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**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

**NOTICE OF FILING OF (1) REDLINES
DEBTOR'S AMENDED PLAN OF
REORGANIZATION AND AMENDED
DISCLOSURE STATEMENT FOR
DEBTOR'S AMENDED PLAN OF
REORGANIZATION, AND (2) REVISED
FORMS OF PROPOSED ORDER AND
BALLOTS**

Judge: Hon. William J. Lafferty

Date: January 16, 2024

Time: 1:30 p.m.

Place: United States Bankruptcy Court
1300 Clay Street
Courtroom 220
Oakland, CA 94612



1 The Roman Catholic Bishop of Oakland, a California corporation sole, and the debtor and debtor
2 in possession (the “Debtor” or “RCBO”) in the above-captioned chapter 11 bankruptcy case (the “Chapter
3 11 Case” or the “Bankruptcy Case”), hereby files this notice (the “Notice”) of filing of redlines of the
4 Debtor’s Amended Plan of Reorganization [Docket No. 1594] (the “Amended Plan”) and Amended
5 Disclosure Statement for Debtor’s Amended Plan of Reorganization [Docket No. 1595] (the “Amended
6 Disclosure Statement”), and filing of amended forms of the Debtor’s proposed order approving the
7 Amended Disclosure Statement and Ballots for Class 4 and Class 5 Claims.

8 On November 8, 2024, the Debtor filed (i) Debtor’s Plan of Reorganization [Docket No. 1444]
9 (the “Original Plan”) and (ii) Disclosure Statement for Debtor’s Plan of Reorganization [Docket No.
10 1445] (the “Original Disclosure Statement”). Also on November 8, 2024, the Debtor filed its Debtor’s
11 Motion for Order (I) Approving Disclosure Statement; and (II) Establishing Procedures for Plan
12 Solicitation, Notice, and Balloting [Docket No. 1453] (the “Motion”).¹

13 The Motion and Disclosure Statement came for hearing on December 18, 2024 (the “Initial
14 Hearing”), at which time the Court set a further hearing for January 16, 2024, and directed that the Debtor
15 file any amended disclosure statement not later than January 3, 2025. In compliance with the Court’s
16 direction, the Debtor has filed its Amended Plan and its Amended Disclosure Statement in support thereof.

17 Attached here to as **Exhibit A** is a redline of the Debtor’s Amended Plan against the Original Plan.

18 Attached here to as **Exhibit B** is a redline of the Debtor’s Amended Disclosure Statement against
19 the Original Disclosure Statement, including a redline of the Debtor’s Liquidation Analysis, which is
20 Exhibit B to the Disclosure Statement.

21 Attached hereto as **Exhibit C** is a The Debtor’s revised form of proposed order approving the
22 Amended Disclosure Statement (the “Proposed Order”). Consistent with the Court’s direction at the Initial
23 Hearing, the Debtor has revised the procedures regarding the Third-Party Release in the Proposed Order.

24 Attached hereto as **Exhibit D** is a redline of the Debtor’s revised Proposed Order against the form
25 previously filed as Exhibit 1 to the Motion.

26
27 ¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion, Disclosure Statement,
28 or the Plan, as applicable.

1 Attached hereto as **Exhibit E** and **Exhibit F** are the Debtor's revised forms of Ballot for Class 4
2 Claims (Abuse Claims) and Class 5 Claims (Unknown Abuse Claims). Consistent with the Court's
3 direction at the Initial Hearing, the Debtor has revised the Class 4 and Class 5 Ballots to include the Third-
4 Party Release opt-out election, which was previously provided in a separate form. Attached hereto as
5 **Exhibit G** and **Exhibit H** are redlines of the Debtor's revised forms of Ballot for Class 4 and Class 5
6 against the forms previously filed as Exhibit 3 and Exhibit 4 to the Motion.

7 The Debtor has not made any changes since the Initial Hearing to the forms of Ballot for Class 3
8 Claims (General Unsecured Claims), Class 6 Claims (Non-Abuse Litigation Claims), or the Class 8 Claim
9 (OPF Claim) attached to the Motion as Exhibit 2, Exhibit 5, and Exhibit 6, respectively. Likewise, the
10 Debtor has not made any changes to the proposed form of notice of the Confirmation Hearing Notice
11 attached to the Motion as Exhibit 8 or Notice of Non-Voting Status attached to the Motion as Exhibit 9.
12 The Debtor therefore seeks approval of the foregoing forms as attached to the Motion.

13
14 DATED: January 3, 2025

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/s/ Shane J. Moses

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and Debtor in Possession*

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NOTICE OF FILING OF REDLINES OF AMENDED PLAN AND AMENDED DISCLOSURE STATEMENT

EXHIBIT A

Redline of Amended Plan vs. Original Plan

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11 ~~UNITED STATES BANKRUPTCY COURT~~

12 ~~NORTHERN DISTRICT OF CALIFORNIA~~

13 ~~OAKLAND DIVISION~~

14 UNITED STATES BANKRUPTCY COURT

15 NORTHERN DISTRICT OF CALIFORNIA

16 OAKLAND DIVISION

18 In re:
19 THE ROMAN CATHOLIC BISHOP OF
20 OAKLAND, a California corporation sole,
21 Debtor.

Case No. 23-40523 WJL
Chapter 11
Judge: Hon. William J. Lafferty
Date: TBD
Time: TBD
Place: United States Bankruptcy Court
1300 Clay Street
Courtroom 220
Oakland, CA 94612

25 **DEBTOR'S AMENDED PLAN OF REORGANIZATION**

26 ***DATED* ~~NOVEMBER 8~~ JANUARY 3, 2024 2025**

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1 **INTRODUCTION**

2 This Amended Plan of Reorganization dated ~~November 8~~January 3, 2024~~2025~~ (as
3 amended, modified or supplemented from time to time, the “Plan”),¹ is proposed by The Roman
4 Catholic Bishop of Oakland, a California corporation sole, and the debtor and debtor in
5 possession (the “Debtor” or “RCBO”) in the above-captioned chapter 11 bankruptcy case (the
6 “Chapter 11 Case”). Holders of Claims (as those terms are defined below) may refer to the
7 Disclosure Statement (as defined below) for a summary and description of the Plan and a
8 discussion of the Debtor’s history, estate, assets, mission, operations, historical financial
9 information, and projections of future operations. The Debtor is the proponent of this Plan within
10 the meaning of Section 1129 of title 11 of the United States Code, as amended from time to time
11 and as in effect during the Chapter 11 Case (the “Bankruptcy Code”).

12 ALL HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE
13 PLAN ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT
14 IN THEIR ENTIRETY BEFORE VOTING.

15 **ARTICLE I**
16 **DEFINITIONS AND RULES OF INTERPRETATION**

17 **1.1. Definitions.** As used in this Plan, unless defined in the above Introduction or
18 elsewhere in the Plan, capitalized terms shall have the meanings set forth in this Section 1.1. Any
19 term not otherwise defined herein but defined in the Bankruptcy Code or the Federal Rules of
20 Bankruptcy Procedure as amended from time to time and as in effect during the Chapter 11 Case
21 (the “Bankruptcy Rules”) will have the meaning given to that term in the Bankruptcy Code or the
22 Bankruptcy Rules, as applicable. The following definitions apply in this Plan:

23 1.1.1. “**Abuse**” means sexual conduct or misconduct, sexual abuse or
24 molestation, sexual exploitation, indecent assault and/or battery, rape, pedophilia, ephebophilia,
25 sexually related psychological or emotional harm, humiliation, anguish, shock, sickness, disease,
26

27 ¹ For the avoidance of doubt, the terms “hereof” and/or “herein” as used in this Plan are
28 references to this entire Plan.

1 disability, dysfunction, or intimidation, any other sexual misconduct or injury, contacts or
2 interactions of a sexual nature, including the use of photography, video, or digital media, or other
3 physical abuse or bullying without regard to whether such physical abuse or bullying is of a
4 sexual nature, between a child and an adult, between a child and another child, or between a
5 non-consenting adult and another adult, in each instance without regard to whether such activity
6 involved explicit force, whether such activity involved genital or other physical contact, and
7 whether there is or was any associated physical, psychological, or emotional harm to the child or
8 non-consenting adult.

9 1.1.2. **“Abuse Claim”** means any Claim relating to, in whole or in part, directly
10 or indirectly, an act of Abuse committed by any Person before the Effective Date for which the
11 Debtor, a Non-Debtor Catholic Entity, or any of their respective agents, employees, or
12 representatives is allegedly responsible. Except as otherwise provided herein, the term “Abuse
13 Claim” includes Unknown Abuse Claims and Trust Claims but not Abuse Related Contribution
14 Claims.

15 1.1.3. **“Abuse Claimant”** means a Holder of an Abuse Claim.

16 1.1.4. **“Abuse Claims Reviewer”** means the person identified in the Survivors’
17 Trust Documents to review ~~and score~~ all Abuse Claims and allocate to each Abuse Claim a
18 percentage of the Survivors’ Trust recovery pool based on numerical scaling factors (but not
19 based on alleged dollar value of the Claim), except for those Abuse Claims held by Abuse
20 Claimants who have elected to receive an Immediate ~~Distribution~~Payment, in accordance with the
21 procedures set forth in the Survivors’ Trust Documents.

22 1.1.5. **“Abuse Insurance Policies”** means any insurance policy alleged in the
23 Coverage Action or in any Abuse Claim Litigation (as defined in Section 9.8.4 of the Plan) to
24 provide insurance coverage for any Abuse Claim.

25 1.1.6. **“Abuse Related Contribution Claim”** means any Person’s Claim against
26 any other Person for contribution, indemnity, equitable indemnity, subrogation, or equitable
27

28 ~~PLAN OF REORGANIZATION, Dated November 8, 2024~~

1 subrogation, or reimbursement, or any other indirect or derivative recovery, arising because such
2 Person has paid or defended against any Abuse Claim including but not limited to a joint
3 tortfeasor or the like, but excluding any claim by an Insurer for contribution or similar relief.

4 1.1.7. “**Administrative Expense Claim**” means any right to payment constituting
5 a cost or expense of administration of the Chapter 11 Case under Sections 503(b) and 507(a)(1) of
6 the Bankruptcy Code, including, without limitation, any actual and necessary costs and expenses
7 of preserving the Estate of the Debtor, any actual and necessary costs and expenses of the
8 Debtor’s operations, and any indebtedness or obligations incurred or assumed by the Debtor in
9 connection with the conduct of its business, but not including Fee Claims, Cure Claims, or
10 U.S. Trustee Fees. Administrative Expense Claims are further described in in Section 3.1 below.

11 1.1.8. “**Administrative Expense Claims Bar Date**” means the date that is
12 45 days after the Effective Date.

13 1.1.9. “**Adventus**” means a California nonprofit public benefit corporation that is
14 one of the Contributing Non-Debtor Catholic Entities.

15 1.1.10. “**Affiliate**” shall have the meaning set forth in Section 101(2) of the
16 Bankruptcy Code.

17 1.1.11. “**Allowed**” means, with respect to any Claim, except as otherwise provided
18 herein: (a) a Claim that is evidenced by a Proof of Claim Filed by the applicable Claims Bar
19 Date, (b) a Claim for which a Proof of Claim is or shall not be required to be Filed under the Plan,
20 the Bankruptcy Code, or a Final Order of the Court, (c) a Claim that is listed in the Schedules as
21 not contingent, not unliquidated, and not disputed, and for which no Proof of Claim has been
22 timely Filed, or (d) a Claim Allowed pursuant to the Plan or a Final Order of the Court; provided,
23 however, that with respect to a Claim described in clauses (a), (b), and (c) above, such Claim
24 shall be considered Allowed only if no objection to its allowance has been made before the
25 Claims Objection Deadline [\(except with respect to Trust Claims who elect the Litigation Option,](#)
26 [in which case such Claims shall only be considered Allowed following entry of a final judgment](#)

27
28 **PLAN OF REORGANIZATION, Dated November 8, 2024**

1 pursuant to a Final Order by a non-bankruptcy court of competent jurisdiction as set forth in the
2 Plan), or within such time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the
3 Court.

4 1.1.12. “**Assigned Insurance Interests**” means ~~the following all~~ rights ~~and, claims,~~
5 interests, benefits, responsibilities and obligations of the Debtor in the Non-Settling Insurer
6 Policies: ~~(a) the right to receive insurance proceeds for any Abuse Claim (including any Unknown~~
7 ~~Abuse Claim) covered by the Non-Settling Insurer Policies; and (b) the right to pursue relief for~~
8 ~~all Claims against the Non-Settling Insurers that derive from the Non-Settling Insurers’ handling~~
9 ~~of any Abuse Claim including but not limited to the failure to defend or resolve any Abuse~~
10 ~~Claim.~~ subject to the terms hereof including without limitation Articles VIII and IX of the Plan
11 and the provisions of the Plan concerning the Litigation Option.

12 1.1.13. “**Assumed Employee Benefit Plans**” means any written contracts,
13 agreements, policies, programs, and plans (including any related trust or other funding vehicle)
14 governing any obligations relating to compensation, reimbursement, indemnity, health care
15 benefits, disability benefits, deferred compensation benefits, travel benefits, vacation and sick
16 leave benefits, paid time off, savings, severance benefits, retirement benefits, welfare benefits,
17 relocation programs, life insurance, and accidental death and dismemberment insurance,
18 including written contracts, agreements, policies, programs, and plans for bonuses and other
19 incentives or compensation for the current and former officers, employees, and priests, as
20 applicable, of the Debtor, but excluding the Priest Long-Term Care Plan and the SERP.

21 1.1.14. “**Assumption Objection**” means an objection to assumption or cure of an
22 Executory Contract, as described in Section [7.2.1], below.

23 1.1.15. “**Avoidance Actions**” means any and all rights to recover or avoid
24 transfers or Liens under Chapter 5 of the Bankruptcy Code or otherwise, including
25 Sections 506(d), 541, 542, 543, 544, 545, 547, 548, 549, 550, or 553 of the Bankruptcy Code, or
26 otherwise under the Bankruptcy Code or under similar or related state or federal statutes and
27

28 PLAN OF REORGANIZATION, Dated November 8, 2024

1 common law, including all preference, fraudulent conveyance, fraudulent transfer, and/or other
2 similar avoidance claims, rights, and causes of action, whether or not litigation has been
3 commenced as of the Effective Date to prosecute such Avoidance Actions; subject, however, to
4 any releases thereof provided in this Plan, the Confirmation Order, or any other Final Order of the
5 Bankruptcy Court.

6 1.1.16. **“Ballot”** means any form of ballot approved by the Bankruptcy Court for
7 each Class of Claims entitled to vote on the Plan, as sent to all creditors entitled to vote on the
8 Plan, whereby such creditors may indicate their vote to accept or reject the Plan.

9 1.1.17. ~~1.1.16.~~ **“Bankruptcy Court”** means the United States Bankruptcy Court
10 for the Northern District of California, Oakland Division, having jurisdiction over the Chapter 11
11 Case.

12 1.1.18. ~~1.1.17.~~ **“Bar Date Order”** means the *Order Establishing Deadlines for*
13 *Filing Proofs of Claim and Approving the Form and Manner of Notice Thereof* [Docket No. 293],
14 entered by the Bankruptcy Court on July 25, 2023, and as may be expressly amended from time to
15 time.

16 1.1.19. ~~1.1.18.~~ **“Business Day”** means any day other than a Saturday, Sunday, or
17 any “legal holiday” as defined in Bankruptcy Rule 9006(a).

18 1.1.20. ~~1.1.19.~~ **“Cash”** means the legal tender of the United States of America, or
19 its equivalent.

20 1.1.21. ~~1.1.20.~~ **“Cathedral Property”** means the parcel of real estate described
21 on ~~Schedule 1.1.20~~ 1.1.21, the parcel owned as of the Petition Date by CCCEB.

22 1.1.22. ~~1.1.21.~~ **“Cause of Action”** means any action, claim, cause of action,
23 controversy, demand, right, action, lien, indemnity, guaranty, suit, obligation, liability, damage,
24 judgment, account, defense, offset, power, privilege, license, and franchise of any kind or
25 character whatsoever, whether known, unknown, contingent or non-contingent, matured or
26 unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured
27

28 PLAN OF REORGANIZATION, Dated November 8, 2024

1 or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition
2 Date, in contract or in tort, in law, or in equity or pursuant to any other theory of law. For the
3 avoidance of doubt, “Cause of Action” includes: (a) any right of setoff, counterclaim, or
4 recoupment and any claim for breach of contract or for breach of duties imposed by law or in
5 equity; (b) the right to object to Claims; (c) any Claim pursuant to Section 362 or Chapter 5 of the
6 Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress, and any other
7 defenses set forth in Section 558 of the Bankruptcy Code; (e) any state or foreign law fraudulent
8 transfer or similar claim; (f) any cause of action asserted by the Debtor in the Coverage Action;
9 and (g) any cause of action described on the Debtor’s Schedules or Statements of Financial
10 Affairs.

11 1.1.23. ~~1.1.22.~~ “**CCCEB Note**” means that certain Promissory Note dated as of
12 April 16, 2009, payable by CCCEB to the Debtor, as amended, modified, or restated including by
13 that certain Amendment #1 to Promissory Note dated as of January 1, 2014, by and between the
14 Debtor and CCCEB, and that certain Amendment #1 to Promissory Note dated as of February 1,
15 2017, by and between the Debtor and CCCEB.

16 1.1.24. ~~1.1.23.~~ “**CCCEB Settlement**” means the transaction described in
17 Section 12.3 of the Plan, as set forth in the CCCEB Settlement Documents.

18 1.1.25. ~~1.1.24.~~ “**CCCEB Settlement Documents**” means all documents necessary
19 to effectuate the CCCEB Settlement as of the Effective Date.

20 1.1.26. ~~1.1.25.~~ “**Channeled Claim**” means any Abuse Claim and/or any Claim,
21 excluding Opt-Out Abuse Claims, against a Released Party or any Settling Insurer arising from, in
22 connection with, or related to an Abuse Claim, or any of the Abuse Insurance Policies issued by
23 any Settling Insurers, including Abuse Related Contribution Claims, but not including (a) an
24 Abuse Claim against any Person who personally committed an act or acts of Abuse resulting in a
25 Claim against the Debtor or Contributing Non-Debtor Catholic Entity; or (b) any Claim
26 (including any Abuse Claim) held by a Non-Settling Insurer against any Released Party other than
27

28 **PLAN OF REORGANIZATION, Dated November 8, 2024**

1 [the Debtor or the Reorganized Debtor.](#)

2 [1.1.27.](#) ~~1.1.26.~~ **“Channeling Injunction”** means the injunction imposed pursuant
3 to Section 13.12 of this Plan and the Confirmation Order.

4 [1.1.28.](#) ~~1.1.27.~~ **“Churches”** means the individual Catholic churches within the
5 Diocese of Oakland, each of which is part of the corporation sole that is the Debtor, and each of
6 which is listed on Schedule ~~1.1.27~~1.1.28 attached hereto.

7 [1.1.29.](#) ~~1.1.28.~~ **“Claim”** shall have the meaning set forth in Section 101(5) of the
8 Bankruptcy Code.

9 [1.1.30.](#) ~~1.1.29.~~ **“Claims Bar Date”** means, including without limitation for Claims
10 arising under Section 503(b)(9) of the Bankruptcy Code, and in accordance with the terms of the
11 Bar Date Order, (i) for all Claims other than Claims of Governmental Units, September 11, 2023,
12 at ~~5:00 p.m~~[5:00 p.m.](#) Pacific Time, and (ii) for Claims of Governmental Units, November 6,
13 2023, at ~~5:00 p.m~~[5:00 p.m.](#) Pacific Time.

14 [1.1.31.](#) ~~1.1.30.~~ **“Claims Objection Deadline”** means, [except as to Non-Settling](#)
15 [Insurers](#), the deadline for objecting to a Claim, which shall be on the date that is the later of:
16 (a) 12 months after the Effective Date, and (b) such other period of limitation as may be
17 specifically fixed by the Debtor or the Reorganized Debtor, as applicable, or by an order of the
18 Court for objecting to such Claims. [For the avoidance of doubt, the Claims Objection Deadline](#)
19 [shall not apply to Non-Settling Insurers who agree to defend against any Abuse Claim Holder](#)
20 [who elects the Litigation Option as set forth in Section 5.2.2 and Articles VIII and IX hereof.](#)

21 [1.1.32.](#) ~~1.1.31.~~ **“Claims Register”** means the official register of Claims maintained
22 by the Debtor or Reorganized Debtor, as applicable.

23 [1.1.33.](#) ~~1.1.32.~~ **“Class”** means a category of Holders of Claims as set forth in
24 Section 2.3 of this Plan, under Section 1122(a) of the Bankruptcy Code.

25 [1.1.34.](#) ~~1.1.33.~~ **“Committee”** means the Official Committee of Unsecured
26 Creditors appointed in the Chapter 11 Case on May 23, 2023.

