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*Counsel for the Debtor
and Debtor in Possession*

CHANGES MADE BY COURT

The following constitutes the order of the Court.
Signed: June 23, 2023

William J. Lafferty, III
U.S. Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION**

In re:

THE ROMAN CATHOLIC BISHOP OF
OAKLAND, a California corporation sole,

Debtor.

Case No. 23-40523 WJL

Chapter 11

**ORDER AUTHORIZING PROCEDURES
FOR INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF
PROFESSIONALS**

Judge: Hon. William J. Lafferty

Upon the *Debtor's Motion for an Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* (the "Motion"),¹ filed by the Roman Catholic Bishop of Oakland, a California corporation sole, and the debtor and debtor in possession (the "Debtor" or "RCBO") in the above-captioned chapter 11 bankruptcy case (the "Chapter 11 Case" or the "Bankruptcy Case") for entry of an order approving interim compensation procedures for professionals employed in the Chapter 11 Case; the Court having reviewed and considered the Motion, the First Day Declaration, all other filings

¹ Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.



1 in support of any opposition to the Motion, and all arguments made in support of or opposition to the
2 Motion; the Court finding that it has jurisdiction over this matter, that venue in this Court is proper, and
3 that notice of the Motion was reasonable and sufficient under the circumstances; and the Court further
4 finding that the relief requested in the Motion is in the best interests of the Debtor, its creditors, and other
5 parties in interest; and after due deliberation and good cause appearing,

6 **ACCORDINGLY, IT IS HEREBY ORDERED THAT:**

7 1. The Motion is GRANTED as set forth herein.

8 2. Except as otherwise provided in an order of this Court authorizing the retention of a
9 particular professional, professionals retained pursuant to an order of this Court pursuant to Sections 327
10 or 1103 of the Bankruptcy Code in this Chapter 11 Case (collectively, the “Professionals”) may seek
11 interim payment of compensation and reimbursement of expenses in accordance with the following
12 procedures (collectively, the “Compensation Procedures”):

13 **Monthly Fee Statements**

14 (a) Unless otherwise provided in the order authorizing the Professional’s retention, on or
15 before the thirtieth (30th) day of each month following the month for which compensation
16 is sought, each Professional seeking compensation shall file a statement with the Court
17 (each, a “Monthly Fee Statement”) which shall describe the fees and expenses incurred by
18 the Professional during the month for which compensation is sought. Each first Monthly
19 Fee Statement will cover the Petition Date through the end of the month during which an
20 order authorizing the Professional’s retention is entered.

21 (b) Each Professional must serve its Monthly Fee Statement by electronic mail (or first class
22 mail if email is not available) on the following parties (the “Notice Parties”) on or before
23 the thirtieth (30th) day of each month following the month for which compensation is
24 sought:

- 25 1. the Debtor, the Roman Catholic Bishop of Oakland, 2121 Harrison Street, Suite
26 100, Oakland, CA 94612, Attn: Paul Bongiovanni
(PBongiovanni@oakdiocese.org);
- 27 2. Debtor’s counsel, Foley & Lardner LLP, 555 California Street, Suite 1700, San
28 Francisco, CA 94104-1520, Attn: Ann Marie Uetz (auetz@foley.com), Matt Lee
(mdlee@foley.com), and Emil Khatchatourian (ekhatchatourian@foley.com);
3. the Office of the United States Trustee Region 17, 4509 Golden Gate Avenue, 5th
Floor, Suite 05-0153, San Francisco, CA 94102, Attn: Jason Blumberg
(Jason.Blumberg@usdoj.gov); and
4. Counsel to the Committee, Lowenstein Sandler LLP, One Lowenstein Drive,
Roseland, NJ 07068, Attn: Jeffrey Prol (jprol@lowenstein.com) and Brent
Weisenberg (bweisenberg@lowenstein.com).

- 1 (c) Any Professional that fails to file a Monthly Fee Statement for any consecutive period of
2 two months shall be removed from treatment under this order, provided however that such
3 removed professional may apply to the Court to be re-included under the procedures set
4 forth herein.
- 5 (d) All Monthly Fee Statements shall include detailed statements of fees and expenses that
6 substantively comply with the Bankruptcy Code, the Bankruptcy Rules and the Bankruptcy
7 Local Rules.
- 8 (e) No Professional may serve a Monthly Fee Statement until the Court enters an order
9 approving the retention of such Professional pursuant to sections 327 or 1103 of the
10 Bankruptcy Code.

11 **Deadline for Objection and Payment Subject to Holdback**

- 12 (f) The deadline for each Notice Party to object to a Professional's Monthly Fee Statement
13 shall be 4:00 p.m. Pacific time on the tenth (10th) calendar day after such Monthly Fee
14 Statement is served (the "Objection Deadline").
- 15 (g) Upon the expiration of the Objection Deadline, each Professional may file a certificate of
16 no objection (or if an Objection (as defined below) was timely served, a certificate of partial
17 objection with the Court after which the Debtor, without further order of the Court, shall
18 pay each Professional an amount (the "Actual Payment") equal to the lesser of: (1) 80% of
19 the fees and 100% of the expenses requested in the Monthly Fee Statement (the "Maximum
20 Payment"), and (2) if an Objection was served, 80% of the fees and 100% of the expenses
21 to which there was no Objection no later than five (5) business days after the filing of the
22 relevant certificate
- 23 (h) The remaining twenty percent of the Professional's fees for each Monthly Fee Statement
24 shall be withheld from payment until further order of the Court approving interim or final
25 fee application, as applicable (the "Monthly Fee Holdback").

