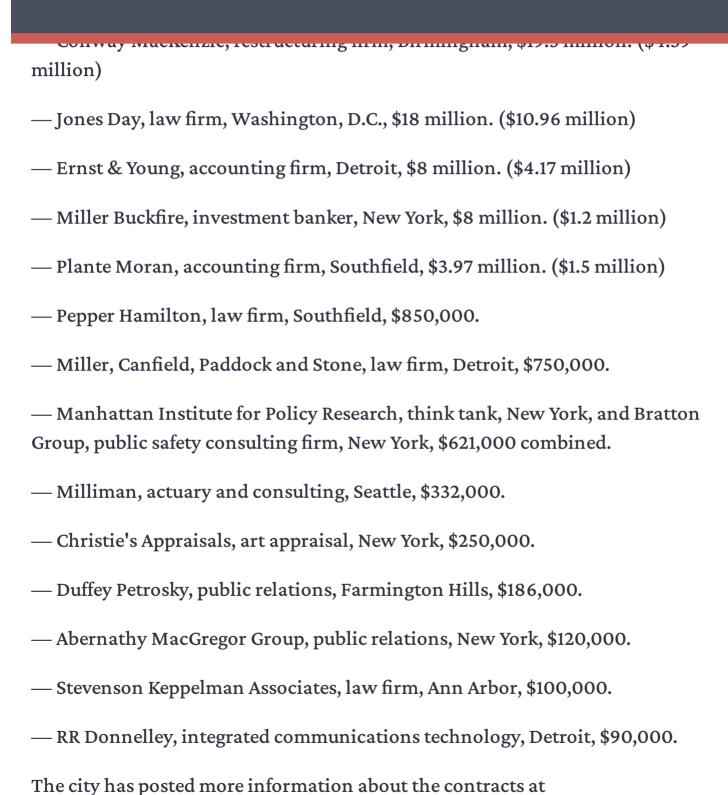
The City Council has pressed Orr's office for information on the contracts. Council members have complained that Orr's office has been less transparent than he promised when he was appointed in March.

Last week, council members and Mayor Dave Bing were surprised to learn the state has capped its contribution toward restructuring costs at \$5 million. Bing and council members said they were never told there would be a cap.

The city is paying for restructuring by withholding debt payments, including to

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www.detroitmi.gov/EmergencyManager/RestructuringInitiatives.aspx.

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