27 [PLAN OF REORGANIZATION, Dated November 8, 2024](#)

1 1.1.35. ~~1.1.34.~~ “**Confirmation**” means the entry of the Confirmation Order on the
2 docket of the Chapter 11 Case.

3 1.1.36. ~~1.1.35.~~ “**Confirmation Order**” means a Final Order of the Bankruptcy
4 Court confirming the Plan under Section 1129 of the Bankruptcy Code.

5 1.1.37. ~~1.1.36.~~ “**Contributing Non-Debtor Catholic Entity**” means a Non-Debtor
6 Catholic Entity that contributes assets to the Survivors’ Trust on or after the Effective Date
7 pursuant to Section 9.3 of the Plan.

8 1.1.38. ~~1.1.37.~~ “**Coverage Action**” means the proceeding captioned *In re: The*
9 *Roman Catholic Bishop of Oakland Insurance Adversary Proceeding Litigation*, Case
10 Nos. 3:24-cv-00709-JSC & 3:24-cv-00711-JSC (N.D. Cal.) and all adversary proceedings
11 consolidated thereunder.

12 1.1.39. ~~1.1.38.~~ “**Coverage Claims**” means all Claims against a Non-Settling
13 Insurer under or relating to the policies issued by such Non-Settling Insurer.

14 1.1.40. ~~1.1.39.~~ “**Creditor**” shall have the meaning set forth in Section 101(10) of
15 the Bankruptcy Code.

16 1.1.41. ~~1.1.40.~~ “**Cure Amount**” means all amounts, including an amount of \$0.00,
17 required to cure any monetary default under any Executory Contract or Unexpired Lease (or any
18 lesser amount agreed to by the counterparty to an Executory Contract or Unexpired Lease of the
19 Debtor) to be assumed by the Debtor under Sections 365 or 1123 of the Bankruptcy Code.

20 1.1.42. ~~1.1.41.~~ “**Cure Claim**” means a monetary Claim arising out of the Debtor’s
21 default(s) under any Executory Contract or Unexpired Lease at the time such contract or lease is
22 assumed by the Debtor pursuant to Section 365 of the Bankruptcy Code.

23 1.1.43. ~~1.1.42.~~ “**Debtor**” shall have the meaning set forth in the Introduction
24 hereof.

25 1.1.44. ~~1.1.43.~~ “**Disallowed**” means, with respect to any Claim, a Claim or any
26 portion thereof that: (a) has been disallowed by a Final Order, (b) is listed on the Schedules as
27

28 **PLAN OF REORGANIZATION, Dated November 8, 2024**

1 having a value of zero dollars or as contingent, disputed, or unliquidated and as to which no Proof
2 of Claim or request for payment of an Administrative Expense Claim was timely filed or deemed
3 timely filed pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or
4 otherwise deemed timely filed under applicable law or this Plan, (c) is not listed on the Schedules
5 and as to which no Proof of Claim or request for payment of an Administrative Expense Claim
6 was timely filed or deemed timely filed with the Bankruptcy Court pursuant to either the
7 Bankruptcy Code or any Final Order of the Court or otherwise deemed timely filed under
8 applicable law or this Plan, (d) has been withdrawn by agreement of the Debtor and the Holder
9 thereof, or (e) has been withdrawn by the Holder thereof. Any Claim or portion of a Claim not
10 Disallowed shall be either Allowed or Disputed as provided in the Plan.

11 1.1.45. ~~1.1.44.~~ “**Disclosure Statement**” means the Amended Disclosure Statement
12 for ~~the~~ Debtor’s Amended Plan of Reorganization (as amended, supplemented, or modified from
13 time to time) filed in the Chapter 11 Case, including all exhibits and schedules thereto and
14 references therein that relate to the Plan, and that is prepared and distributed in accordance with
15 the Bankruptcy Code, the Bankruptcy Rules, and any other applicable law.

16 1.1.46. ~~1.1.45.~~ “**Disputed**” means, with reference to any Claim: (i) a Claim as to
17 which an objection has been filed and which objection has not either been withdrawn, determined
18 by a Final Order, or otherwise finally resolved pursuant to the Plan; or (ii) a Claim specifically
19 stated herein to be Disputed.

20 1.1.47. ~~1.1.46.~~ “**District Court**” means the United States District Court for the
21 Northern District of California, Oakland Division, having jurisdiction over the Coverage Action.

22 1.1.48. ~~1.1.47.~~ “**Effective Date**” means the date of the first ~~business day~~ Business
23 Day after ~~confirmation~~ Confirmation of the Plan on which all conditions precedent to the
24 effectiveness of the Plan have either been (a) satisfied or (b) waived pursuant to Sections 10.2 and
25 10.3 of the Plan, respectively.

26 1.1.49. ~~1.1.48.~~ “**Entity**” shall have the meaning set forth in Section 101(15) of the
27

28 PLAN OF REORGANIZATION, Dated November 8, 2024

1 Bankruptcy Code.

2 [1.1.50.](#) ~~1.1.49.~~ “**Estate**” means the estate created for the Debtor in this Chapter 11
3 Case under Section 541 of the Bankruptcy Code.

4 [1.1.51.](#) ~~1.1.50.~~ “**Exculpated Parties**” means each of the following in their capacity
5 as such: (a) the Exit Facility Lender, (b) the Debtor, including the Churches, (c) the Reorganized
6 Debtor, including the Churches, (d) the Committee, (e) the Committee’s members, (f) each
7 Contributing Non-Debtor Catholic Entity, (g) the College of Consultors of the Diocese of
8 Oakland and each of its members, (h) The Diocese of Oakland Finance Council and each of its
9 members, (i) the Presbyteral Council of the Diocese of Oakland and each of its members, (j) the
10 Mediators, (k) the Unknown Abuse Claims Representative, and (l) for each of the foregoing,
11 their respective officers, directors, agents, employees, equity holders, attorneys, financial
12 advisors, accountants, representatives, and other duly authorized employed Professionals in this
13 Chapter 11 Case.

14 [1.1.52.](#) ~~1.1.51.~~ “**Exculpation**” means the treatment of an Exculpated Party under,
15 or the effect of, the Exculpation Clause.

16 [1.1.53.](#) ~~1.1.52.~~ “**Exculpation Clause**” means Section 13.6 of this Plan.

17 [1.1.54.](#) ~~1.1.53.~~ “**Executory Contract**” means a contract to which the Debtor is a
18 party that is subject to assumption or rejection under Sections 365 or 1123 of the Bankruptcy
19 Code.

20 [1.1.55.](#) ~~1.1.54.~~ “**Executory Contract Cure Schedule**” means a schedule that may
21 be, but is not required to be, filed by the Debtor as part of the Plan Supplement, setting forth the
22 amount the Debtor asserts is required to be paid pursuant to Section 365(b)(1) of the Bankruptcy
23 Code in connection with the Debtor’s assumption of any Executory Contract.

24 [1.1.56.](#) ~~1.1.55.~~ “**Executory Contract Rejection Schedule**” means a schedule that
25 may be, but is not required to be, filed by the Debtor as part of the Plan Supplement, identifying
26 any Executory Contracts to be rejected by the Debtor as of the Effective Date of the Plan.

27 [PLAN OF REORGANIZATION, Dated November 8, 2024](#)

1 1.1.57. ~~1.1.56.~~ “Exit Facility” means the new senior secured lending facility that
2 RCBO will enter into on the Effective Date, the form of which shall be included in the Plan
3 Supplement.

4 1.1.58. ~~1.1.57.~~ “Exit Facility Documents” means the documents evidencing the
5 Exit Facility.

6 1.1.59. ~~1.1.58.~~ “Exit Facility Lender” means the Roman Catholic Cemeteries of
7 the Diocese of Oakland (“RCC”), the Entity financing the Exit Facility.

8 1.1.60. ~~1.1.59.~~ “Fee Claim” means a Claim under Sections 328, 330, 331, 503, or
9 1103 of the Bankruptcy Code for compensation of a Professional or other Entity for services
10 provided to the Debtor or Committee, or expenses incurred in the course of providing services to
11 the Estate, during the Chapter 11 Case.

12 1.1.61. ~~1.1.60.~~ “File,” “Filed,” or “Filing” means file, filed, or filing with the
13 Bankruptcy Court in the Chapter 11 Case or the Coverage Action.

14 1.1.62. ~~1.1.61.~~ “Final Decree” means the decree contemplated under Bankruptcy
15 Rule 3022.

16 1.1.63. ~~1.1.62.~~ “Final Order” means an order or judgment of the Bankruptcy
17 Court (or any other court ~~of competent jurisdiction~~) entered by the Bankruptcy Court (or any other
18 court) on the docket in the Chapter 11 Case (or the docket of such other court), which has not
19 been reversed, stayed, modified, amended, or vacated, and as to which: (a) the time to appeal,
20 petition for *certiorari*, or move for a new trial, stay, reargument, or rehearing has expired and as
21 to which no appeal, petition for *certiorari*, or motion for new trial, stay, reargument, or rehearing
22 shall be pending, or (b) if an appeal, writ of *certiorari*, new trial, stay, reargument, or rehearing
23 thereof has been sought, such order or judgment of the Bankruptcy Court (or other court ~~of~~
24 ~~competent jurisdiction~~) shall have been affirmed by the highest court to which such order was
25 appealed, or *certiorari* shall have been denied, or a new trial, stay, reargument, or rehearing shall
26 have been denied or resulted in no modification of such order, and the time to take any further
27

28 ~~PLAN OF REORGANIZATION, Dated November 8, 2024~~

1 appeal, petition for *certiorari*, or move for a new trial, stay, reargument, or rehearing shall have
2 expired, as a result of which such order shall have become final in accordance with Bankruptcy
3 Rule 8002; provided, however, that the possibility that a motion under Rule 60 of the Federal
4 Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed relating
5 to such order shall not cause an order not to be a Final Order.

6 1.1.64. ~~1.1.63.~~ **“Governmental Unit”** shall have the meaning set forth in
7 Section 101(27) of the Bankruptcy Code.

8 1.1.65. ~~1.1.64.~~ **“Holder”** means a Person or Entity with ownership or legal control
9 of a Claim, including without limitation an Abuse Claim.

10 1.1.66. ~~1.1.65.~~ **“Immediate Distribution Payment”** means a one-time distribution
11 of \$50,000 paid to the Holder of an Abuse Claim from the Survivors’ Trust, paid by the
12 Survivors’ Trustee without objection as set forth in the Plan and to the exclusion of such Holder’s
13 (a) right to any further distributions from the Survivors’ Trust and (b) right to pursue an Abuse
14 Claim against any Non-Settling Insurers or other parties.

15 1.1.67. ~~1.1.66.~~ **“Impaired”** means, with respect to a Class of Claims, a Class of
16 Claims that is not Unimpaired.

17 1.1.68. ~~1.1.67.~~ **“Insurance Assignment”** means the transaction described in
18 Section 8.1 of the Plan, subject to the terms of the Plan, the Abuse Insurance Policies, and
19 applicable law.

20 1.1.69. ~~1.1.68.~~ **“Insurance Recoveries”** means the rights to any proceeds of an
21 Abuse Insurance Policy, whether pursuant to the policy outright, an Insurance Settlement
22 Agreement, or a judgment, award, decree, or other court or administrative order.

23 1.1.70. ~~1.1.69.~~ **“Insurance Settlement Agreement”** means any settlement
24 agreement between (i) the Debtor and any Settling Insurer, if executed and approved by a final,
25 non-appealable order of the Bankruptcy Court before the Effective Date, or (ii) the Survivors’
26 Trust and any Settling Insurer, if executed after the Effective Date.

27
28 PLAN OF REORGANIZATION, Dated November 8, 2024

1 1.1.71. ~~1.1.70.~~ “**Insurers**” means the defendants in the Coverage Action. For the
2 avoidance of doubt, this term, whether or not qualified with “Settling” or “Non-Settling²²,” shall
3 include the California Insurance Guarantee Association.

4 1.1.72. ~~1.1.71.~~ “**Livermore Property**” means the real property owned by
5 Adventus having a street address of 3658 Las Colinas Road, Livermore, California, and bearing
6 the legal description set forth on Schedule ~~1.1.71~~1.1.72 attached hereto.

7 1.1.73. ~~1.1.72.~~ “**Mediators**” means, individually and collectively: (i) the
8 Honorable Christopher Sontchi (Ret.), Sontchi, LLC; (ii) Jeffrey Krivis, Mediation Offices of
9 Jeffrey Krivis; (iii) Timothy Gallagher, The Gallagher Law Group; and (iv) the Honorable
10 Randall J. Newsome (Ret.), Randall Newsome ADR.

11 1.1.74. ~~1.1.73.~~ “**Non-Abuse Litigation Claims**” means Claims arising out of
12 litigation pending against the Debtor prior to the Petition Date asserting Causes of Action
13 unrelated to Abuse.

14 1.1.75. “**Non-Abuse Litigation Reserve**” means the Cash reserve to be
15 established by the Reorganized Debtor pursuant to Section 12.7.2 of the Plan to pay Non-Abuse
16 Litigation Claims.

17 1.1.76. ~~1.1.74.~~ “**Non-Debtor Catholic Entity**” means any of the following: RCC,
18 the Oakland Parochial Fund (“OPF”), Roman Catholic Welfare Corporation of Oakland (or any
19 school it managed, manages, operated or operates) (“RCWC”), Lumen Christi Academies of the
20 Roman Catholic Diocese of Oakland, The Catholic Cathedral Corporation of the East Bay
21 (“CCCEB”), The Oakland Society for the Propagation of the Faith, Catholic Charities of the
22 Diocese of Oakland, Inc. (d/b/a Catholic Charities of the East Bay), Catholic Church Support
23 Services (d/b/a Catholic Management Services), Furrer Properties, Inc., Adventus, Catholic
24 Foundation for the Diocese of Oakland, Christ the Light Cathedral Corporation, or any religious
25 order.

26 1.1.77. ~~1.1.75.~~ “**Non-Settling Insurer**” means any defendant in the Coverage
27

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1 Action that is not a Settling Insurer.

2 1.1.78. ~~1.1.76.~~ “**Non-Settling Insurer Policy**” means any Abuse Insurance Policy
3 issued by a Non-Settling Insurer.

4 1.1.79. ~~1.1.77.~~ “**OPF Claim**” means the Class 8 Claim of OPF.

5 1.1.80. ~~1.1.78.~~ “**Opt-Out Abuse Claim**” means any Abuse Claim against a
6 Contributing Non-Debtor Catholic Entity for which the Holder of such Abuse Claim ~~completed~~
7 ~~and submitted~~ either (i) pursuant to Section 6.2 of the Plan—~~an Opt-Out Release Form~~, timely
8 returned a Ballot in which the Holder affirmatively opted out of the releases provided by the Plan,
9 by checking the appropriate box on such Ballot or (ii) did not timely return a Ballot.

10 ~~1.1.79. “Opt-Out Release Form” means that certain form to be served on each~~
11 ~~Holder of a Claim giving such Holder the option to affirmatively opt out of the releases provided~~
12 ~~by the Plan.~~

13 1.1.81. ~~1.1.80.~~ “**Person**” shall have the meaning set forth in Section 101(41) of the
14 Bankruptcy Code.

15 1.1.82. ~~1.1.81.~~ “**Petition Date**” means May 8, 2023, the date on which the
16 Chapter 11 Case commenced in the Bankruptcy Court.

17 1.1.83. ~~1.1.82.~~ “**Plan Documents**” means this Plan, the Plan Supplement, all
18 appendices and exhibits to the forgoing, the CCCEB Settlement Documents, the Survivors’ Trust
19 Documents, the Confirmation Order, and any other documents entered into pursuant to the Plan.

20 1.1.84. ~~1.1.83.~~ “**Plan Supplement**” means the compilation of documents and
21 forms of documents, schedules, and exhibits to the Plan (as amended, supplemented, or modified
22 from time to time in accordance with the terms hereof and the Bankruptcy Code and the
23 Bankruptcy Rules), to be Filed no later than five (5) Business Days before the Voting Deadline,
24 and additional documents or amendments to previously Filed documents, Filed before the
25 Effective Date as amendments to the Plan Supplement, including without limitation the
26 following: (a) the Exit Facility Documents, (b) the Schedule of Assumed Executory Contracts
27

28 ~~PLAN OF REORGANIZATION, Dated November 8, 2024~~

1 and Unexpired Leases, (c) the CCCEB Settlement Documents, (d) the form of the Survivors'
2 Trust Agreement, and (e) the form of the Survivors' Trust Distribution Plan.

3 1.1.85. ~~1.1.84.~~ **“Post-Confirmation Notice List”** means the list of Persons or
4 Entities to receive notice of matters after the Confirmation Date, specifically: (a) the
5 Reorganized Debtor; (b) the Survivors' Trustee; (c) the Office of the United States Trustee;
6 (d) Persons against whom relief is sought; and (e) Persons who request notice of such matters
7 through a written request that is filed with the Bankruptcy Court and served on the Debtor not
8 earlier than the Confirmation Date.

9 1.1.86. ~~1.1.85.~~ **“Priest Long-Term Care Plan”** means the long-term care plan
10 maintained by the Debtor for priests employed by the Debtor, Churches, and Non-Debtor
11 Catholic Entities.

12 1.1.87. ~~1.1.86.~~ **“Priority Tax Claim”** means any Claim of a Governmental Unit
13 under Section 507(a)(8) of the Bankruptcy Code.

14 1.1.88. ~~1.1.87.~~ **“Priority Unsecured Claim”** means any Claim against the Debtor
15 that is entitled to priority in right of payment under Section 507(a) of the Bankruptcy Code, other
16 than an Administrative Expense Claim or a Priority Tax Claim.

17 1.1.89. ~~1.1.88.~~ **“Professional”** means any Entity employed by the Debtor, the
18 Committee, or the Estate in the Chapter 11 Case under Sections 327 or 1103 of the Bankruptcy
19 Code, any of the Mediators, or any Person or Entity seeking compensation or reimbursement of
20 expenses under Section 503(b)(4) of the Bankruptcy Code.

21 1.1.90. ~~1.1.89.~~ **“Proof of Claim”** means a Claim, along with any supporting
22 documentation, Filed against the Debtor in the Chapter 11 Case.

23 1.1.91. ~~1.1.90.~~ **“Rejection Claim”** means a Claim for rejection damages arising
24 out of the rejection of an Executory Contract or Unexpired Lease by the Debtor, whether the
25 rejection occurs through an order of the Bankruptcy Court approving a motion to reject an
26 Executory Contract or Unexpired Lease or through confirmation of this Plan or any other
27

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1 chapter 11 plan.

2 1.1.92. ~~1.1.91.~~ “**Rejection Claims Bar Date**” means, as to a particular Rejection
3 Claim, the date that is 60 calendar days following the entry of an order rejecting an Executory
4 Contract or Unexpired Lease, the rejection of which gave rise to the Rejection Claim.

5 1.1.93. ~~1.1.92.~~ “**Released Parties**” means collectively: (a) the Debtor, (b) the
6 Reorganized Debtor, (c) the Churches, (d) the Contributing Non-Debtor Catholic Entities, but
7 each only as to the Abuse Claims for which it ~~is receiving~~receives a Release under Section 13.9
8 of the Plan, and (e) with respect to each of the foregoing Persons and Entities in clauses (a)
9 through (d), such Person and their, or such Entity and its, current and former directors, managers,
10 officers, employees, ~~equity holders (regardless of whether such interests are held directly or~~
11 ~~indirectly), interest holders,~~ predecessors, successors, ~~and assigns, subsidiaries, affiliates,~~
12 managed accounts or funds, ~~and each of their respective current and former equity holders,~~
13 ~~officers, directors, managers, principals, shareholders, members, management companies, fund~~
14 ~~advisors, employees,~~ agents, advisory board members, financial advisors, partners, attorneys,
15 accountants, investment bankers, consultants, representatives, and other professionals; provided,
16 however, this term expressly excludes (i) any Person accused of committing a physical act of
17 Abuse upon a Holder of an Abuse Claim or their predecessor(s)-in-interest, ~~and~~ (ii) any
18 Non-Debtor Catholic Entity that is not a Contributing Non-Debtor Catholic Entity, and (iii) any
19 Catholic diocese or archdiocese other than the Debtor or Reorganized Debtor.