26 **Objections to Monthly Fee Statements**

- 27 (i) If any Notice Party objects to a Professional's Monthly Fee Statement, such Notice Party
28 must serve on the affected Professional and each of the other Notice Parties a written
objection (the "Objection") on or before the Objection Deadline. Any objection to a
Monthly Fee Statement shall specifically state which fees and costs are the subject of the
Objection, the amount objected to, and the basis of the objection. For the avoidance of
doubt, any Objection shall identify the specific time entry or entries which it objects to and
the basis upon which it objects to the allowance of the fees associated with the time spent.
Any specific time entry that is not objected to will be subject to payment in accordance
with this Order. Thereafter, if the parties are unable to reach a resolution within 14 days
after service of the Objection, the affected Professional may either: (1) file a response to
the Objection and a request for payment with the Court, which may be set for hearing on
at least 14 days' notice or (2) forego payment of the amount subject to Objection until the
next interim or final fee application hearing.
- (j) If an Objection is resolved consensually, the Professional whose Monthly Fee Statement
was the subject of the Objection shall file and serve a statement indicating that the
Objection has been resolved and describing in detail the terms of the resolution. Upon the
filing of such statement, the Debtor shall pay the amount that is no longer subject to an
Objection, up to the Maximum Payment amount, no later than five (5) business days after
the filing of the relevant statement.

- 1 (k) The filing of an Objection to a Monthly Fee Statement shall not prejudice any party's right
2 to object to any fee application made to the Court in accordance with the Bankruptcy Code
3 on any ground, whether raised in the Objection or not. Furthermore, the decision of any
4 party not to object to a Monthly Fee Statement shall not be a waiver of any kind or prejudice
5 that party's right to object to any fee application subsequently made to the Court in
6 accordance with the Bankruptcy Code.

7 **Interim Fee Applications**

- 8 (l) Commencing with the period ending August 31, 2023, at four-month intervals (each, an
9 "Interim Fee Period"), each of the Professionals may file with the Court an application for
10 interim approval and allowance, pursuant to sections 330 and 331 of the Bankruptcy Code
11 (an "Interim Fee Application"), of the compensation and reimbursement of expenses
12 incurred by the Professional in an Interim Fee Period. Each Professional should use its best
13 good faith efforts to file its Interim Fee Application no later than 45 days after the end of
14 the Interim Fee Period (the "Interim Application Filing Date") for which the application
15 seeks allowance of fees and reimbursement of expenses. A Professional filing an Interim
16 Fee Application shall comply with the applicable provisions of the Bankruptcy Code, the
17 Bankruptcy Rules, the Local Rules, orders of the Court, the *Guidelines for Compensation
18 and Expense Reimbursement of Professionals and Trustees for the Northern District of
19 California, dated February 19, 2014*" (the "Local Guidelines"), and the *U.S. Trustee
20 Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses
21 Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases, effective November
22 1, 2013* (the "UST Guidelines" and, together with the Local Guidelines, the "Fee
23 Guidelines"), and applicable law.

- 24 (m) The first Interim Fee Application should be filed on or before October 16, 2023, for the
25 Interim Fee Period from the Petition Date through August 31, 2023.

- 26 (n) Notice of Interim Fee Applications shall be served on the Core Service List, provided that
27 the Professionals may coordinate filing of Interim Fee Applications such that they may be
28 noticed for hearing in a single combined notice filed by Debtor's counsel. No further notice
of Interim Fee Applications shall be required.

- (o) Objections to any Interim Fee Application shall be filed and served upon the affected
Professional and the Notice Parties on or before 4:00 p.m. (prevailing Pacific Time) on the
21st day (or the next business day if such day is not a business day), following service of
the applicable Interim Fee Application.

- (p) Neither (1) the payment of, or the failure to pay, in whole or in part, any interim
compensation and reimbursement to a Professional nor (2) the filing of, or failure to file,
an objection, will bind any party in interest or the Court with respect to the final allowance
of any compensation of fees for services rendered or reimbursement of expenses incurred.
All fees and expenses paid to Professionals under these Compensation Procedures are
subject to disgorgement until final allowance by the Court. The failure of any party to file
an objection to a Monthly Fee Statement shall not impair such party's right to object to any
Interim Fee Application or final fee application. The failure of any party to file an objection
to an Interim Fee Application shall not impair such party's right to object to any subsequent
Interim Fee Application or final fee application.

26 **Committee Member Expenses**

- 27 (q) Each member of the Committee may submit statements of expenses (excluding third-party
28 counsel fees) and supporting documentation to the Committee's counsel, which counsel
will collect and submit the Committee members' requests for reimbursement in accordance

1 with the Compensation Procedures; *provided that* these reimbursement requests must
2 comply with the Fee Guidelines.

3 3. The Compensation Procedures approved by this Order shall not supplant or modify any
4 specific terms of compensation approved pursuant to Section 328 in the order approving the retention of
5 a Professional.

6 4. This Court shall retain jurisdiction with respect to all matters arising from or related to the
7 implementation and/or interpretation of this Order.

8 5. This Court also retains the ability to modify or otherwise reconsider this Order at any
9 time.

10 **APPROVED AS TO FORM:**

11 OFFICE OF THE UNITED STATES TRUSTEE
12 By: /s/ Jason Blumberg
13 Jason Blumberg
14 Trial Attorney

15 **APPROVED AS TO FORM:**

16 LOWENSTEIN SANDLER LLP
17 By: /s/ Brent I. Weisenberg
18 Brent I. Weisenberg
19 Proposed Attorneys for the
20 Official Committee of Unsecured Creditors

21 ****END OF ORDER****

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Service List

ORDER