20 1.1.94. ~~1.1.93.~~ “**Releases**” means the release of any Claim or Cause of Action in
21 favor of Released Parties as set forth in Section 13.9 of the Plan given by the persons or entities
22 listed in subparagraphs (a) through (d) of this section of the Plan (collectively, the “Releasing
23 Parties” ~~means collectively~~): (a) the Released Parties; (b) all Holders of Claims that vote to
24 accept the Plan; (c) all Holders of Class 4 Abuse Claims or Class 5 Unknown Abuse Claims that
25 timely return a Ballot but do not affirmatively opt out of the releases provided by the Plan by
26 checking the appropriate box on the ~~Opt-Out Release Form~~Ballot indicating that they opt not to
27

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1 grant the releases provided in the Plan; and (d) with respect to each of the foregoing Persons and
2 Entities in clauses (a) through (c), such Person and their, or such Entity and its, current and
3 former directors, managers, officers, employees, equity holders (regardless of whether such
4 interests are held directly or indirectly), interest holders, predecessors, successors, and assigns,
5 subsidiaries, affiliates, managed accounts or funds, and each of their respective current and
6 former equity holders, officers, directors, managers, principals, shareholders, members,
7 management companies, fund advisors, employees, agents, advisory board members, financial
8 advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and
9 other professionals. For the avoidance of doubt, (i) “Releasing Parties” excludes Non-Settling
10 Insurers and (ii) Non-Settling Insurers are not giving any Releases to Released Parties under the
11 Plan.

12 1.1.95. ~~1.1.94.~~ “Reorganized Debtor” means the Debtor upon the occurrence of
13 the Effective Date and thereafter.

14 1.1.96. “Reserved Amount” means, as to each Holder of a Trust Claim who elects
15 the Litigation Option pursuant to Section 9.8.4 hereof, the amount of Cash the Survivors’ Trustee
16 holds in reserve on account of such Holder’s Trust Claim pending the resolution of the Abuse
17 Claim Litigation commenced by such Holder.

18 1.1.97. ~~1.1.95.~~ “Schedules” means, to the extent required, the schedules of assets
19 and liabilities, schedules of Executory Contracts and Unexpired Leases, and statements of
20 financial affairs Filed by the Debtor under Section 521 of the Bankruptcy Code, as the same may
21 have been amended, modified, or supplemented from time to time.

22 1.1.98. ~~1.1.96.~~ “Secured” means, when referring to a Claim, a Claim: (a) secured
23 by a lien on property in which the Estate has an interest, which lien is valid, perfected, and
24 enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject
25 to setoff pursuant to Section 553 of the Bankruptcy Code, to the extent of the value of the
26 Creditor’s interest in an Estate’s interest in such property or to the extent of the amount subject to
27

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1 setoff, as applicable, as determined pursuant to Section 506(a) of the Bankruptcy Code; or
2 (b) otherwise Allowed by the Plan as a Secured Claim.

3 1.1.99. ~~1.1.97.~~ “**SERP**” means the Diocese of Oakland Priests Supplemental
4 Retirement Plan.

5 1.1.100. ~~1.1.98.~~ “**Settling Insurer**” means any defendant in the Coverage
6 Action with whom (i) the Debtor has executed a settlement agreement as of the Effective Date, or
7 (ii) the Survivors’ Trust executes a settlement agreement after the Effective Date.

8 1.1.101. ~~1.1.99.~~ “**Survivors’ Trust**” means the trust created for the benefit
9 of Holders of Allowed Class 4 and Class 5 Claims (the “Survivors’ Trust Beneficiaries”) in
10 accordance with this Plan, the Confirmation Order, and the Survivors’ Trust Agreement.

11 1.1.102. “Survivors’ Trust Advisory Committee” means the Entity
12 created under Section 9.1.3 of the Plan.

13 1.1.103. ~~1.1.100.~~ “**Survivors’ Trust Agreement**” means the agreement
14 establishing the Survivors’ Trust in conformity with the provisions of the Plan approved in the
15 Confirmation Order and entered into by the Reorganized Debtor on behalf of the Survivors’ Trust
16 Beneficiaries and the Survivors’ Trustee on the Effective Date, pursuant to the terms of the Plan.
17 A copy of the form of the Survivors’ Trust Agreement shall be Filed with the Plan Supplement.

18 1.1.104. ~~1.1.101.~~ “**Survivors’ Trust Assets**” means collectively, whether
19 contributed on or after the Effective Date, and including all proceeds thereof, (i) the Debtor Cash
20 Contribution, (ii) all Non-Debtor Catholic Entity Contributions, (iii) the Livermore Property,
21 as-is, where-is, (iv) any proceeds of Insurance Settlement Agreements realized by the Debtor
22 (before the Effective Date) or the Survivors’ Trust (after the Effective Date), and (v) the Assigned
23 Insurance Interests.

24 1.1.105. ~~1.1.102.~~ “**Survivors’ Trust Distribution Plan**” means the plan and
25 guidelines for distributing liquid assets of the Survivors’ Trust to Holders of Abuse Claims and
26 Unknown Abuse Claims, the form of which shall be filed with the Plan Supplement.

27
28 PLAN OF REORGANIZATION, Dated November 8, 2024

1 1.1.106. ~~1.1.103.~~ “Survivors’ Trust Documents” means all documents
2 necessary to establish and administer the Survivors’ Trust, including without limitation the
3 Survivors’ Trust Agreement and the Survivors’ Trust Distribution Plan.

4 1.1.107. ~~1.1.104.~~ “Survivors’ Trustee” means the person appointed as
5 trustee of the Survivors’ Trust in accordance with the terms of the Plan, the order confirming the
6 Plan, and the Survivors’ Trust Documents, or any of their successors.

7 1.1.108. ~~1.1.105.~~ “Tax Code” means the Internal Revenue Code of 1986, as
8 amended.

9 1.1.109. “Trust Claimant” means the Holder of a Trust Claim.

10 1.1.110. ~~1.1.106.~~ “Trust Claims” means the Abuse Claims of Holders who
11 have not elected to receive an Immediate ~~Distribution~~Payment, which Claims shall be reviewed
12 and ~~scored~~allocated a percentage of the Survivors’ Trust recovery pool based on numerical
13 scaling factors (but not based on alleged dollar value of the Claim) by the Abuse Claims
14 Reviewer pursuant to the procedures set forth in the Survivors’ Trust Documents.

15 1.1.111. ~~1.1.107.~~ “U.S. Trustee” means the Office of the United States
16 Trustee for Region 17, which includes the Northern District of California.

17 1.1.112. ~~1.1.108.~~ “U.S. Trustee Fees” means quarterly fees owed to the
18 U.S. Trustee under 28 U.S.C. § 1930(a)(6).

19 1.1.113. ~~1.1.109.~~ “Unexpired Lease” means a lease of nonresidential real
20 property to which the Debtor is a party that is subject to assumption or rejection under
21 Sections 365 or 1123 of the Bankruptcy Code.

22 1.1.114. ~~1.1.110.~~ “Unimpaired” means, with respect to a Class of Claims, a
23 Claim that is unimpaired within the meaning of Section 1124 of the Bankruptcy Code, including
24 without limitation through payment in full in Cash.

25 1.1.115. ~~1.1.111.~~ “Unknown Abuse Claim” means an Abuse Claim arising
26 out of an alleged act of sexual abuse that occurred on or before the Effective Date for which
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1 (a) no Proof of Claim was Filed or deemed timely Filed on or before the Claims Bar Date, or (b) a
2 Proof of Claim was Filed after the ~~bar-date~~Claims Bar Date or otherwise submitted to the
3 Survivors' Trustee, if such Abuse Claim was not untimely under California state law (e.g. not
4 discovered or reasonably discoverable before the Claims Bar Date, or subject to a new law
5 re-opening the claims window).

6 1.1.116. ~~1.1.112.~~ **“Unknown Abuse Claims Representative”** means the
7 Person or Entity appointed by the Court to represent the interests of Holders of Unknown Abuse
8 Claims, including without limitation for actions to be taken on behalf of Holders of Unknown
9 Abuse Claims under this Plan.

10 1.1.117. ~~1.1.113.~~ **“Unknown Abuse Claims Reserve”** means the reserve
11 established on the Effective Date pursuant to the Survivors' Trust Documents for the benefit of
12 Holders of Class 5 Claims.

13 1.1.118. ~~1.1.114.~~ **“Unsecured”** means a Claim, including without limitation
14 an Abuse Claim or Unknown Abuse Claim, that is not an Administrative Claim, Fee Claim,
15 Priority Claim, Priority Tax Claim, or Secured Claim.

16 1.1.119. ~~1.1.115.~~ **“Voting Deadline”** means the date that is fourteen
17 (14) calendar days before the hearing on Confirmation of the Plan.

18 **1.2. Construction of Terms**

19 1.2.1. The singular of any of the foregoing definitions includes the plural and vice
20 versa where the context so requires, “includes” and “including” are not limiting, “may not” is
21 prohibitive and not permissive, and “or” is not exclusive.

22 1.2.2. A term used in the Plan, whether or not capitalized, that is not defined in
23 the Plan but that is used in the Bankruptcy Code or the Bankruptcy Rules has the meaning
24 assigned to the term in the Bankruptcy Code or Bankruptcy Rules, as applicable.

25 1.2.3. The headings in the Plan are for convenience of reference only and shall
26 not limit or otherwise affect the provisions of the Plan.

27 **PLAN OF REORGANIZATION, Dated November 8, 2024**

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1.3. Appendices and Plan Documents.

All Plan Documents and appendices to the Plan are incorporated into this Plan by reference and are a part of this Plan as if set forth in full herein. The documents contained in the exhibits and the Plan Supplement shall be approved by the Bankruptcy Court pursuant to the Confirmation Order. Holders of Claims or their counsel may inspect a copy of the Plan Documents, once filed, in the Office of the Clerk of the Bankruptcy Court during normal business hours, or may obtain a copy of the Plan Documents by sending a written request to the following email address: ~~RCBOInfo@veritaglobal.com~~ RCBOInfo@veritaglobal.com.

**ARTICLE II
SUMMARY OF CLASSIFICATION OF CLAIMS**

2.1. Claims Provided For Herein. Various types of Claims are defined or described in this Plan. This Plan is intended to deal with all Claims against the Debtor or property of the Debtor or the Debtor's Estate of whatever character, whether or not with recourse, contingent or non-contingent, liquidated or unliquidated, and whether or not previously Allowed by the Bankruptcy Court pursuant to Section 502 of the Bankruptcy Code, which arise in any manner or from any event or circumstance arising before the Effective Date. However, only those Claims Allowed pursuant to Section 502 of the Bankruptcy Code will receive any distribution under this Plan. All Claims against the Debtor will be discharged without any distribution, recovery, recourse, or residual interest or right to the extent not expressly included in any Class or otherwise provided any treatment hereunder.

2.2. Unclassified Claims. All Claims except Administrative Expense Claims, Priority Tax Claims, Fee Claims, U.S. Trustee Fee Claims, and Cure Claims (collectively, the "Unclassified Claims") are placed in the Classes listed in this Article II. In accordance with Section 1123(a)(1) of the Bankruptcy Code, the Unclassified Claims, as described in Article III of this Plan, have not been classified and thus are excluded from the Classes summarized in Section 2.3 and Article IV of the Plan.

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1 **2.3. Claims Classification.** A Claim is classified in a particular Class only to the
 2 extent that the Claim qualifies within the description of that Class and is classified in other
 3 Classes to the extent that any remainder of the Claim qualifies within the description of such
 4 other Classes. For purposes of this Plan, the Classes of Claims against the Debtor shall be as
 5 follows:

Class	Class Description	Status	Voting Rights
Class 1	RCC Secured Claim	Unimpaired	Non-voting Deemed to accept
Class 2	Priority Unsecured Claims, other than non-classified claims set forth in Article III	Unimpaired	Non-voting Deemed to accept
Class 3	General Unsecured Claims	Impaired	Eligible to vote
Class 4	Abuse Claims	Impaired	Eligible to vote
Class 5	Unknown Abuse Claims	Impaired	Eligible to vote via the Unknown Abuse Claims Representative
Class 6	Non-Abuse Litigation Claims	Impaired	Eligible to vote
Class 7A	Abuse Related Contribution Claims Related to Class 4 Claims	No recovery	Non-voting Deemed to reject
Class 7B	Abuse Related Contribution Claims Related to Class 5 Claims	No recovery	Non-voting Deemed to reject
Class 8	OPF Claim	Impaired	Eligible to vote

**ARTICLE III
 TREATMENT OF UNCLASSIFIED CLAIMS: ADMINISTRATIVE CLAIMS,
 PRIORITY TAX CLAIMS AND UNITED STATES TRUSTEE’S FEES**

22 The following Claims shall not be classified hereunder but shall be entitled to the
 23 treatment set forth in this Article.

3.1. Administrative Expense Claims

25 **3.1.1** ~~3.1.1.~~ *Treatment of Administrative Expense Claims.* Except to the extent
 26 a Holder of an Allowed Administrative Expense Claim agrees to less favorable treatment with
 27 respect to such Allowed Administrative Expense Claim, each Holder of an Allowed

~~PLAN OF REORGANIZATION, Dated November 8, 2024~~

1 Administrative Expense Claim shall receive, on account of and in full and complete settlement,
2 release and discharge of, and in exchange for, such Claim, payment of Cash in an amount equal to
3 such Allowed Administrative Expense Claim on or as soon as reasonably practicable after the
4 later of: (a) the Effective Date; (b) the first Business Day after the date that is thirty (30) calendar
5 days after the date such Administrative Expense Claim becomes an Allowed Administrative
6 Expense Claim; (c) such other date(s) as such Holder and the Debtor or the Reorganized Debtor
7 shall have agreed; or (d) such other date ordered by the Bankruptcy Court; provided, however,
8 Allowed Administrative Expense Claims arising in the ordinary course of the Debtor's operations
9 during the Chapter 11 Case may be paid by the Debtor or the Reorganized Debtor (as applicable)
10 in the ordinary course of business and in accordance with the terms and conditions of the
11 particular agreements governing such obligations, course of dealing, course of operations, or
12 customary practice.

13 3.1.2 ~~3.1.2~~ *Administrative Expense Claims Bar Date.* Except as provided for
14 herein or in any order of the Bankruptcy Court, and subject to Section 503(b)(1)(D) of the
15 Bankruptcy Code, Holders of Administrative Expense Claims, other than a Fee Claim or a Claim
16 for U.S. Trustee Fees, accruing on or before the Confirmation Date must file and serve on the
17 Debtor requests for the payment of such Claims not previously Allowed by a Final Order in
18 accordance with the procedures specified in the Confirmation Order, on or before the
19 Administrative Expense Claims Bar Date, or such Claims shall be automatically Disallowed,
20 forever barred from assertion, and unenforceable against the Debtor or the Reorganized Debtor,
21 the Estate, or their property without the need for any objection or further notice to, or action,
22 order, or approval of the Bankruptcy Court, and any such Claims shall be deemed fully satisfied,
23 released, and discharged. Administrative Expense Claims representing obligations incurred by
24 the Debtor or Reorganized Debtor (as applicable) after the date and time of the entry of the
25 Confirmation Order shall not be subject to application to the Bankruptcy Court and may be paid
26 by the Debtor or Reorganized Debtor (as applicable) in the ordinary course of business and
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28 *PLAN OF REORGANIZATION, Dated November 8, 2024*

1 without Bankruptcy Court approval.

2 **3.2. Priority Tax Claims.** The legal and equitable rights of Holders of Priority Tax
3 Claims are Unimpaired under the Plan. Except to the extent a Holder of an Allowed Priority Tax
4 Claim agrees to less favorable treatment, each Holder of an Allowed Priority Tax Claim shall
5 receive on account of and in full and complete settlement, release and discharge of, and in
6 exchange for, such Allowed Priority Tax Claim, Cash in an amount equal to such Allowed
7 Priority Tax Claim on, or as soon thereafter as is reasonably practicable, the later of: (a) the
8 Effective Date, to the extent such Claim is an Allowed Priority Tax Claim on the Effective Date;
9 (b) the first Business Day after the date that is thirty (30) days after the date such Priority Tax
10 Claim becomes an Allowed Priority Tax Claim; and (c) the date such Allowed Priority Tax Claim
11 is due and payable in the ordinary course as such obligation becomes due; provided, however,
12 that the Debtor and Reorganized Debtor each reserves the right to prepay all or a portion of any
13 such amounts at any time under this option without penalty or premium.

14 **3.3. ~~Fee Claims~~ Fee-Claims.** All Professionals or other Entities requesting the final
15 allowance and payment of a Fee Claim for services rendered during the period from the Petition
16 Date to and including the Effective Date shall File final applications for allowance and payment
17 of such Fee Claims no later than the first Business Day that is forty-five (45) days after the
18 Effective Date. Objections to any Fee Claim must be Filed and served on the Reorganized
19 Debtor and the applicable Professional no later than the first Business Day that is 30 days after
20 the Filing of the final fee application that relates to the Fee Claim (unless otherwise agreed by the
21 Debtor or the Reorganized Debtor, as applicable, and the Professional requesting allowance and
22 payment of a Fee Claim). An Allowed Fee Claim, including any amounts previously held back
23 by Order of the Bankruptcy Court, shall be paid in full, in Cash, in such amounts as are Allowed
24 by the Bankruptcy Court no later than the first Business Day that is twenty-one (21) calendar days
25 after the entry of a Final Order Allowing the Fee Claim. The Reorganized Debtor is authorized to
26 pay compensation for services rendered or reimbursement of expenses incurred by its
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28 **PLAN OF REORGANIZATION, Dated November 8, 2024**

1 Professionals after the Effective Date in the ordinary course and without the need for Bankruptcy
2 Court approval. Unless otherwise directed by the Bankruptcy Court, all Professionals filing final
3 fee applications shall comply with the *Order Appointing Fee Examiner and Establishing*
4 *Procedures for Review of Interim and Final Fee Applications Filed by Estate Professionals*
5 [Docket No. 1122] entered in the Chapter 11 Case, including any subsequent amendments.

6 **3.4. Cure Claims~~Cure Claims~~.** Cure Claims shall be paid in full in accordance with,
7 and at such times as are set forth in, Section 7.2 of the Plan.

8 **3.5. *United States Trustee Fees.*** To the extent any U.S. Trustee Fees have become
9 due before the Effective Date and have not previously been paid, then such fees shall be paid
10 pursuant to 11 U.S.C. § 1129(a)(12) and 28 U.S.C. § 1930. Any U.S. Trustee Fees relating to the
11 period from and after the Effective Date shall be paid as provided in Section [12.8.4] of the Plan.

12 **ARTICLE IV**
13 **TREATMENT OF CLASSIFIED CLAIMS**

14 **4.1. *Class 1 – Secured Claim of RCC***

15 **4.1.1** ~~4.1.1~~-*Description.* Class 1 shall consist of the Allowed Secured Claim
16 of RCC.

17 **4.1.2** ~~4.1.2~~-*Treatment.* Except to the extent RCC agrees to less favorable
18 treatment of its Claim, in full and final satisfaction, settlement, release, and discharge of and in
19 exchange for its Allowed Secured Claim, RCC shall receive reinstatement under Section 1124 of
20 the Bankruptcy Code.

21 **4.1.3** ~~4.1.3~~-*Impairment and Voting.* Class 1 is Unimpaired under the Plan.
22 Each Holder of a Class 1 Claim is conclusively presumed to have accepted the Plan under
23 Section 1126(f) of the Bankruptcy Code and is not entitled to vote on the Plan.

24 **4.2. *Class 2 – Priority Unsecured Claims***

25 **4.2.1** ~~4.2.1~~-*Description.* Class 2 shall consist of all Allowed Priority
26 Unsecured Claims, other than non-classified claims set forth in Article III.

27 **PLAN OF REORGANIZATION, Dated November 8, 2024**

1 4.2.2 ~~4.2.2~~-*Treatment*. Except to the extent a Holder of an Allowed Priority
2 Unsecured Claim agrees to less favorable treatment of such Claim, in full and final satisfaction,
3 settlement, release, and discharge of and in exchange for such Allowed Priority Unsecured Claim,
4 each such Holder shall receive payment in Cash in an amount equal to such Allowed Priority
5 Unsecured Claim, payable on or as soon as reasonably practicable after the later of (a) the
6 Effective Date, (b) the date when such Priority Unsecured Claim becomes an Allowed Priority
7 Unsecured Claim, or (c) the date on which the Holder of such Priority Unsecured Claim and the
8 Debtor or Reorganized Debtor, as applicable, shall otherwise agree in writing.

9 4.2.3 ~~4.2.3~~-*Impairment and Voting*. Class 2 is Unimpaired under the Plan.
10 Each Holder of a Class 2 Claim is conclusively presumed to have accepted the Plan under
11 Section 1126(f) of the Bankruptcy Code and is not entitled to vote on the Plan.

12 **4.3. Class 3 – General Unsecured Claims**

13 4.3.1 ~~4.3.1~~-*Description*. Class 3 shall consist of all Allowed General
14 Unsecured Claims. Class 3 does not include Abuse Claims.

15 4.3.2 ~~4.3.2~~-*Treatment*. Except to the extent a Holder of an Allowed General
16 Unsecured Claim (including an Allowed Rejection Claim) agrees to less favorable treatment, in
17 full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed
18 General Unsecured Claim, each such Holder shall receive payment in Cash from the general
19 operating revenues of the Reorganized Debtor in an amount equal to such Allowed General
20 Unsecured Claim, payable no later than the later of (a) the date that is one year after the Effective
21 Date, (b) the date that is twenty-one (21) days after the date when such General Unsecured Claim
22 becomes an Allowed General Unsecured Claim, or (c) the date on which the Holder of such
23 General Unsecured Claim and the Reorganized Debtor shall otherwise agree in writing.

24 4.3.3 ~~4.3.3~~-*Impairment and Voting*. Class 3 is Impaired under the Plan. Each
25 Holder of a Class 3 Claim is entitled to vote to accept or reject the Plan.

26 **4.4. Class 4 – Abuse Claims**

1 4.4.1 ~~4.4.1~~-*Description*. Class 4 shall consist of all Allowed Abuse Claims,
2 other than Unknown Abuse Claims.

3 4.4.2 ~~4.4.2~~-*Treatment*. This Plan creates the Survivors' Trust to fund
4 payments to Holders of Allowed Abuse Claims entitled to such payments under the Plan and the
5 Survivors' Trust Documents. Except to the extent a Holder of an Allowed Abuse Claim agrees to
6 less favorable treatment of such Claim, in full and final satisfaction, settlement, release, and
7 discharge of and in exchange for such Allowed Abuse Claim, each such Holder shall receive their
8 allocable share of the Survivors' Trust Assets at the time and in the manner set forth in [Articles](#)
9 [VIII and IX hereof and](#) the Survivors' Trust Documents. It is intended that any payment on an
10 Allowed Abuse Claim will constitute payment for damages on account of personal physical
11 injuries or sickness arising from an occurrence, within the meaning of Section 104(a)(2) of the
12 Tax Code.

13 4.4.3 ~~4.4.3~~-*Impairment and Voting*. Class 4 Claims are Impaired under the
14 Plan. Each Holder of a Class 4 Claim is entitled to vote to accept or reject the Plan.

15 **4.5. Class 5 – Unknown Abuse Claims**

16 4.5.1 ~~4.5.1~~-*Description*. Class 5 shall consist of all Allowed Unknown Abuse
17 Claims.

18 4.5.2 ~~4.5.2~~-*Treatment*. The Unknown Abuse Claims Reserve shall be
19 established on the Effective Date pursuant to the Survivors' Trust Documents. Except to the
20 extent a Holder of an Allowed Unknown Abuse Claim agrees to less favorable treatment of such
21 Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for such
22 Allowed Unknown Abuse Claim, each such Holder shall receive their allocable share of the
23 Unknown Abuse Claims Reserve at the time and in the manner set forth in [Articles VIII and IX](#)
24 [hereof and](#) the Survivors' Trust Documents. It is intended that any payment on an Allowed
25 Unknown Abuse Claim will constitute payment for damages on account of personal physical
26 injuries or sickness arising from an occurrence, within the meaning of Section 104(a)(2) of the
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1 Tax Code.

2 [4.5.3](#) ~~4.5.3~~ *Impairment and Voting*. Class 5 Claims are Impaired under the
3 Plan. The Unknown Abuse Claims Representative is entitled to vote to accept or reject the Plan
4 on behalf of all Holders of Class 5 Claims and shall submit a single ~~ballot~~[Ballot](#) on behalf of all
5 such Holders.

6 **4.6. Class 6 – Non-Abuse Litigation Claims**

7 [4.6.1](#) ~~4.6.1~~ *Description*. Class 6 shall consist of all Allowed Non-Abuse
8 Litigation Claims.

9 [4.6.2](#) ~~4.6.2~~ *Treatment*. This Plan creates the Non-Abuse Litigation Reserve to
10 fund payments to Holders of Allowed Non-Abuse Litigation Claims in accordance with
11 Section 12.7 of the Plan. Except to the extent a Holder of an Allowed Non-Abuse Litigation
12 Claim agrees to less favorable treatment of such Claim, in full and final satisfaction, settlement,
13 release, and discharge of and in exchange for such Allowed Non-Abuse Litigation Claim, each
14 such Holder shall receive their allocable share of the Non-Abuse Litigation Reserve.

15 [4.6.3](#) ~~4.6.3~~ *Impairment and Voting*. Class 6 Claims are Impaired under the
16 Plan. Each Holder of a Class 6 Claim is entitled to vote to accept or reject the Plan.

17 **4.7. Class 7A – Abuse Related Contribution Claims Related to Class 4 Claims**

18 [4.7.1](#) ~~4.7.1~~ *Description*. Class 7A shall consist of all Abuse Related
19 Contribution Claims against the Debtor arising out of a Class 4 Claim.

20 [4.7.2](#) ~~4.7.2~~ *Treatment*. Any Holder of a Class 7A Claim who is also a
21 Contributing Non-Debtor Catholic Entity shall be deemed to have waived its Class 7A Claim
22 against the Debtor, Reorganized Debtor, the Estate, the Survivors' Trust, and any Settling Insurer
23 in exchange for the Release and Exculpation provided by this Plan. Any Holder of a Class 7A
24 Claim who is not a Contributing Non-Debtor Catholic Entity shall have its Class 7A Claim
25 Disallowed.

26 [4.7.3](#) ~~4.7.3~~ *Impairment and Voting*. Class 7A Claims are Impaired under the
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1 Plan. Holders of Class 7A Claims shall not receive a distribution under this Plan and are
2 therefore deemed to reject the Plan.

3 **4.8. Class 7B – Abuse Related Contribution Claims Related to Class 5 Claims**

4 4.8.1 ~~4.8.1~~–Description. Class 7B shall consist of all Abuse Related
5 Contribution Claims against the Debtor arising out of a Class 5 Claim.

6 4.8.2 ~~4.8.2~~–Treatment. Any Holder of a Class 7B Claim who is also a
7 Contributing Non-Debtor Catholic Entity shall be deemed to have waived its Class 7B Claim
8 against the Debtor, Reorganized Debtor, the Estate, the Survivors’ Trust, and any Settling Insurer
9 in exchange for the Release and Exculpation provided by this Plan. Any Holder of a Class 7B
10 Claim who is not a Contributing Non-Debtor Catholic Entity shall have its Class 7B Claim
11 Disallowed.

12 4.8.3 ~~4.8.3~~–Impairment and Voting. Class 7B Claims are Impaired under the
13 Plan. Holders of Class 7B Claims shall not receive a distribution under this Plan and are
14 therefore deemed to reject the Plan.

15 **4.9. Class 8 – OPF Claim**

16 4.9.1 ~~4.9.1~~–Description. Class 8 shall consist of the Allowed OPF Claim.

17 4.9.2 ~~4.9.2~~–Treatment. Except to the extent OPF agrees to less favorable
18 treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for
19 the Allowed OPF Claim, the Reorganized Debtor shall pay the Allowed Class 8 Claim in full and
20 in Cash, without interest. Payment on the Allowed OPF Claim shall commence on or before the
21 date that is ten (10) years after the Effective Date. Payments shall be made on a schedule and on
22 such terms as may be agreed by the Reorganized Debtor and OPF; provided, however, the
23 Allowed OPF Claim shall be paid in full no later than the date that is thirty (30) years after the
24 Effective Date.

25 4.9.3 ~~4.9.3~~–Impairment and Voting. Class 8 Claims are Impaired under the
26 Plan. Each Holder of a Class 8 Claim is entitled to vote to accept or reject the Plan.

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ARTICLE V
DISPUTED CLAIMS AND CLAIM DISTRIBUTIONS

5.1. *Single Claim.* Except as otherwise provided by this Plan, a Person that holds multiple Allowed Claims based on the same indebtedness or obligation shall be deemed to have only one Allowed Claim against the Estate in an amount equal to the largest of all such similar Claims for the purposes of voting and distribution under the Plan.

5.2. *Claims Objections.*

5.2.1 *Who May Object*~~Who May Object.~~ Subject to the terms of this Section 5.2, any party in interest shall be entitled to object to Claims to the extent permitted under Section 502(a) of the Bankruptcy Code, and the Holder of any Claim to which an objection is made is entitled to assert their defenses to such objection.

5.2.2 ~~5.2.2~~ *Objections to Abuse Claims.* All parties in interest reserve the right to object, in the Bankruptcy Court, to Abuse Claims pursuant to Section 502(a) of the Bankruptcy Code, and Holders of Abuse Claims may reserve their defenses to such objections. All parties in interest, including without limitation the Non-Settling Insurers, reserve the right to object to any Proofs of Claim based on any applicable defense arising under the Bankruptcy Code (including untimeliness and any injunction barring late or unfiled claims); provided, however, (i) any determination of the dollar amount of liability, and any defense based upon non-bankruptcy law, shall be made in a court of competent jurisdiction as determined under applicable non-bankruptcy law, and (ii) all determinations regarding coverage shall be made in the District Court or such other venue as the affected parties (including without limitation any Non-Settling Insurer) may agree. The Non-Settling Insurers shall be entitled to defend against any Abuse Claim in the non-bankruptcy court system based upon any of the objections that could otherwise have been asserted in the Chapter 11 Case.

5.2.3 ~~5.2.3~~ *Time for Objections.* The Reorganized Debtor and the Survivors' Trust may File an objection to any Claim at any time through the closing of the Chapter 11 Case.

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1 For all other parties in interest except with respect to Non-Settling Insurers as set forth in Section
2 1.1.30, an objection to a Claim must be Filed on or before the Claims Objection Deadline. As set
3 forth in Section 1.1.30, the Claims Objection Deadline does not apply to the Non-Settling
4 Insurers who agree to defend against any Abuse Claim Holder who elects the Litigation Option as
5 set forth in Section 5.2.2 and Articles VIII and IX hereof.

6 5.2.4 ~~5.2.4~~ *Disputed Claim*. Upon the filing of an objection to a Claim, the
7 Claim shall be a Disputed Claim.

8 **5.3. Treatment of Disputed Claims.** Until such time as an unliquidated Claim,
9 contingent Claim, or unliquidated or contingent portion of a Claim becomes Allowed or is
10 Disallowed, such Claim will be treated as a Disputed Claim for all purposes related to Plan
11 distributions. No distribution shall be made on account of any Disputed Claim unless and until
12 all objections to such Disputed Claim have been settled or withdrawn or have been determined by
13 an order which has become a non-appealable order, and the Disputed Claim has become an
14 Allowed Claim. In the event that Disputed Claims in Class 2 or Class 3 are pending at the time
15 of a distribution under the Plan, the Reorganized Debtor shall maintain a reasonable reserve for
16 such Disputed Claims. No distribution of such reserved funds for a Disputed Claim shall be
17 made until such Disputed Claim has been resolved by order of the Court or compromise
18 consistent with the terms of the Plan and the Bankruptcy Code. Distributions for Disputed
19 Claims in Class 4 or Class 5 shall be as provided in the Survivors' Trust Distribution Plan and/or
20 other Survivors' Trust Documents.

21 **5.4. Late-Filed Claims**~~Late-Filed Claims~~. Proofs of Claim that are not Filed on or
22 before the applicable Claims Bar Date, or otherwise deemed timely and/or Allowed by order of
23 the Court, shall receive no distribution under this Plan, shall be deemed Disallowed Claims, and
24 shall be expunged. The submission of a ~~ballot to vote on the Plan~~Ballot shall not constitute an
25 amendable informal Proof of Claim or an amendment to a previously filed Proof of Claim or
26 scheduled Claim. Any amendment to an otherwise timely filed Proof of Claim must be Filed on
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28 **PLAN OF REORGANIZATION, Dated November 8, 2024**

1 or before the Confirmation Date, provided that the foregoing shall not waive or modify the right
2 of any party in interest to object to amendment of a Claim before the Confirmation Date.

3 **5.5. Claim Estimation.** ~~5.5.~~ To effectuate distributions pursuant to the Plan and avoid
4 undue delay in the administration of the Plan, the Reorganized Debtor or the Survivors' Trustee,
5 as applicable, shall have the right to seek an order of the Court pursuant to Section 502(c) of the
6 Bankruptcy Code as to any Disputed Claim, estimating or limiting: (i) the amount that must be
7 withheld from or reserved for distribution purposes on account of such Disputed Claim, (ii) the
8 amount of such Claim for allowance or disallowance purposes, or (iii) the amount of such Claim
9 for any other purpose permitted under the Bankruptcy Code. Whether any such Claim is subject
10 to estimation pursuant to Section 502(c) of the Bankruptcy Code, and the timing and procedures
11 for such estimation proceedings, if any, shall be determined by the Court pursuant to applicable
12 law.

13 **5.6. No Distribution to Disallowed Claims.** ~~5.6.~~ Notwithstanding any provision herein to
14 the contrary, no distribution shall be made on account of any Claim which (i) is not an Allowed
15 Claim in whole or in part, or (ii) has otherwise been deemed or determined to be a Disallowed
16 Claim.

17 **5.7. Timing of Distributions to Allowed Claims.**

18 **5.7.1** ~~5.7.1.~~ *Next Business Day.* Whenever any distribution to be made
19 pursuant to the Plan would otherwise be due on a day other than a Business Day, such distribution
20 shall be due on the immediately succeeding Business Day.

21 **5.7.2** ~~5.7.2.~~ *Timeliness.* Any distribution to be made by the Reorganized
22 Debtor pursuant to the Plan or agreements entered into pursuant to the Plan, or by the Survivors'
23 Trust pursuant to the Plan or Survivors' Trust Documents or agreements entered into pursuant to
24 either, shall be deemed to have been timely made if made within fifteen (15) days after the time
25 therefor specified in the Plan or such other agreements between the Holder of a Claim and the
26 Debtor, Reorganized Debtor, or Survivors' Trust, as applicable. No additional interest shall
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1 accrue or be paid with respect to any distribution as a consequence of such distribution not having
2 been made on the date specified therefor herein. For the avoidance of doubt, this section does not
3 modify the terms of assumed Executory Contracts or Unexpired Leases of non-residential real
4 property.

5 **5.8. Transfers of Claims.** As of the close of business on the Confirmation Date, there
6 shall be no further changes in the record Holders of Claims for purposes of distributions under the
7 Plan unless the Reorganized Debtor (as to all Claims other than Class 4 and Class 5 Claims) or
8 the Survivors' Trustee (as to Class 4 and Class 5 Claims) otherwise agree. Neither the
9 Reorganized Debtor nor the Survivors' Trustee shall have any obligation to recognize any
10 unapproved transfer of Claims occurring after the Confirmation Date.

11 **5.9. Prepayment.** Notwithstanding anything to the contrary herein or in the Plan
12 Documents, the Reorganized Debtor may prepay all or any portion of an Allowed Claim payable
13 by the Reorganized Debtor or a note issued by the Debtor or Reorganized Debtor in payment of
14 an Allowed Claim at any time without charge or penalty.

15 **5.10. Delivery of Distributions.** Distributions to Holders of Allowed Claims, other than
16 Class 4 or Class 5 Claims, will be sent to (i) the addresses set forth in any written notice of
17 address change delivered to the Debtor or the Reorganized Debtor after the date of any related
18 Proof of Claim; (ii) the address set forth on such Holder's Proof of Claim Filed with the Court;
19 (iii) the address set forth on the Schedules, if no Proof of Claim has been filed and no notice of
20 change of address has been received; or (iv) the last known address reflected in the Debtor's
21 books and records. Distributions to Abuse Claimants and Unknown Abuse Claimants from the
22 Survivors' Trust Assets will be made in accordance with the Survivors' Trust Documents.

23 **5.11. Unclaimed Distributions.** If a Holder of an Allowed Claim cannot be located
24 after reasonable effort, or otherwise fails to accept a distribution within ninety (90) days
25 following the date of such distribution, then the distribution to such Holder shall be canceled and
26 there shall be no further distributions required with respect to such Claim.

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5.12. No Interest. Unless otherwise specifically provided for in the Plan, by applicable law (including Section 506(b) of the Bankruptcy Code), or agreed to by the Debtor or the Reorganized Debtor (as applicable): (i) interest shall not accrue or be paid on any Claim, and no Holder of any Claim shall be entitled to interest accruing on and after the Petition Date on account of any Claim; and (ii) without limiting the foregoing, interest shall not accrue on or be paid on any Disputed Claim in respect of the period from the Effective Date to the date a final distribution is made when and if such Disputed Claim becomes an Allowed Claim.

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5.13. Provisions Governing Unimpaired Claims. Except as otherwise provided in the Plan, nothing will affect the Debtor's or the Reorganized Debtor's rights and defenses with respect to any Unimpaired Claims, including, but not limited to, all rights with respect to legal and equitable defenses to, or setoffs or recoupments against, such Unimpaired Claims.

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5.14. Additional Terms Regarding Class 4 and Class 5 Claims. Except as otherwise provided ~~above~~herein, terms for resolution of and distribution in connection with Abuse Claims in Class 4 or Class 5 shall be as provided in the Survivors' Trust Documents. For the avoidance of doubt, any such Holder of an Abuse Claim shall not recover in the aggregate from the Survivors' Trust and any Non-Settling Insurer an amount greater than the amount of the judgment issued by the applicable court of competent jurisdiction in connection with the underlying Abuse Claim.

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**ARTICLE VI
VOTING ON THE PLAN**

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6.1. Voting Classes. Only Holders of Claims in Classes 3, 4, 5, 6, and 8 are Impaired and entitled to vote to accept or reject the Plan. Class 1 and 2 Claims are Unimpaired, and the Holders of such Claims are presumed to accept the Plan. Class 7A and 7B Claims are Impaired, and Holders of such Claims are presumed to reject the Plan. A Class shall have accepted this Plan if this Plan is accepted by at least two-thirds in the aggregate dollar amount, and more than

1 one-half in number of Holders, of the Allowed Claims of such Class that have voted to either
2 accept or reject the Plan.

3 **6.2. Option to Opt-Out ~~Release Forms of Releases~~ ~~Each~~. The Ballot for each Holder
4 of a Class 4 Claim and the Unknown Abuse Claims Representative on behalf of all Holders of
5 Class 5 Claims shall ~~receive with their Ballot an Opt-Out Release Form giving~~ include a section
6 whereby such Holder ~~the right~~ may elect to ~~affirmatively~~ opt out of the Releases provided under
7 Section 13.9 of this Plan. Any Holder of a Claim who ~~does not~~ returns a Ballot on or before the
8 Voting Deadline, but does not affirmatively opt out of such Releases by ~~returning their Opt-Out~~
9 ~~Release Form after~~ checking the appropriate box on ~~the Opt-Out Release Form indicating they~~
10 ~~opt not to grant such Releases~~ such Holder's Ballot shall be deemed to have consented to and
11 granted such Releases.**

12 **6.3. *Elimination of Vacant Classes*** ~~.~~ Any Class of Claims that does not have a Holder
13 of an Allowed Claim or a Claim temporarily Allowed by the Bankruptcy Court for purposes of
14 voting as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for
15 purposes of voting to accept or reject the Plan and for purposes of determining acceptance or
16 rejection of the Plan by such Class pursuant to Section 1129(a)(8) of the Bankruptcy Code.

17 **6.4. *Effect of Objections*** ~~.~~ If an objection to a Claim is filed before the deadline
18 established for voting on the Plan, the Holder of such Claim cannot vote and any ~~ballot~~ Ballot
19 submitted by such Holder shall not be counted unless the Court, after notice and hearing, either
20 overrules the objection or orders that the Claim be Allowed for voting purposes.

21 **ARTICLE VII**
22 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

23 **7.1. Prior Orders** ~~Prior Orders~~. All orders of the Court entered in the Chapter 11 Case
24 authorizing the assumption or rejection of Executory Contracts or Unexpired Leases pursuant to
25 Section 365 of the Bankruptcy Code are hereby ratified.

26 **7.2. *Assumption of Contracts and Unexpired Leases.***

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1 7.2.1 ~~7.2.1~~ *Contracts to be Assumed.* The following Executory Contracts shall
2 be assumed as of the Effective Date, pursuant to Section 365 of the Bankruptcy Code, by
3 confirmation of this Plan. Entry of the Confirmation Order shall constitute approval, pursuant to
4 Sections 365(a) and 1123 of the Bankruptcy Code, for the assumption of each Executory Contract
5 assumed under this Section 7.2. Each Executory Contract assumed by the Debtor will re-vest in
6 and be fully enforceable by the Reorganized Debtor in accordance with its terms, except as such
7 terms are modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing
8 and providing for its assumption, or by applicable law.

9 7.2.1.1 ~~7.2.1.1~~ *Employee Benefits:* On the Effective Date, all
10 Assumed Employee Benefit Plans are deemed to be, and shall be treated as, Executory
11 Contracts under this Plan, and shall be assumed as of the Effective Date. All outstanding
12 payments which are accrued and unpaid as of the Effective Date pursuant to the Assumed
13 Employee Benefit Plans shall be made by the Reorganized Debtor on the later of (i) the
14 Effective Date, (ii) as soon as practicable thereafter, or (iii) when otherwise due under the
15 applicable Assumed Employee Benefit Plan. Such assumption shall have the effect of
16 curing and reinstating the rights of the employee beneficiaries, and shall result in the full
17 release and satisfaction of any Claims and Causes of Action against the Debtor or defaults
18 by the Debtor arising under any Assumed Employee Benefit Plan at any time before the
19 Effective Date. Any Proofs of Claim filed with respect to an Assumed Employee Benefit
20 Plan shall be deemed Disallowed Claims and expunged, without further notice to or
21 action, order, or approval of the Bankruptcy Court.

22 7.2.1.2 ~~7.2.1.2~~ *Assumption of Other Contracts:* Except for any
23 Executory Contract: (i) previously rejected by order of the Bankruptcy Court, (ii) subject
24 to a pending motion to reject before the Bankruptcy Court, (iii) previously expired or
25 terminated pursuant to its own terms, or (iv) treated otherwise under this Plan, each
26 Executory Contract entered into by the Debtor prior to the Petition Date shall be assumed,
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1 unless and except as otherwise provided in the Plan, Confirmation Order, or Insurance
2 Settlement Agreement.

3 7.2.2 ~~7.2.2~~ *Cure Amount and Payment.* As to each assumed Executory
4 Contract, unless an Assumption Objection is filed no later than the deadline set forth below, the
5 cure amount required under Section 365(b)(1) of the Bankruptcy Code shall be the amount set
6 forth on the Executory Contract Cure Schedule, as it may be amended from time to time prior to
7 Confirmation, or no payment if such Executory Contract is not listed on the Executory Contract
8 Cure Schedule (for the avoidance of doubt, unless a different amount is set forth on the Executory
9 Contract Cure Schedule, the Debtor contends that no cure payment is required). Such payment
10 shall be made by the Debtor in full in Cash on the later of the Effective Date or when any
11 Assumption Objection regarding the cure amount for the applicable Executory Contract is
12 resolved by the Bankruptcy Court, or on such other terms as the parties to each such Executory
13 Contract may otherwise agree.

14 7.2.3 ~~7.2.3~~ *Objections to Assumption and Cure.* Any Person who is a party to
15 an Executory Contract assumed under the Plan must File with the Court and serve upon interested
16 parties an Assumption Objection. An Assumption Objection shall be accompanied by a
17 declaration or other sufficient evidence setting forth the basis for any objection to assumption of
18 that party's Executory Contract or Unexpired Lease, including without limitation as to the cure
19 amount, on or before the later of: (i) the deadline set for filing of objections to confirmation of
20 the Plan, or (ii) seven (7) days after the filing of the Executory Contract Cure Schedule (or any
21 amendment thereto affecting such executory contract). Any Entity that fails to timely file and
22 serve an Assumption Objection will be deemed to waive any and all objections to the proposed
23 assumption of its Executory Contract. A hearing on the Assumption Objections will take place at
24 the hearing on Confirmation, or as soon thereafter as the Court is available.

25 **7.3. Rejection of CCCEB Lease.** In connection with and contingent upon the
26 execution of the CCCEB Settlement, the Unexpired Lease between the Debtor and CCCEB in
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1 effect as of the Petition Date, together with any other contracts or agreements between the Debtor
2 and CCCEB related to use or possession of the Cathedral Property, shall be rejected as of the
3 Effective Date.

4 **7.4. Rejection of Contracts.**

5 7.4.1 ~~7.4.1~~ *Rejected Contracts.* Any Executory Contract or Unexpired Lease
6 specifically identified in the Executory Contract Rejection Schedule shall be rejected as of the
7 Effective Date. Entry of the Confirmation Order shall constitute the approval, pursuant to
8 Section 365(a) of the Bankruptcy Code, of the rejection of such Executory Contracts and
9 Unexpired Leases pursuant to the provisions of the Plan.

10 7.4.2 ~~7.4.2~~ *Bar Date for Rejection Claims.* Any Claim arising out of the
11 rejection of an Executory Contract or Unexpired Lease shall be a Disallowed Claim and forever
12 barred and shall not be enforceable against the Debtor, the Reorganized Debtor, the Estate, or the
13 Survivors' Trust and shall not be entitled to any distribution under the Plan, unless a Proof of
14 Claim for such rejection Claim is filed and served on the Reorganized Debtor within twenty-one
15 (21) days after the later of (a) the entry of an order of the Court approving the rejection of the
16 Executory Contract or Unexpired Lease or (b) the Confirmation Date; provided that nothing
17 contained in this Plan shall extend any deadline previously approved by the Court for a Person to
18 file a Proof of Claim with respect to any Executory Contract or Unexpired Lease previously
19 rejected in the Chapter 11 Case.

20 7.4.3 ~~7.4.3~~ *Treatment of Rejection Claims.* Any Claim arising from the
21 rejection of an Executory Contract or Unexpired Lease shall be classified and treated as a Class 3
22 General Unsecured Claim against the Debtor.

23 **ARTICLE VIII**
24 **INSURANCE ASSIGNMENT AND OTHER INSURANCE MATTERS**

25 **8.1. The Insurance Assignment.** Subject to the rights of the Non-Settling Insurers set
26 forth ~~in Section~~ herein, including Sections 8.2 and 8.3 of this Plan, in addition to the Debtor Cash
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1 Contribution and contributions from Contributing Non-Debtor Catholic Entities being paid to the
2 Survivors' Trust, the ~~Insurance Assignment shall become effective and the~~ Assigned Insurance
3 Interests shall be automatically and without further act or deed assigned and transferred to the
4 Survivors' Trust on the Effective Date (the "Insurance Assignment") and the Insurance
5 Assignment shall become effective. The Insurance Assignment shall not be construed as an
6 assignment of the Non-Settling Insurer Policies but rather an assignment of the ~~right to~~ Debtor's
7 rights and interests in the Non-Settling Insurer Policies for the Holders of Abuse Claims to
8 directly receive proceeds and remedies for Coverage Claims available under the Non-Settling
9 Insurers' Abuse Insurance Policies, notwithstanding any anti-assignment provision in or
10 incorporated into any such Abuse Insurance Policy. Upon the assignment of the Assigned
11 Insurance Interests to the Survivors' Trust, Holders of Abuse Claims, and only such Holders,
12 shall have the right to either receive a distribution of their individual allocable shares of
13 contributions to the Survivors' Trust or to pursue all available insurance coverage and remedies
14 for Coverage Claims under the Non-Settling Insurer Policies pursuant to, and in accordance with,
15 applicable law and the terms of the Non-Settling Insurer Policies, as set forth in Article IX ~~of the~~
16 ~~Plan~~ hereof. Upon the assignment of the Assigned Insurance Interests to the Survivors' Trust,
17 recourse to the Released Parties shall be limited to the Assigned Insurance Interests and any other
18 rights or interests expressly granted to the Survivors' Trust under this Plan. In furtherance of the
19 Insurance Assignment:

20 8.1.1. The Insurance Assignment is made free and clear of all Claims, liens,
21 encumbrances, or Causes of Action of any nature whatsoever pursuant to Section 363(f) of the
22 Bankruptcy Code, except for rights and defenses of the Non-Settling Insurers, including available
23 limits of liability for coverage of certain types of claims under one or more of the Abuse
24 Insurance Policies that may have been reduced by certain prepetition payments made by an
25 Insurer under any of the Abuse Insurance Policies.

26 8.1.2. The Survivors' Trust shall be solely responsible for satisfying, to the extent
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1 required under applicable law or the Abuse Insurance Policies, any premiums, deductibles,
2 self-insured retentions, and fronting obligations arising in any way out of any and all Abuse
3 Claims.

4 8.1.3. Upon the effectiveness of the Insurance Assignment, the Survivors' Trust
5 shall have whatever obligations, if any, that exist under the Abuse Insurance Policies under
6 applicable law, including without limitation all notice obligations required under the Abuse
7 Insurance Policies and applicable law pertaining to Abuse Claims.

8 8.1.4. The Insurance Assignment is absolute upon entry of the Confirmation
9 Order, and conditioned upon the occurrence of the Effective Date, and requires no further action
10 by the Released Parties, the Survivors' Trust, the Bankruptcy Court, the Non-Settling Insurers, or
11 any other Entity.

12 8.1.5. The Insurance Assignment shall be governed by, and construed in
13 accordance with, the Bankruptcy Code and the laws of the state of California, without regard to
14 conflict of law principles.

15 8.1.6. ~~The~~Subject to the terms hereof, the Insurance Assignment shall be effective
16 to the maximum extent permissible under applicable law and the terms of the Abuse Insurance
17 Policies.

18 **8.2. Insurance Coverage for Abuse Claims.**

19 8.2.1. As set forth in Article IX of this Plan, Holders of Abuse Claims who do not
20 elect to receive an Immediate ~~Distribution~~Payment (defined below) may seek to have their claim
21 satisfied by electing either (i) the Distribution Option (defined ~~below~~in Section 9.8.4 hereof), or
22 (ii) for the purpose of recovering from one or more Non-Settling Insurers under their respective
23 Insurance Policies, the Litigation Option (defined ~~below~~in Section 9.8.4 hereof). Absent
24 agreement of the applicable Non-Settling Insurer(s), the Holder of an Abuse Claim may only
25 litigate coverage of such Holder's Abuse Claim under the Non-Settling Insurer's Abuse Insurance
26 Policy(ies) by electing the Litigation Option. Only the applicable Holder of an Abuse Claim may
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1 seek recovery for such Abuse Claim against a Non-Settling Insurer pursuant to an Abuse
2 Insurance Policy issued by such Non-Settling Insurer and the Insurance Assignment to the
3 Survivor's Trust is subject to the exclusive rights of such Holders.

4 8.2.2. After Confirmation, any Holder of an Abuse Claim who elects to pursue
5 his or her Claims in the non-bankruptcy court system against the Debtor, as a nominal party only,
6 or (only to the extent permitted under applicable non-bankruptcy law) a Non-Settling Insurer ~~in~~
7 ~~the non-bankruptcy court system~~, solely for the purpose of recovering from one or more
8 Non-Settling Insurers under their respective Insurance Policies, shall be granted leave to pursue
9 such Claim by filing in the Chapter 11 Case a written statement of intent to do so by electing the
10 Litigation Option (which may be filed under a pseudonym if the claimant's name has not been
11 previously publicly identified, *provided* that (i) the notice otherwise adequately identifies the
12 relevant Claim including the case number for the pending litigation and (ii) the claimant or his or
13 her counsel notifies the Non-Settling Insurers of the claimant's actual name). After the expiration
14 of ninety (90) days following the filing of such written statement, such Holder of an Abuse Claim
15 may continue to pursue such Claim in a ~~Separate Action~~ separate action filed in a non-bankruptcy
16 court of competent jurisdiction as determined by applicable law, solely to seek a recovery from
17 Abuse Insurance Policies. Affected Non-Settling Insurers shall have the right (and the obligation,
18 to the extent so provided under their respective Abuse Insurance Policy(ies)), to defend such
19 ~~claim~~ Claim, consistent with the terms of their Abuse Insurance Policies and applicable
20 non-bankruptcy law. Such affected Non-Settling Insurers are also granted leave to defend against
21 Abuse Claims and take other actions authorized in their respective Abuse Insurance Policies in
22 response to Abuse Claims, including paying settlements to which the affected Non-Settling
23 Insurers agree or any judgments. The Debtor (including the estate and the Reorganized Debtor)
24 and the Survivors' Trust will cooperate in the defense of any such claim to the extent provided
25 under the applicable Abuse Insurance Policy or Policies and as requested by an affected
26 Non-Settling Insurer.

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8.2.3. If the Holder of an Abuse Claim elects the Litigation Option then, among other things, (1) the rights of affected Non-Settling Insurers to defend or associate in the defense of such Abuse Claims shall be fully preserved so that a Non-Settling Insurer who has offered to, or has an obligation to, defend may do so, and (2) the rights of affected Non-Settling Insurers to assert all coverage defenses and issues in any insurance recovery action (under Cal. Ins. Code § 11580 or otherwise) shall also be fully preserved. In any such insurance recovery action (under Cal. Ins. Code § 11580 or otherwise), Holders of Abuse Claims shall have no greater or lesser rights than the Debtor, including as to any findings of fact, conclusions of law, or rulings issued in connection with the Coverage Action or any other coverage litigation between the Debtor or the Survivors' Trust and any of the Insurers. To the extent any applicable Non-Settling Insurer elects not to defend an Abuse Claim in the non-bankruptcy court system after receiving proper notice and opportunity to do so, the Holder of an Abuse Claim shall be entitled to seek a default judgment against the Debtor as nominal party only, solely to allow such Holder of an Abuse Claim to then pursue insurance rights under Cal. Ins. Code § 11580 in accordance with the provisions in the Plan.

8.2.4. If a Holder of an Abuse Claim elects the Litigation Option, liquidates its Claim, and obtains a final judgment by a Final Order against a Non-Settling Insurer, such Non-Settling Insurer shall pay the amount of the judgment directly to the Holder of such Claim in accordance with, and subject to, the provisions of the Plan. The Holder of an Abuse Claim shall have the exclusive right to liquidate such Holder's Abuse Claim under the Litigation Option and pursue Coverage Claims against a Non-Settling Insurer.

8.3. Preservation of the Rights of Non-Settling Insurers.

8.3.1. With respect to Non-Settling Insurers, nothing in the Plan, the Plan Documents, the Confirmation Order, or the Survivors' Trust Documents, including any provision that purports to be preemptory or supervening, shall in any way operate to, or have the effect of, impairing, altering, supplementing, changing, expanding, decreasing, or modifying (i) the terms

1 and conditions of any Abuse Insurance Policy, (ii) the rights and obligations of the Debtor (or its
2 Estate) and any Non-Settling Insurers (and third-party claims administrators) under any of the
3 Abuse Insurance Policies, or (iii) the coverage or benefits provided under the Abuse Insurance
4 Policies; provided, however, that because the Non-Settling Insurers would solely be potentially
5 financially responsible for payment of Abuse Claims (and the Debtor would have no such
6 potential financial responsibility), the provisions of Cal. Civil Code § 2860 entitling an insured to
7 appointment of independent counsel in certain circumstances shall not apply to any claims
8 pursued by Holders of Abuse Claims against the Debtor (as a nominal party only) or the
9 Survivors' Trust in the non-bankruptcy court system for the purpose of recovering from
10 Non-Settling Insurers.

11 8.3.2. With respect to the Non-Settling Insurers, notwithstanding any provision in
12 the Plan, the Plan Documents, the Confirmation Order, or the Survivors' Trust Documents,
13 nothing contained in any such documents or in this paragraph shall impose, or shall be deemed or
14 construed to impose, any obligation on any Non-Settling Insurer to provide a defense for, settle,
15 or pay any judgment with respect to, any Abuse Claim. Rather, a Non-Settling Insurer's
16 obligations, if any, with respect to an Abuse Claim shall be determined solely by and in
17 accordance with the applicable Abuse Insurance Policy or Abuse Insurance Policies issued by that
18 Non-Settling Insurer subject to applicable non-bankruptcy law. Nothing in the Plan, the Plan
19 Documents, the Confirmation Order, or the Survivors' Trust Documents shall diminish or impair,
20 or be deemed to diminish or impair, the rights of any Non-Settling Insurer to defend any Abuse
21 Claim or to assert any claim, defense, right, or counterclaim in connection with any Abuse Claim
22 or Abuse Insurance Policy in accordance with applicable law; provided, however, that any claim
23 or counterclaim for Contribution (as defined ~~below~~ [in Section 8.4 hereof](#)) against a Settling
24 Insurer shall be addressed as provided herein.

25 8.3.3. For all issues relating to insurance coverage concerning Non-Settling
26 Insurers, the provisions, terms, conditions, and limitations of the applicable Abuse Insurance
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1 Policies shall control, subject to applicable non-bankruptcy law.

2 8.3.4. A Non-Settling Insurer's obligation, if any, with respect to an Abuse Claim
3 shall be determined solely by and in accordance with the applicable Abuse Insurance Policy or
4 Abuse Insurance Policies issued by that Non-Settling Insurer subject to applicable
5 non-bankruptcy law. Liability with respect to any Abuse Claim for purposes of any recovery
6 against an Abuse Insurance Policy will be determined pursuant to applicable non-bankruptcy law.

7 8.3.5. With respect to the Non-Settling Insurers, for purposes of establishing the
8 value of any Abuse Claim for purposes of recovery from, or coverage under, any Abuse Insurance
9 Policy issued by a Non-Settling Insurer, no determination made in the Chapter 11 Case, nor any
10 determinations made by the [Abuse](#) Claims Reviewer or Survivors' Trustee concerning any Abuse
11 Claim at any time, shall be binding on or against a Non-Settling Insurer, nor shall any party
12 (including any Holder of an Abuse Claim against the Debtor) offer into evidence, or seek to admit
13 into evidence, any such alleged determination in any tort actions pursued by Holders of Abuse
14 Claims against the Debtor (as a nominal party only) or the Survivors' Trust in the non-bankruptcy
15 court system for the purpose of recovering from Non-Settling Insurers, except for the limited
16 purpose of establishing the amount of any credit to which Debtor (as a nominal party) may be
17 entitled to offset any verdict in favor of a holder of an Abuse Claim.

18 8.3.6. The determination of, qualification, ~~and~~ [and](#) estimation of ~~claims~~ [Claims](#), and
19 [the](#) payment of ~~trust~~ [Survivors' Trust](#) distributions is not an admission of liability by the Debtor or
20 Reorganized Debtor (as applicable), any Non-Settling Insurer, the Survivors' Trust, or any other
21 Person with respect to any Abuse Claims and has no *res judicata* or collateral estoppel effect on
22 any Non-Settling Insurer, the Debtor, the Survivors' Trust, or any other Person, except that such
23 determination may be introduced for the limited purpose of establishing the amount of any credit
24 to which the Debtor (as a nominal party) or the Survivors' Trust may be entitled to offset any
25 verdict in favor of a Holder of an Abuse Claim.

26 8.3.7. Neither the [Abuse](#) Claims Reviewer's nor Survivors' Trustee's review of
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1 an Abuse Claim and determination of qualification, nor anything in the Survivors' Trust
2 Documents (including any action or decision pursuant to the Survivors' Trust Documents,
3 including any estimation of ~~claims~~ Claims or payment of distributions), shall constitute a trial or
4 an adjudication on the merits, or evidence of liability or damages, in any litigation with the
5 Non-Settling Insurer or any other Person.

6 8.3.8. With respect to Non-Settling Insurers, nothing in the Plan, the Plan
7 Documents, the Confirmation Order, or the Survivors' Trust Documents shall, under any theory,
8 (a) constitute a trial, a judgment, an adjudication on the merits, or evidence establishing the
9 liability (in the aggregate or otherwise) or obligation of the Debtor or the Survivors' Trust with
10 respect to any Abuse Claim, (b) constitute a trial, a judgment, an adjudication on the merits, or
11 evidence (or be introduced as evidence) establishing the liability of any Non-Settling Insurer in
12 current or subsequent litigation for any Claim, including, without limitation, any Abuse Claim, or
13 under any Abuse Insurance Policy, (c) constitute, or be deemed to constitute (or be introduced to
14 support) a determination of the reasonableness of the amount of any Claim, including any Abuse
15 Claim, either individually or in the aggregate with other Claims, (d) be deemed to grant to any
16 Person or Entity any right to sue any Non-Settling Insurer directly, in connection with a Claim,
17 including any Abuse Claim, or any Abuse Insurance Policy, that such Person or Entity did not
18 otherwise have under applicable non-bankruptcy law, (e) constitute a finding or determination (or
19 be introduced to support a finding or determination) that the Debtor is a named insured, additional
20 insured, or insured in any other way under any Abuse Insurance Policy, (f) constitute a finding or
21 determination (or be introduced to support a finding or determination) that any Insurer in fact
22 issued any alleged Abuse Insurance Policy or that any alleged Abuse Insurance Policy has any
23 particular terms or conditions, (g) constitute a finding or determination (or be introduced to
24 support a finding or determination) that any Insurer has any defense or indemnity obligation with
25 respect to any Claim or Abuse Claim, or (h) constitute a finding or determination (or be
26 introduced to support a finding or determination) on any matter at issue or which may be raised as
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1 an issue in any action, including the Coverage Action. In addition, no payment made in
2 accordance with the Plan shall be, or be deemed to be, a waiver of any rights of any Non-Settling
3 Insurer under any Abuse Insurance Policy.

4 8.3.9. Other than with respect to the effectiveness of the Insurance Assignment
5 contemplated by the Plan (if necessary) and the findings necessary to confirm the Plan under
6 Section 1129 of the Bankruptcy Code for such purpose only, no Non-Settling Insurer shall be
7 bound in any current or future litigation concerning an Abuse Claim or an Abuse Insurance Policy
8 by any factual findings or conclusions of law issued in connection with Confirmation of the Plan,
9 and no such findings of fact or conclusions of law shall have any *res judicata* or collateral
10 estoppel effect on any Claim, defense, right, offset, or counterclaim that has been asserted or that
11 may be asserted in any current or subsequent litigation concerning an Abuse Claim or an Abuse
12 Insurance Policy. Non-Settling Insurers shall retain, and be permitted to assert, (i) all of their
13 insurance coverage defenses subject to applicable non-bankruptcy law in connection with Abuse
14 Claims notwithstanding any provision of the Plan, the Plan Documents, or the Confirmation
15 Order, provided, however, no Non-Settling Insurer may assert the Insurance Assignment as a
16 defense to any Coverage Claim nor challenge the efficacy or validity of the Insurance
17 Assignment, and (ii) all of the Debtor's defenses to liability, both legal and equitable, in
18 connection with any asserted Abuse Claim, and the Non-Settling Insurers' rights to assert all such
19 underlying defenses and insurance coverage defenses in connection with Abuse Claims will not
20 be impaired in any way by the Plan, the Plan Documents, the Confirmation Order, or the
21 Survivors' Trust Documents, but shall be subject to applicable non-bankruptcy law.

22 8.3.10. Any disputes regarding a Non-Settling Insurer's liability for Abuse Claims
23 and/or coverage therefor under any Abuse Insurance Policy shall be resolved under applicable
24 non-bankruptcy law in the District Court overseeing the Coverage Action or such other venue as
25 the affected parties (including the Non-Settling Insurer(s)) may agree.

26 8.3.11. Nothing herein shall limit the ability of any Non-Settling Insurer to agree to
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1 different terms or treatment of its Abuse Insurance Policies as part of a consensual settlement
2 with the Debtor, Survivors' Trust, and/or Holders of Abuse Claims.

3 8.3.12. Any Non-Settling Insurer's legal, equitable, or contractual rights and
4 obligations relating to the Abuse Insurance Policies issued by such Non-Settling Insurer shall be
5 determined under applicable non-bankruptcy law. Nothing in the Plan shall be construed to
6 impair or diminish the Debtor's or any Non-Settling Insurer's legal, equitable, or contractual
7 rights or obligations under any Abuse Insurance Policy including, but not limited to, the ability to
8 negotiate resolution of any dispute; provided, however, (a) that because Non-Settling Insurers
9 would solely be potentially financially responsible for payment of Abuse Claims (and the Debtor
10 would have no such potential financial responsibility), the provisions of Cal. Civil Code § 2860
11 entitling an insured to appointment of independent counsel in certain circumstances shall not
12 apply to any claims pursued by Holders of Abuse Claims against the Debtor (as a nominal party
13 only) in the non-bankruptcy court system for the purpose of recovering from Debtor (as a nominal
14 party) and (b) neither the Debtor (including the Estate and the Reorganized Debtor) nor the
15 Survivors' Trust shall have ~~the~~ right to (i) direct or interfere with a Non-Settling Insurer's
16 defense of a tort action asserting an Abuse Claim, or (ii) settle an Abuse Claim without the
17 consent of all affected Non-Settling Insurers; provided, however, that at the Reorganized Debtor's
18 election and at its sole expense, the Reorganized Debtor may appoint its own counsel
19 ("Reorganized Debtor Counsel") to represent the Debtor in the defense of any action by a Holder
20 of an Abuse Claim against the Debtor (as a nominal party only). Any such Reorganized Debtor
21 Counsel shall cooperate and coordinate with defense counsel appointed by the Non-Settling
22 Insurers to represent the Debtor in such action, and the Reorganized Debtor's election to appoint
23 Reorganized Debtor Counsel shall not constitute direction of or interference with a Non-Settling
24 Insurer's defense of a tort action asserting an Abuse Claim. The Non-Settling Insurers reserve all
25 policy defenses and claims, including without limitation all rights, claims, and defenses
26 concerning cooperation, offsets, recoupments, deductions, deductibles, self-insured retentions,
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1 and all rights, claims, and defenses provided in their policies.

2 8.3.13. Except as expressly stated herein, any coverage issues involving the
3 Non-Settling Insurers or the Abuse Insurance Policies issued by the Non-Settling Insurers shall be
4 determined in accordance with applicable non-bankruptcy law. All positions and arguments with
5 respect to available coverage under such Abuse Insurance Policies shall be fully preserved for
6 assertion by the Non-Settling Insurers and Abuse Claimants in any litigation of coverage issues.
7 Subject to the terms of the Plan, the Non-Settling Insurers and Holders of Abuse Claims reserve
8 their rights, if any, to (i) bring proceedings concerning the application and interpretation of the
9 terms of the Abuse Insurance Policies and rights thereunder, as well as whether defense and/or
10 indemnity are owed under the Abuse Insurance Policies, and (ii) oppose any such proceeding
11 commenced by any other person or entity in any court of appropriate jurisdiction as determined
12 under applicable non-bankruptcy law; provided, however, ~~except as provided below,~~ because the
13 Debtor will have received a discharge under the Plan, any effort to collect from Abuse Insurance
14 Policies issued by the Non-Settling Insurers to satisfy an Abuse Claim after Confirmation of the
15 Plan shall be sought individually by the applicable Holder of an Abuse Claim after such Holder's
16 Claim has been liquidated as provided herein. Any disputes regarding a Non-Settling Insurer's
17 liability for Abuse Claims (after such Abuse Claim has been liquidated under the provisions set
18 forth above) and/or coverage therefor under Abuse Insurance Policies shall be resolved under
19 applicable non-bankruptcy law in the District Court or such other venue as the affected parties
20 (including the Non-Settling Insurer(s)) may agree.

21 8.3.14. The limitations in this Section 8.3 are for the benefit of the Non-Settling
22 Insurers to preserve their ability to assert the Debtor's defenses to Abuse Claims as well as
23 Non-Settling Insurers' own coverage defenses. For the avoidance of doubt, the Debtor (and the
24 Reorganized Debtor, as applicable) reserves its right to enforce the Plan, including without
25 limitation its discharge, and to the benefits of any settlements reached with Settling Insurers,
26 provided that the foregoing will not limit the protections afforded to the Non-Settling Insurers
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1 herein. All parties in interest in this Chapter 11 Case shall retain the right to enforce the Claims
2 Bar Date Order (as amended) and all confidentiality orders issued in the Bankruptcy Case.

3 8.3.15. The foregoing provisions of Section 8.3 ~~of this Plan~~[hereof](#) shall be
4 incorporated into the Confirmation Order.

5 **8.4. Scope of Plan Injunctions.** Any injunction under the Plan or Confirmation Order
6 shall not enjoin a Non-Settling Insurer’s right to assert any Claims against the Survivors’ Trust
7 for contribution, subrogation, indemnification, reimbursement, or other similar Cause of Action
8 (collectively, “Contribution”) for any Settling Insurer’s alleged share or equitable share relating to
9 the defense and/or indemnity obligation for any Abuse Claim, or for any Cause of Action released
10 in any Insurance Settlement Agreements. If a Non-Settling Insurer asserts it has (a) Contribution
11 Claims directly or indirectly arising out of or in any way relating to such Non-Settling Insurer’s
12 payment of loss on behalf of the Debtor or defense expenses incurred in any action that should
13 have been paid by or are otherwise attributable to a Settling Insurer related to any Abuse Claim or
14 (b) rights to recover any self-insured retentions/obligations and/or deductibles (collectively,
15 “Payment Obligations”) in connection with its payment of defense and/or indemnity related to an
16 Abuse Claim, then (i) such Contribution Claims or Payment Obligations may be asserted as a
17 setoff, defense, or counterclaim against any Abuse Claimant and/or the Survivors’ Trust in any
18 insurance action or insurance recovery action (under Cal. Ins. Code § 11580 or otherwise)
19 involving such Non-Settling Insurer and (ii) to the extent such Contribution Claims or Payment
20 Obligations are determined to be valid, the liability (if any) of such Non-Settling Insurer to the
21 holder of the Abuse Claim or the Survivors’ Trust shall be reduced by the amount of such
22 Contribution Claims or Payment Obligations, provided that if any such Contribution Claim
23 exceeds the liability of such Non-Settling Insurer to the Survivors’ Trust, the Non-Settling Insurer
24 does not waive any excess claim and may seek affirmative recovery from the Survivors’ Trust.
25 To the extent payment of a self-insured retention is a condition to a Non-Settling Insurer’s
26 obligation to provide defense or indemnity under applicable non-bankruptcy law and the
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1 Non-Settling Insurer's applicable insurance policies, the failure of the Survivors' Trust to pay
2 such self-insured retention to the Non-Settling Insurer shall result in the Non-Settling Insurer
3 having the right to argue that such failure of payment is a complete defense to any claim for
4 coverage by the Non-Settling Insurer to, or related to, any claim for recovery of insurance from
5 the Non-Settling Insurer.

6 **8.5. *Non-Settling Insurers' Contribution Claims Against Settling Insurers.*** In any
7 Action, including the Coverage Action, involving the Holder of an Abuse Claim and one or more
8 Non-Settling Insurers, where a Non-Settling Insurer has asserted, asserts, or could assert any
9 Contribution Claim against any of the Settling Insurers or the Survivors' Trust, and such
10 Contribution Claims are determined by the court presiding over such Claims to be valid, then any
11 judgment or award obtained against such Non-Settling Insurer by such Holder of an Abuse Claim
12 shall be automatically reduced by the amount, if any, that the Survivors' Trust or any of the
13 Settling Insurers is liable to pay such Non-Settling Insurer as a result of the Non-Settling Insurer's
14 Contribution Claim, so that the Contribution Claim is thereby satisfied and extinguished;
15 provided, however, that, as against the Survivors' Trust (as successor to the Debtor), a
16 Non-Settling Insurer may only assert any such Contribution Claim for the payment of deductible
17 or self-insured retention. The Settling Insurers shall be required to cooperate in good faith with
18 the Debtor, the Reorganized Debtor, and/or the Survivors' Trust to take commercially reasonable
19 steps to defend against any Contribution Claim by a Non-Settling Insurer.

20 **8.6. Cooperation~~Cooperation~~.** The Survivors' Trust and the Debtor (including the
21 Estate and the Reorganized Debtor) shall have the obligation as provided in the Abuse Insurance
22 Policies to cooperate with the Non-Settling Insurers with respect to the investigation and defense
23 of Abuse Claims pursuant to the terms of the Non-Settling Insurers' respective Abuse Insurance
24 Policies, including with respect to preserving any documents relevant to liability or coverage
25 disputes, making documents and witnesses available to the Non-Settling Insurers concerning such
26 disputes, and maintaining privilege with regard to the defense. The Reorganized Debtor and its
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1 agents will not voluntarily waive any privilege under applicable non-bankruptcy law applicable to
2 documents or communications related to alleged Abuse Claims (collectively, “Privileged
3 Communications”). Without limiting the generality of the foregoing, neither the Reorganized
4 Debtor nor its agents shall provide the Survivors’ Trust or any Holder of an Abuse Claim with
5 any Privileged Communications, absent the express consent of all affected Non-Settling Insurers
6 or a court order compelling such a production. The Reorganized Debtor shall provide prompt
7 notice of any requests and/or motions to compel disclosure of Privileged Communications and
8 cooperate with affected Insurers with respect to the same. The Non-Settling Insurers reserve all
9 coverage defenses with respect to any current or future failure to cooperate. The Debtor and the
10 Survivors’ Trust reserve all rights under the applicable Abuse Insurance Policies of the
11 Non-Settling Insurers. The terms of the Plan (including Articles VIII and IX hereof) constitute a
12 voluntary agreement by the Non-Settling Insurers to the Insurance Assignment ~~does not violate,~~
13 and such terms shall not be deemed to ~~violate any cooperation requirements in any Abuse Insurance~~
14 ~~Policy~~ be an involuntary order to that effect.

15 **8.7. Reductions In Non-Settling Insurers’ Liability.** ~~If a Holder of an Abuse Claim is~~
16 ~~seeking both (a) a recovery from the Survivors’ Trust and (b) a non-bankruptcy court action~~
17 ~~against the Debtor (as a nominal party only) for the purpose of seeking coverage and recovery~~
18 ~~under an Abuse Insurance Policy, and obtains both a distribution from the Survivors’ Trust and a~~
19 ~~judgment against a Non-Settling Insurer from a court of competent jurisdiction, then the~~
20 ~~Non-Settling Insurer’s liability shall be reduced on a dollar for dollar basis by the amount~~
21 ~~distributed to the Holder of such Abuse Claim from the Survivors’ Trust. To the extent a~~
22 ~~Non-Settling Insurer pays an Abuse Claim as so determined without a credit for any recovery~~
23 ~~provided by the Survivors’ Trust to the Holder of such Abuse Claim under the Plan, such~~
24 ~~No-Settling Insurer shall be entitled to recover from the Survivors’ Trust on account of its~~
25 ~~payment to such Holder an amount equal to the amount paid to such Holder by the Survivors’~~
26 ~~Trust.~~ No Holder of an Abuse Claim who elects the Litigation Option shall recover in the

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1 aggregate from the Survivors' Trust and ~~the~~any Non-Settling Insurer an amount greater than the
2 total amount of the judgment ~~issued~~entered by the applicable court of competent jurisdiction in
3 connection with such Holder's underlying Abuse Claim. A Non-Settling Insurer shall have all
4 rights available under non-bankruptcy law to assert, seek, and enforce any right to offset, recoup,
5 or otherwise reduce its liability in connection with any such entered judgment, including without
6 limitation all rights available under non-bankruptcy law to assert, seek, and recover on such
7 claims against the Survivors' Trust.

8 **8.8. Settling Insurers.**

9 8.8.1 ~~8.8.1~~ *Pre-Confirmation Insurance Settlement Agreements.* If, before
10 Confirmation, an Insurer enters into an Insurance Settlement Agreement with the Debtor under
11 which the Insurer would become a Settling Insurer under this Plan upon entry of the Confirmation
12 Order, the Debtor shall file with the Plan Supplement providing for any provisions required by the
13 proposed Settling Insurer, and agreed to by the Debtor, to be made a part of this Plan. Any such
14 provisions set forth in the Plan Supplement shall be deemed incorporated into this Section as part
15 of the Plan. Any Insurer that becomes a Settling Insurer shall receive the treatment as may be
16 provided in any Insurer Settlement Agreement approved by a Final Order. Each Insurance
17 Settlement Agreement is effective and binding upon all Persons who have notice, and any of the
18 foregoing Persons' successors and assigns, upon the entry of a Final Order approving the
19 Insurance Settlement Agreement and satisfaction of all conditions precedent, provided that such
20 settlement shall not affect the rights of any remaining Non-Settling Insurers. Payments by each
21 Settling Insurer to the Survivors' Trust, and the releases by the Debtor and/or the Contributing
22 Non-Debtor Catholic Entities of each Settling Insurer, pursuant to the Insurance Settlement
23 Agreements shall occur and/or be effective according to the terms of each such agreement. The
24 Insurance Settlement Agreements shall survive the Confirmation and the Effective Date. The
25 rights of the parties under any Insurance Settlement Agreement shall be determined exclusively
26 under the applicable Insurance Settlement Agreement and those provisions of the Final Order
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1 approving such Insurance Settlement Agreement, the Plan, and the Confirmation Order.

2 8.8.2 ~~8.8.2~~ *Sale Free and Clear*. Each Settling Insurer Abuse Insurance Policy
3 shall be sold to the issuing Settling Insurer, pursuant to Sections 105, 363, and 1123 of the
4 Bankruptcy Code, free and clear of all liens and Claims of all Persons, to the extent provided for
5 in each applicable Insurance Settlement Agreement, provided that such sale shall not affect the
6 rights of any remaining Non-Settling Insurers.

7 8.8.3 ~~8.8.3~~ *Timing*. The injunctions, releases, and discharges to which any
8 Settling Insurer is entitled pursuant to such Insurance Settlement Agreement, the Plan, the
9 Confirmation Order, the Final Order approving the Insurance Settlement Agreement, and the
10 Bankruptcy Code shall become effective pursuant to the terms of such Insurance Settlement
11 Agreement.

12 8.8.4 ~~8.8.4~~ *Contribution Claims of Settling Insurers*. Each Settling Insurer
13 agrees that it will not pursue any Abuse Related Contribution Claim that it might have against any
14 other Insurer (a) whose Contribution Claim against Settling Insurers is satisfied and extinguished
15 entirely; or (b) that does not make an Abuse Related Contribution Claim against the Settling
16 Insurers, or any of them. If, in the future, a Non-Settling Insurer releases its Abuse Related
17 Contribution Claims, if any such exist, that it may have against the Settling Insurers, then such
18 released Settling Insurer shall release its Abuse Related Contribution Claims against such
19 releasing Insurer. If any Non-Settling Insurer asserts a Claim directly against the Survivors' Trust
20 arising from or concerning the one or more Settling Insurers' Abuse Insurance Policies, any
21 Abuse Related Contribution Claim of the Settling Insurers shall be transferred to the Survivors'
22 Trust, and the Survivors' Trust shall be authorized to assert the Contribution Claims of such
23 Settling Insurer against such Non-Settling Insurer.

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**ARTICLE IX
THE SURVIVORS' TRUST**

9.1. Creation of the Survivors' Trust ~~and~~, Appointment of Survivors' Trustee, and Survivors' Trust Advisory Committee.

9.1.1 ~~9.1.1~~ *Establishment and Purpose of the Survivors' Trust.* On the Effective Date, the Survivors' Trust shall be established in accordance with the Survivors' Trust Documents. The Survivors' Trust will, upon its creation, and without limitation: (1) assume liability for all Abuse Claims, including without limitation Unknown Abuse Claims, of the Debtor, Contributing Non-Debtor Catholic Entities, and any Settling Insurers; and (2) receive, hold, administer, liquidate, and distribute the Survivors' Trust Assets in accordance with this Plan and the Survivors' Trust Documents. The Survivors' Trust shall administer, process, settle, resolve, liquidate, satisfy, and make Trust Distributions in such a way that Holders of Abuse Claims are treated equitably and in a substantially similar manner, subject to the applicable terms of the Plan Documents and the Survivors' Trust Documents. From and after the Effective Date, (x) the Abuse Claims and Unknown Abuse Claims against the Debtor and (y) Claims against any Settling Insurer for or relating to insurance coverage in connection with such Claims, shall be channeled to the Survivors' Trust pursuant to the Channeling Injunction set forth in Section 13.12 of the Plan and may be asserted only and exclusively against the Survivors' Trust. The Survivors' Trust shall have no liability for Non-Abuse Litigation Claims. Holders of Non-Abuse Litigation Claims shall have no recourse to the Survivors' Trust with respect to such Claims.

9.1.2 ~~9.1.2~~ *Qualified Settlement Fund.* The Survivors' Trust is intended to qualify as a "qualified settlement fund" pursuant to Section 468B of the Tax Code and the regulations promulgated thereunder (the "Treasury Regulations"). The Debtor shall be the "transferor" within the meaning of Treasury Regulation Section 1.468B-~~1~~1(d)(1). The Survivors' Trustee shall be the "administrator" of the Survivors' Trust within the meaning of Treasury Regulation Section 1.468B-~~2~~2(k)(3).

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1 9.1.3 Survivors' Trust Advisory Committee. As set forth in the Survivors'
2 Trust Documents, there shall be established the Survivors' Trust Advisory Committee, which
3 shall be initially comprised of five (5) members selected by the Committee and formed as of the
4 Effective Date. Except with respect to Insurance Settlement Agreements entered into by the
5 Survivors' Trust after the Effective Date and certain other matters set forth in the Survivors' Trust
6 Documents, the Survivors' Trust Advisory Committee is intended to be consultative in nature and
7 assist the Survivors' Trustee in the independent exercise of the Survivors' Trustee's duties.

8 **9.2. Appointment and Powers of the Survivors' Trustee.** On the Confirmation Date,
9 the Bankruptcy Court shall appoint the Survivors' Trustee to serve in accordance with, and who
10 shall have the functions and rights provided in, the Survivors' Trust Documents. Any successor
11 Survivors' Trustee shall be appointed in accordance with the terms of the Survivors' Trust
12 Documents. For purposes of the Survivors' Trustee performing his or her duties and fulfilling his
13 or her obligations under the Survivors' Trust and the Plan, the Survivors' Trust and the Survivors'
14 Trustee shall be deemed to be "parties in interest" within the meaning of Section 1109(b) of the
15 Bankruptcy Code. The Survivors' Trustee shall have such powers and duties as are set forth in
16 the Survivors' Trust Documents, including without limitation the following:

17 9.2.1 ~~9.2.1~~ *Survivors' Trustee as Fiduciary.* The Survivors' Trustee shall be
18 deemed to be a fiduciary of the Survivors' Trust under the terms of the Survivors' Trust
19 Agreement and shall have all rights, powers, authority, responsibilities, and benefits under
20 California law specified in the Plan and as reflected in the Survivors' Trust Agreement, including
21 commencing, prosecuting or settling causes of action, enforcing contracts, and asserting Claims,
22 defenses, offsets and privileges. If there is any inconsistency or ambiguity between the
23 Confirmation Order and the Survivors' Trust Agreement with respect to Trustee's authority to
24 act, the provisions of the Survivors' Trust Agreement shall control.

25 9.2.2 ~~9.2.2~~ *Liquidation of Survivors' Trust Assets.* The Survivors' Trustee
26 shall liquidate and convert to Cash the Survivors' Trust Assets, make timely distributions, and not
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1 unduly prolong the duration of the Survivors' Trust. The Survivors' Trustee may also abandon
2 any property which the Survivors' Trustee determines in the Survivors' Trustee's reasonable
3 discretion to be of *de minimus* value or of more burden than the value of the Survivors' Trust.

4 9.2.3 ~~9.2.3~~ *Protection of Survivors' Trust Assets.* The Survivors' Trustee shall
5 protect and enforce the rights in and to the Survivors' Trust Assets under the Survivors' Trust
6 Documents.

7 9.2.4 ~~9.2.4~~ *Bank Accounts of the Survivors' Trust.* The Survivors' Trustee
8 may open and maintain bank accounts on behalf of the Survivors' Trust to deposit funds in and
9 draw checks on the bank accounts as appropriate under the Survivors' Trust Documents.
10 Notwithstanding anything herein to the contrary, the Survivors' Trustee may open and maintain
11 bank accounts on behalf of the Survivors' Trust after Confirmation but before the Effective Date.

12 9.2.5 ~~9.2.5~~ *Insurance.* The Survivors' Trustee shall obtain all reasonably
13 available insurance coverage with respect to any property that is, or may in the future become, a
14 Survivors' Trust Asset.

15 9.2.6 ~~9.2.6~~ *Taxes.* The Survivors' Trustee may request an expedited
16 determination of taxes of the Survivors' Trust under Section 505(b) of the Bankruptcy Code for
17 all returns filed for, or on behalf of, the Survivors' Trust for all taxable periods through the
18 dissolution of the Survivors' Trust.

19 9.2.7 ~~9.2.7~~ *Settlements With Non-Settling Insurers.* The Survivors' Trustee
20 shall be authorized to enter into consensual settlements with one or more Non-Settling Insurers
21 on and after the Effective Date, covering some or all of the Abuse Claims insured thereby,
22 provided that such settlements shall not impair the rights of any other Non-Settling Insurers,
23 including those rights set forth herein. Approval requirements, if any, for such settlements shall
24 be as specified in the Survivors' Trust Agreement. No settlement (whether in the Plan or
25 otherwise) as among any of the Debtor, its Estate, the Survivors' Trust, and Holder of an Abuse
26 Claim, and the Settling Insurers, including payment obligations, shall bind a Non-Settling Insurer
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1 in any way without its consent.

2 **9.3. Property and Funding of the Survivors' Trust.** The Survivors' Trust shall be
3 funded with (i) aggregate Cash contributions from the Debtor and Reorganized Debtor (as
4 applicable) of \$103 million, (ii) any Cash contributions from a Contributing Non-Debtor Catholic
5 Entity pursuant to Section 9.3.2 ~~of this Plan,~~[hereof](#), (iii) title to the Livermore Property, on an
6 as-is, where-is basis, (iv) any proceeds held by the Debtor or the Reorganized Debtor on account
7 of Insurance Settlement Agreements as set forth in this Section 9.3, and (v) the Assigned
8 Insurance Interests. These contributions to the Survivors' Trust shall be made according to the
9 schedule set forth in this Section 9.3. The Debtor Cash Contribution (as defined in this
10 Section 9.3) and any Non-Debtor Catholic Entity Contribution (as defined in this Section 9.3)
11 shall be made in respect of the uninsured exposure of the Debtor and any Contributing
12 Non-Debtor Catholic Entities for Abuse Claims (including Unknown Abuse Claims), including,
13 but not limited to, years in which no Non-Settling Insurer Policies are available and, to the extent
14 required under applicable law, when a self-insured retention or deductible must be satisfied to
15 access [potential](#) coverage under Non-Settling Insurer Policies. The Debtor Cash Contribution and
16 any Non-Debtor Catholic Entity Contributions are not, and shall not be construed as, a discharge
17 and/or release of any Abuse Claim (including any Unknown Abuse Claim) covered or alleged to
18 be covered under any of the Non-Settling Insurer Policies. Notwithstanding the foregoing, the
19 Debtor and any Contributing Non-Debtor Catholic Entity shall have no further financial
20 obligations under this Plan or the Plan Documents to Holders of Allowed Abuse Claims [\(except,](#)
21 [in the case of any Contributing Non-Debtor Catholic Entity, with respect to Holders of Opt-Out](#)
22 [Abuse Claims as set forth in Section 6.2 hereof\)](#), including Allowed Unknown Abuse Claims,
23 other than the obligations required to be paid to the Survivors' Trust in Section 9.3 ~~of this~~
24 ~~Plan~~[hereof](#).

25 **9.3.1 ~~9.3.1~~-Debtor Cash Contribution.** On the Effective Date of the Plan, the
26 Debtor shall transfer \$63 million in good and available funds to the Survivors' Trust using wiring
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1 instructions provided by the Survivors' Trustee (the "Initial Debtor Contribution"). The Initial
2 Debtor Contribution will consist of (i) approximately \$53 million in Cash received through the
3 Exit Facility, and (ii) approximately \$10 million in non-restricted Cash held by the Debtor. The
4 Survivors' Trust shall also receive Cash from the Debtor as set forth below (collectively, the
5 "Additional Debtor Contributions") and together with the Initial Debtor Contribution, the "Debtor
6 Cash Contribution");

7 9.3.1.1 ~~9.3.1.1.~~ On the date that is one year after the Effective Date,
8 the Debtor shall transfer \$10 million in good and available funds to the Survivors' Trust
9 using wiring instructions provided by the Survivors' Trustee.

10 9.3.1.2 ~~9.3.1.2.~~ On the date that is two years after the Effective
11 Date, the Debtor shall transfer \$10 million in good and available funds to the Survivors'
12 Trust using wiring instructions provided by the Survivors' Trustee.

13 9.3.1.3 ~~9.3.1.3.~~ On the date that is three years after the Effective
14 Date, the Debtor shall transfer \$10 million in good and available funds to the Survivors'
15 Trust using wiring instructions provided by the Survivors' Trustee.

16 9.3.1.4 ~~9.3.1.4.~~ On the date that is four years after the Effective
17 Date, the Debtor shall transfer \$10 million in good and available funds to the Survivors'
18 Trust using wiring instructions provided by the Survivors' Trustee.

19 9.3.2 ~~9.3.2.~~ *Contributions from Non-Debtor Catholic Entities.* Any
20 Non-Debtor Catholic Entity against whom the Holder of a Class 4 Claim has asserted liability in
21 connection with an Abuse Claim may become a Contributing Non-Debtor Catholic Entity by
22 contributing Cash or other assets to the Survivors' Trust in exchange for Releases by such
23 Holders of Class 4 Claims.

24 9.3.2.1 ~~9.3.2.1.~~ *Roman Catholic Welfare Corporation of Oakland.*
25 RCWC shall contribute Cash to the Survivors' Trust in an aggregate amount that is
26 contingent on the number of Releases it secures from those Holders of Class 4 Claims and
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1 Class 5 Claims who have asserted liability against RCWC in connection with an Abuse
2 Claim (“RCWC Claimants”). RCWC shall transfer a total of \$14,250,000.00 (the
3 “RCWC Cash Contribution”) to the Survivors’ Trust, as follows: \$2,000,000.00 on the
4 Effective Date, \$3,000,000.00 on the date that is one year after the Effective Date,
5 \$3,000,000.00 on the date that is two years after the Effective Date, \$3,000,000.00 on the
6 date that is three years after the Effective Date, and \$3,250,000.00 on the date that is four
7 years after the Effective Date; provided, however, if less than 100% of all RCWC
8 Claimants grant RCWC a release pursuant to Section 13.9 of the Plan, then the RCWC
9 Cash Contribution, and each of its installments set forth in this Section 9.3.2.2, shall be
10 reduced by a percentage proportional to the percentage of RCWC Claimants who opt out
11 of granting RCWC such release. By way of illustration only, if 80% of RCWC Claimants
12 grant RCWC a release pursuant to Section 13.9 of the Plan, RCWC ~~need~~shall only
13 contribute 80% of the aggregate RCWC Cash Contribution, or \$11,400,000.00, to the
14 Survivors’ Trust, in installments of \$1,600,000.00 on the Effective Date, \$2,400,000.00
15 on the first, second, and third anniversaries of the Effective Date, and \$2,600,000.00 on
16 the fourth anniversary of the Effective Date.

17 9.3.2.2 ~~9.3.2.2~~ *Other Contributing Non-Debtor Catholic Entities.*

18 Should any other Non-Debtor Catholic Entity become a Contributing Non-Debtor
19 Catholic Entity between the filing of this Plan and the date of the filing of the Plan
20 Supplement, the Plan Supplement shall set forth the amount of Cash contributed by any
21 such Non-Debtor Catholic Entity (or, if the Contribution is not in Cash, the nature and
22 approximate Cash-value of the contribution by any such Non-Debtor Catholic Entity) and
23 shall set forth the extent to which such Non-Debtor Catholic Entity’s contribution is
24 conditioned on the number of Releases it receives from Holders of Class 4 and Class 5
25 Claims asserting liability against such Non-Debtor Catholic Entity in connection with an
26 Abuse Claim.

1 9.3.2.3 ~~9.3.2.3.~~ *Release by Holders of Class 5 Claims.* For
2 purposes of calculating the percentage of ~~releases~~Releases under Section 13.9 ~~of the~~
3 ~~Plan~~hereof received by a Non-Debtor Catholic Entity ~~receives~~, the Unknown Abuse
4 Claims Representative shall count as a single Holder, and each Holder of a Class 4 Claim
5 shall count as a single Holder.

6 9.3.3 ~~9.3.3.~~ *Separate Contributions.* Any contribution to the Survivors' Trust
7 by a Contributing Non-Debtor Catholic Entity shall be in addition to and separate from the Debtor
8 Cash Contribution.

9 9.3.4 ~~9.3.4.~~ *Livermore Property.* The Debtor, through its affiliate Adventus,
10 shall transfer ownership of the Livermore Property to the Survivors' Trust on the Effective Date.
11 Adventus shall be treated as a Contributing Non-Debtor Catholic Entity under the Plan.

12 9.3.5 *Insurance Settlement Agreements.*

13 9.3.5.1 ~~9.3.5.~~ *Insurance Settlement Agreements*Pre-Effective Date.

14 In addition to the Debtor Cash Contribution, any Cash received by the Debtor on or before
15 the Effective Date in connection with an Insurance Settlement Agreement shall be
16 transferred to the Survivors' Trust on the Effective Date. ~~After the Effective Date, and~~
17 shall be part of the Survivors' Trust ~~may enter into such Insurance Settlement Agreements~~
18 ~~as in its business judgment and in accordance with the Survivors' Trust Documents it~~
19 ~~deems necessary and beneficial to the Survivors' Trust~~Assets.

20 9.3.5.2 *Post-Effective Date.* After the Effective Date, the
21 Survivors' Trustee may enter into such Insurance Settlement Agreements as in the
22 Survivors' Trustee's business judgment and in accordance with the Survivors' Trust
23 Documents the Survivors' Trustee deems necessary and beneficial to the Survivors' Trust.
24 To the extent the Survivors' Trustee enters into an Insurance Settlement Agreement that
25 covers the Abuse Claim of a Trust Claimant who elected the Litigation Option and
26 commenced an Abuse Claim Litigation (each as defined in Section 9.8.4 hereof) (a

1 “Settling Trust Claimant”), (i) such Abuse Claim Litigation shall be promptly dismissed
2 to the extent the Settling Trust Claimant is seeking a determination of, and the availability
3 of Insurance Recoveries for, the liability of a Released Party on account of the Settling
4 Trust Claimant’s Abuse Claim, (ii) within thirty (30) days after receipt of the Cash
5 consideration of such Insurance Settlement Agreement, the Survivors’ Trust shall pay the
6 Settling Trust Claimant an amount equivalent to 50% of the Settling Trust Claimant’s
7 then-existing Reserved Amount, calculated based on the value of the Survivors’ Trust
8 Assets immediately before receipt of such Cash consideration from the Insurance
9 Settlement Agreement, (iii) the Settling Trust Claimant shall be deemed to have rescinded
10 their election of the Litigation Option in favor of the Distribution Option and the
11 Survivors’ Trustee shall be deemed to have consented to such rescission, each in
12 accordance with Section 9.8.4.7 of the Plan, and (iv) the remaining Cash realized by the
13 Survivors’ Trust on account of the Insurance Settlement Agreement shall be added to the
14 Survivors’ Trust Assets. Thereafter, Settling Trust Claimants shall be entitled to receive
15 pro rata distributions from the Survivors’ Trust Assets in accordance with the terms of
16 this Plan and the Survivors’ Trust Documents.

17 9.3.6 ~~9.3.6~~ *Assignment of Assigned Insurance Interests.* On the Effective
18 Date, the Insurance Assignment described in Article VIII of the Plan shall become effective.

19 9.3.7 ~~9.3.7~~ *Use of Survivors’ Trust Assets.* The Survivors’ Trust Assets shall
20 be used in accordance with and for the purposes set forth in the Survivors’ Trust Documents,
21 including without limitation to pay Abuse Claims; and reasonable expenses of the Survivors’
22 Trust; ~~and to pursue the Coverage Action or other actions to recover from Non-Settling Insurers.~~
23 Notwithstanding anything herein to the contrary, no monies; ~~choses in action;~~ and/or assets
24 comprising the Survivors’ Trust Assets that are transferred, granted, assigned, or otherwise
25 delivered to the Survivors’ Trust shall be used for any purpose other than in accordance with the
26 Plan and the Survivors’ Trust Documents.

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1 9.3.8 ~~9.3.8~~ *No Insurer Reimbursement Obligation.* The Non-Settling Insurers
2 shall not be liable for or obligated to reimburse any contribution to the Plan made by the Debtor
3 and its Estate, nor shall the Survivors' Trust be authorized to seek such recovery.

4 **9.4. *Unknown Abuse Claims Reserve.*** Upon the Effective Date, the Survivors' Trust
5 shall segregate \$5,000,000.00 (Five Million Dollars and Zero Cents) of the Initial Debtor
6 Contribution into the Unknown Abuse Claims Reserve. The Unknown Abuse Claims Reserve
7 shall be maintained for the greater of (i) four years after the Effective Date, and (ii) resolution of
8 all Unknown Abuse Claims submitted to the Survivors' Trustee within four years after the
9 Effective Date. On that date, the remaining funds in the Unknown Abuse Claims Reserve will be
10 de-segregated and returned to the Survivors' Trust's general accounts, and neither the Debtor,
11 Reorganized Debtor, Survivors' Trust, nor any Settling Insurer shall have any more liability for
12 any Unknown Abuse Claim.

13 **9.5. ~~Vesting~~ *Vesting.*** On the Effective Date, all Survivors' Trust Assets shall vest in
14 the Survivors' Trust, and the Debtor, Reorganized Debtor, Contributing Non-Debtor Catholic
15 Entities, and Settling Insurers shall be deemed for all purposes to have transferred all of their
16 respective interests in the Survivors' Trust Assets to the Survivors' Trust. On the Effective Date,
17 or as soon as practicable thereafter, the Reorganized Debtor, any other Released Party, and
18 Settling Insurers, as applicable, shall take all actions reasonably necessary to transfer any
19 Survivors' Trust Assets to the Survivors' Trust. Upon the transfer of control of Survivors' Trust
20 Assets in accordance with this paragraph, the Debtor, Reorganized Debtor, Contributing
21 Non-Debtor Catholic Entities, and the Settling Insurers shall have no further interest in the
22 Survivors' Trust Assets except as otherwise explicitly provided in this Plan.

23 **9.6. *Survivors' Trust Assumption of Liabilities for Abuse Claims.*** The transfer to,
24 vesting in and assumption by the Survivors' Trust of the Survivors' Trust Assets as contemplated
25 by the Plan shall, as of the Effective Date, discharge all obligations and liabilities of and bar any
26 recovery or action against the Released Parties for or in respect of all Abuse Claims (including
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1 Unknown Abuse Claims). The Confirmation Order shall provide for such discharge. ~~The Subject~~
2 to Article VIII hereof and the rights of Holders of Abuse Claims who elect the Litigation Option,
3 the Survivors' Trust shall, as of the Effective Date, assume sole and exclusive responsibility and
4 liability for all Abuse Claims against the Released Parties, and such Claims shall be paid by the
5 Survivors' Trust from the Survivors' Trust Assets or as otherwise directed in the Survivors' Trust
6 Documents and Articles VIII and IX hereof. From and after the Effective Date, all Abuse Claims
7 against the Released Parties shall be considered Channeled Claims subject to the Channeling
8 Injunction under Section 105(a) of the Bankruptcy Code and the provisions of the Plan and the
9 Confirmation Order. ~~From~~ Subject to the foregoing, from and after the Effective Date, the
10 Released Parties shall not have any obligation with respect to any liability of any nature or
11 description arising out of, relating to, or in connection with any Abuse Claims.

12 **9.7. Right to Elect to Receive an Immediate ~~Distribution~~Payment.** ~~Before the~~
13 ~~Effective Date,~~ Abuse Claimants may elect to receive the Immediate ~~Distribution~~Payment from
14 the Survivors' Trust by checking the appropriate box on their respective Ballots. Only Holders of
15 Abuse Claims who return a Ballot and who affirmatively check the box on their Ballot indicating
16 they wish to receive the Immediate Payment shall be entitled to receive the Immediate Payment.
17 If a Holder of an Abuse Claim elects to receive the Immediate ~~Distribution~~Payment, the payment
18 will be made within thirty (30) days ~~of~~ after the Effective Date. After receipt of the Immediate
19 ~~Distribution~~Payment, the Holder of an Abuse Claim shall not be entitled to any further
20 distributions from the Survivors' Trust and shall not be entitled to pursue any Abuse Claim
21 against the Non-Settling Insurers or any other party. If a Person submitted, or is the Holder of,
22 more than one Abuse Claim and such Holder elects to receive the Immediate Payment, such
23 Holder shall only be entitled to one Immediate Payment on account of all of their Abuse Claims,
24 shall not be entitled to any further distributions from the Survivors' Trust, and shall not be
25 entitled to pursue any Abuse Claim against the Non-Settling Insurers or any other party.

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1 **9.8. Method of Determination of Abuse Claims and Rights of Abuse Claimants to**
2 **Choose to Accept a Distribution or to Pursue Litigation.** After the Effective Date, every
3 ~~Abuse Trust~~ Claim held by an Abuse Claimant ~~who has not elected to receive an Immediate~~
4 ~~Distribution (the “Trust Claims”)~~ shall be reviewed and ~~severed~~ allocated a percentage of the
5 recovery pool based on numerical scaling factors (but not based on alleged dollar value of the
6 Claim) by the Abuse Claims Reviewer in order to determine the distribution to each such Holder
7 in accordance with the terms of the Survivors’ Trust Documents.

8 **9.8.1** ~~9.8.1~~ *Notice of Initial Determination.* ~~The~~ Based on the percentage
9 allocation determined by the Abuse Claims Reviewer, the Survivors’ Trustee shall provide a
10 determination of the distribution to which each Holder of each Trust Claim is entitled (the “Initial
11 Determination”), in accordance with the terms of the Survivors’ Trust Documents. Each Holder
12 of a Trust Claim will receive a notice containing the Initial Determination, including a projected
13 recovery based on the anticipated available assets of the Survivors’ Trust at the time of the Initial
14 Determination.

15 **9.8.2** ~~9.8.2~~ *Right to Appeal Notice of Initial Determination.* Within thirty
16 (30) days of receipt of the notice of the Initial Determination, each Holder of a Trust Claim shall
17 have the right to request an appeal of the Initial Determination to a neutral decisionmaker (the
18 “Neutral”), who shall provide a subsequent determination (the “Neutral Determination”), as
19 provided for in the Survivors’ Trust Documents. The Neutral Determination shall be the “Final
20 Determination” for purposes of such Holder’s distributions from the Survivors’ Trust. For the
21 avoidance of doubt, no determination will be made in the Chapter 11 Case concerning the alleged
22 dollar value of an Abuse Claim for purposes of unsettled Insurance. Neither the Abuse Claims
23 Reviewer’s or Survivors’ Trustee’s review of an Abuse Claim and determination of qualification,
24 nor the Survivors’ Trust’s estimation of ~~claims~~ Claims or payment of distributions, shall constitute
25 a trial, an adjudication on the merits, or evidence of liability or damages in any litigation with the
26 Non-Settling Insurer or any other Person.

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9.8.3 ~~9.8.3~~—Distributions to Trust Claimants from the Survivors’ Trust.

Subject to the Survivors’ Trust Documents, the following procedures will govern distributions to ~~Holder~~s of Trust Claims (“Trust Claimants,” and individually a “Trust Claimant”) from the Survivors’ Trust:

9.8.3.1 ~~9.8.3.1~~—Within 30 days of the Neutral’s completion of all Neutral Determinations, the Survivors’ Trustee shall make a projection of anticipated distributions to each Holder of a Trust Claim. This amount may differ from the Initial Determination after accounting for Neutral Determinations.

9.8.3.2 ~~9.8.3.2~~—The Survivors’ Trustee will make an initial distribution (the “Initial Distribution”) to each Trust Claimant, except for those Trust Claimants who elect the Litigation Option (defined ~~below~~ in Section 9.8.4). The Initial Distribution shall be comprised of each such Trust Claimants’ *pro rata* share of the Survivors’ Trust Assets existing on that date, less (i) reasonable reserves for the Survivors’ Trust; and (ii) all reserves made pursuant to Section 9.8.4.1 hereof, in each case to be determined by the Survivors’ Trustee in accordance with the Survivors’ Trust Documents (the “Initial Reserve”). The Survivors’ Trustee may, but need not, wait until the liquidation of the Livermore Property to make the Initial Distribution.

9.8.3.3 ~~9.8.3.3~~—Upon the receipt of additional contributions into the Survivors’ Trust, including from sales of real property owned by the Survivors’ Trust, the Survivors’ Trustee shall make further distributions (the “Additional Distributions”) to the ~~Holder~~s of Trust Claims Claimants who elected (or who are deemed to have elected) the Distribution Option in accordance with this Section of the Plan and the Survivors’ Trust Documents, less such appropriate reserves (the “Additional Reserves”).

9.8.3.4 ~~9.8.3.4~~—After the final resolution of all Trust Claims ~~the Holder~~s of which, including with respect to the Trust Claimants who selected the Litigation Option, the Survivors’ Trustee shall make a final distribution to the ~~Holder~~s of

1 Trust ~~Claims~~Claimants who elected (or who are deemed to have elected) the Distribution
2 Option (the “Final Distribution”), which shall include previously withheld reserves and
3 any reallocated funds. If, after 180 days from the date of the Final Distribution, there are
4 any funds which are not claimed by the ~~Holder of a~~ Trust ~~Claim~~Claimant, such unclaimed
5 funds shall be returned to the Reorganized Debtor.

6 9.8.4 ~~9.8.4~~ *Right to Elect Litigation Against Non-Settling Insurers and Other*
7 *Parties.* Irrespective of whether a Trust Claimant has requested an appeal of the Initial
8 Determination to the Neutral, within ninety (90) days ~~of~~after receiving the notice of the Initial
9 Determination of the ~~Holder’s~~Trust Claimant’s Trust Claim, such ~~Holder~~Trust Claimant may
10 elect ~~either to receive an Initial Distribution (the “Distribution Option”) or~~ to pursue litigation
11 against the Debtor (as a nominal party only), Non-Settling Insurers and/or other parties (excluding
12 the Debtor or Reorganized Debtor as appropriate) (the “Abuse Claim Litigation” and, the election
13 of the Abuse Claim Litigation, the “Litigation Option”) by filing the notice described in
14 Section 8.2.2 of the Plan. Trust Claimants who do not timely make an election will be deemed to
15 have chosen ~~the to forego the Litigation Option and to receive an Initial Distribution (the~~
16 “Distribution Option”).

17 9.8.4.1 ~~9.8.4.1~~. In the event ~~the Holder of a~~ Trust ~~Claim~~Claimant
18 elects the Litigation Option, the Reserved Amount to be held by the Survivor’s Trustee on
19 account of such Trust Claimant shall be the amount of such Trust Claimant’s Final
20 Determination. As the Survivors’ Trust receives additional Cash (including, without
21 limitation, on account of the Debtor Cash Contributions, RCWC Cash Contributions,
22 Insurance Settlement Agreements, other contributions of Cash, or proceeds from the
23 liquidation of any of the Survivors’ Trust Assets), the Survivors’ Trustee shall ~~reserve the~~
24 ~~amount of such Claimant’s Final Determination pending the resolution of the Abuse~~
25 ~~Claim Litigation~~ increase the Reserved Amount on account of such Trust Claimant
26 commensurately.

1 9.8.4.2 ~~9.8.4.2.~~ The liability, if any, of the Survivors' Trust to ~~the~~
2 ~~Holder of a~~ Trust Claimant who elects the Litigation Option shall be limited to the
3 ~~Final Determination~~ Reserved Amount for such Trust Claimant, even ~~in~~ if the ~~event that the~~
4 ~~Holder of a~~ Trust Claimant obtains a judgment by a Final Order through the Abuse
5 Claim Litigation (the "Litigation Judgment") that is higher than the ~~Final~~
6 ~~Determination~~ Reserved Amount.

7 9.8.4.3 ~~9.8.4.3. The~~ In the case of a Trust Claimant who obtains a
8 Litigation Judgment that is lower than the Reserved Amount for such Trust Claimant, the
9 distribution from the Survivors' Trust to ~~the Holder of a Trust Claim who obtains a~~
10 ~~judgment through the Abuse Claim Litigation that is lower than the Final~~
11 ~~Determination~~ such Trust Claimant shall be capped at the amount of ~~such judgment~~ (the
12 "Litigation Judgment"); provided, however, that such distribution from the Survivors'
13 Trust shall be further reduced by the amount of any liability for the Litigation Judgment
14 that is apportioned to (i) one or more ~~third-party~~ defendants in the Abuse Claim Litigation
15 other than any of the Released Parties, and/or (ii) any Non-Settling Insurer on account of
16 such Non-Settling Insurer's coverage obligations under an Abuse Insurance Policy, if any,
17 subject to such Non-Settling Insurer's rights to Contribution and other rights under this
18 Plan and the applicable Abuse Insurance Policy(ies). The difference between ~~the Final~~
19 ~~Determination~~ a Trust Claimant's Reserved Amount and the reduced distribution to such
20 Trust Claimant from the Survivors' Trust shall be reallocated ~~to all of the Survivors' Trust~~
21 ~~Beneficiaries~~ for distribution to Trust Claimants who elected the Distribution Option in
22 their *pro rata* share.

23 9.8.4.4 In the case of a Trust Claimant who obtains a Litigation
24 Judgment that is higher than the Reserved Amount for such Trust Claimant, the
25 distribution from the Survivors' Trust to such Trust Claimant shall be the lower of: (a) the
26 Reserved Amount or (b) the amount of such Litigation Judgment less any liability for the
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1 Litigation Judgment apportioned to (i) any defendants in the Abuse Claim Litigation other
2 than any of the Released Parties and/or (ii) any Non-Settling Insurer on account of such
3 Non-Settling Insurer's coverage obligations under an Abuse Insurance Policy, if any,
4 subject to such Non-Settling Insurer's rights to Contribution and other rights under this
5 Plan and the applicable Abuse Insurance Policy(ies). The difference between a Trust
6 Claimant's Reserved Amount and the reduced distribution to such Trust Claimant from
7 the Survivors' Trust shall be reallocated for distribution to Trust Claimants who elected
8 the Distribution Option in their *pro rata* share.

9 9.8.4.5 ~~9.8.4.4. If a Holder of a Trust Claim obtains a judgment~~
10 ~~against a~~ Claimant obtains a Litigation Judgment for which all liability is assigned in the
11 aggregate to (i) defendants in the Abuse Claim Litigation other than the Released Parties
12 and/or (ii) one or more Non-Settling ~~Insurer or other third party~~ Insurers, any party found
13 liable for payment to such ~~Holder~~ Trust Claimant shall pay that judgment directly to such
14 ~~Holder~~ Trust Claimant. The ~~Holder~~ Trust Claimant shall have no further claims against the
15 Survivors' Trust ~~and any amount reserved for that Holder's Trust Claim shall be~~
16 ~~reallocated to all Survivors' Trust Beneficiaries.~~ The Survivors' Trustee shall reallocate
17 the Reserved Amount on account of such Trust Claimant's Trust Claim for distribution to
18 Trust Claimants who elected the Distribution Option in their *pro rata* share.

19 ~~9.8.4.5. Following final resolution of each Abuse Claim Litigation, the~~
20 ~~Survivors' Trustee will make an initial distribution (the "Initial Litigation Distribution")~~
21 ~~to each Trust Claimant who selected the Litigation Option, in accordance with the terms~~
22 ~~of this Article IX of the Plan and the Survivors' Trust Documents and subject to~~
23 ~~reasonable reserves.~~

24 9.8.4.6 If, pursuant to this Section 9.8.4, a Trust Claimant who
25 received a Litigation Judgment is entitled to a distribution from the Survivors' Trust, the
26 Survivors' Trustee shall make any such distribution from the Survivors' Trust Assets to

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1 such Trust Claimant not later than thirty (30) days after the Survivors' Trustee receives
2 notice of entry of the Trust Claimant's Litigation Judgment in the Abuse Claim Litigation.
3 If the Survivors' Trust is not a formal notice party in the Abuse Claim Litigation filed by
4 such Trust Claimant, it shall be the burden of the Trust Claimant to serve the Survivors'
5 Trustee with notice of entry of the Trust Claimant's Litigation Judgment in the Abuse
6 Claim Litigation.

7 9.8.4.7 ~~9.8.4.6.~~ Upon written notice to the Survivors' Trustee,
8 subject to the Survivors' Trustee's sole and absolute discretion, a Trust Claimant who
9 selected the Litigation Option may rescind that election in favor of the Distribution
10 Option. Notwithstanding the foregoing, the Survivors' Trustee shall consent to such
11 rescission if such written notice of rescission is given prior to entry of an order of
12 dismissal or a final judgment by a Final Order in the Abuse Claim Litigation in favor of a
13 Released Party.

14 9.8.4.8 Trust Claimants electing the Distribution Option rather than
15 the Litigation Option shall be eligible for Additional Distributions and any Final
16 Distribution, in each case as determined by the Survivors' Trustee in accordance with the
17 Survivors Trust Documents but may not later change their election to the Litigation
18 Option.

19 9.8.4.9 ~~9.8.4.7.~~ Following final resolution of the last Abuse Claim
20 Litigation, the Survivors' Trustee will make the Final Distribution as set forth in
21 Section 9.8.3.4 above.

22 9.8.5 ~~9.8.5.~~ *Reporting Requirement.* The Survivors' Trustee shall report to the
23 Reorganized Debtor, on a quarterly basis, or upon reasonable request, (i) the date on which each
24 Holder of an Abuse Claim is notified of their award under the Survivors' Trust Distribution Plan,
25 (ii) whether each Holder of an Abuse Claim has elected the Immediate ~~Distribution~~Payment, the
26 Distribution Option, or the Litigation Option, and (iii) any modification made by any Holder of an
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1 Abuse Claim to their treatment status.

2 **9.9. Compensation and Reimbursement of Expenses to Survivors' Trustee and**
3 **Survivors' Trust Professionals.** The Survivors' Trustee shall be entitled to compensation as
4 provided for in the Survivors' Trust Documents. The Survivors' Trustee may retain and
5 reasonably compensate, without Bankruptcy Court approval and without the consent of the
6 Reorganized Debtor, counsel and other Professionals as reasonably necessary to assist in the
7 duties of the Survivors' Trustee subject to the terms of the Survivors' Trust Documents. All fees
8 and expenses incurred in connection with the foregoing shall be payable from the Survivors'
9 Trust, as provided for in the Survivors' Trust Documents.

10 **9.10. Excess Survivors' Trust Assets.** After the payment of all Abuse Claims that are
11 entitled to a distribution from the Survivors' Trust and all expenses of the Survivors' Trust
12 Expenses, all remaining Assets in the Survivors' Trust shall be transferred to the Reorganized
13 Debtor concurrent with the termination of the Survivors' Trust pursuant to the Survivors' Trust
14 Documents.

15 **9.11. Indemnification of Debtor, Reorganized Debtor, and Contributing Non-Debtor**
16 **Catholic Entities.** The Survivors' Trust shall indemnify and hold harmless the Debtor,
17 Reorganized Debtor, and the Contributing Non-Debtor Catholic Entities from and against any and
18 all Abuse Claims, as well as indemnify and reimburse such parties for all fees, costs and expenses
19 related to Abuse Claims (including such fees, costs and expenses incurred in connection with
20 discovery), to the extent set forth in this Plan and the Survivors' Trust Documents. The
21 Survivors' Trust shall not have any obligation to indemnify any Person accused of committing a
22 physical act of Abuse against a Holder of an Abuse Claim or such Holder's
23 predecessor(s)-in-interest.

24 **9.12. Modification of Survivors' Trust Documents.** The Survivors' Trust Documents
25 may not be amended or modified without the consent of the Reorganized Debtor. The
26 Reorganized Debtor shall also have consent rights with respect to the appointment of any
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1 successor Survivors' Trustee and Survivors' Trust Advisory Committee members, which consent
2 shall not be unreasonably withheld. Notwithstanding the foregoing, the indemnification
3 obligations of the Survivors' Trust described in this Plan as to any Released Party may not be
4 amended or modified without the consent of such Released Party and no such amendment shall
5 affect the rights of any remaining Non-Settling Insurers.

6 **ARTICLE X**
7 **CONDITIONS TO CONFIRMATION AND EFFECTIVENESS OF THE PLAN**

8 **10.1. Conditions to Confirmation.** The following are conditions precedent to
9 Confirmation of this Plan that must be (i) satisfied, or (ii) waived, subject to Court approval:

10 10.1.1. A Final Order, finding the Disclosure Statement contains adequate
11 information pursuant to Section 1125 of the Bankruptcy Code, shall have been entered by the
12 Court.

13 10.1.2. The Plan, Plan Supplement, Disclosure Statement, Survivors' Trust
14 Documents, and any other Plan Documents are in a form acceptable to the Debtor and
15 Contributing Non-Debtor Catholic Entities. Except as to the Debtor, all such documents shall be
16 deemed acceptable to each of the foregoing Persons unless such Person Files a written objection
17 to confirmation of the Plan.

18 10.1.3. The proposed Confirmation Order is acceptable to the Debtor and
19 Contributing Non-Debtor Catholic Entities. Except as to the Debtor, all such documents shall be
20 deemed acceptable to each of the foregoing Persons unless such Person Files a written objection
21 to the form of the proposed Confirmation Order.

22 10.1.4. The Confirmation Order approves the Channeling Injunction and
23 Exculpation Clause.

24 10.1.5. The Confirmation Order approves the release of, and releases, all
25 Contributing Non-Debtor Catholic Entities to the extent provided in the Plan.

26 10.1.6. The Confirmation Order shall include findings of fact that: (i) the release
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1 of each of the Contributing Non-Debtor Catholic Entities is fair and necessary to the Debtor's
2 reorganization and reorganization is unlikely without that Entity's release; (ii) sufficient identity
3 of interests exists between the Debtor and the released Contributing Non-Debtor Catholic Entities
4 such that a suit against any of the released Contributing Non-Debtor Catholic Entities is a suit
5 against the Debtor or will deplete Estate assets; (iii) all consideration given by a released
6 Contributing Non-Debtor Catholic Entity provides significant and critical funding for this Plan
7 constituting a substantial contribution to the success of the Plan; and (iv) released Contributing
8 Non-Debtor Catholic Entities would not make a substantial contribution absent the benefits they
9 obtain from the third-party releases.

10 10.1.7. The Confirmation Order shall include a finding of fact that the Debtor,
11 each of the Contributing Non-Debtor Catholic Entities, any Settling Insurers, and each of their
12 respective present and former members, officers, directors, employees, advisors, attorneys, and
13 agents acted in good faith within the meaning of and with respect to all of the actions described in
14 Section 1125(e) of the Bankruptcy Code and are, therefore, not liable for the violation of any
15 applicable law, rule, or regulation governing such actions.

16 10.1.8. The Confirmation Order in a form consistent with the foregoing shall be
17 entered in the Chapter 11 Case.

18 **10.2. Conditions to Effectiveness.** The following are conditions precedent to the
19 Effective Date that must be (i) satisfied, or (ii) waived, subject to Court approval (for the
20 avoidance of doubt, the Effective Date is not conditioned on resolution of any litigation or
21 assumption of any Unexpired Leases or Executory Contracts):

22 10.2.1. The Confirmation Order shall have been entered and shall be a Final Order
23 in a form reasonably acceptable to the Debtor, and there shall be no stay or injunction that would
24 prevent the occurrence of the Effective Date. The Debtor in its sole discretion may waive the
25 requirement that the Confirmation Order be a Final Order.

26 10.2.2. There shall have been no material amendments to the Plan or Confirmation
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1 Order.

2 10.2.3. The Debtor and all other necessary parties shall have executed all
3 documents and entered into all agreements as may be necessary in connection with the Exit
4 Facility described in Article XI of the Plan.

5 10.2.4. The Debtor, the Survivors' Trustee, and any other necessary parties shall
6 have executed all documents necessary for formation of the Survivors' Trust, and for the
7 Survivors' Trustee to administer and operate the Survivors' Trust.

8 10.2.5. All approvals necessary to effectuate the transfer of the Livermore Property
9 to the Survivors' Trust have been obtained.

10 10.2.6. Transfer of funds to the Survivors' Trust for all initial contributions to the
11 Survivors' Trust shall have been made, and the proof thereof provided to the Debtor and the
12 Survivors' Trustee.

13 10.2.7. All other actions, authorizations, filings, consents, and approvals required
14 (if any), including but not limited to canonical approvals, shall have been obtained, effected, or
15 executed in a manner acceptable to the Debtor and remain in full force and effect or, if waivable,
16 waived by the Person or Persons entitled to the benefit thereof.

17 10.2.8. All other actions, documents, and agreements necessary to implement and
18 effectuate the Plan shall have been effected or executed.

19 10.2.9. The statutory fees owing to the United States Trustee as of the deadline for
20 payment immediately preceding the Effective Date shall have been paid in full.

21 **10.3. Waiver of Conditions.** The conditions to Confirmation set forth in Section 10.1
22 or the Effective Date set forth in Section 10.2 may be waived, in whole or in part, by the Debtor,
23 subject to approval of the Court, provided that Sections 10.2.3 and 10.2.4 are not waivable. The
24 failure to satisfy any material condition to Confirmation or the Effective Date may be asserted by
25 the Debtor in its sole discretion so long as such failure was not primarily caused by any action or
26 inaction by the Debtor. The failure of the Debtor to exercise any of the foregoing rights shall not
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1 be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right,
2 which may be asserted at any time.

3 **10.4. Revocation of the Plan.** If Confirmation does not occur, an order denying
4 Confirmation is entered by the Court, or if the Plan does not become effective, then the Plan shall
5 be null and void, and nothing contained in the Plan or Disclosure Statement shall: (a) constitute a
6 waiver or release of any Claims against the Debtor; (b) constitute a waiver or release of any right,
7 claim or cause of action of the Debtor; (c) constitute an admission of any fact or legal conclusion
8 by the Debtor or any other Person; (d) prejudice in any manner the rights of the Debtor or any
9 other party in any related or further proceedings; or (e) constitute a settlement, implicit or
10 otherwise, of any kind whatsoever.

11 **ARTICLE XI**
12 **EXIT FINANCING**

13 **11.1. The Exit Facility.** On the Effective Date, the Reorganized Debtor shall enter into
14 the Exit Facility with the Exit Facility Lender. Confirmation of the Plan shall be deemed
15 approval of the Exit Facility, the transactions contemplated thereby, and all actions to be taken,
16 undertakings to be made, and obligations to be incurred by the Reorganized Debtor in connection
17 therewith. Upon entry of the Confirmation Order, the Debtor and Reorganized Debtor (as
18 applicable) shall be authorized to execute and deliver those documents necessary or appropriate
19 to obtain the Exit Facility, including the Exit Facility Documents, without further notice to or
20 order of the Court, act or action under applicable law, regulation, order, or rule or vote, consent,
21 authorization, or approval of any Person, subject to such modifications as the Debtor and the Exit
22 Facility Lender may deem to be necessary to consummate the Exit Facility. Proceeds of the Exit
23 Facility shall be used to fund the Initial Debtor Contribution and the operations of the
24 Reorganized Debtor.

25 **11.2. Effect of the Exit Facility.** On the Effective Date, the Exit Facility shall constitute
26 legal, valid, binding and authorized indebtedness and obligations of the Reorganized Debtor,
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1 enforceable in accordance with its terms and such indebtedness and obligations (and the
2 transactions effectuated to implement the Exit Financing) shall not be and shall not be deemed to
3 be, enjoined or subject to discharge, impairment, release or avoidance under the Plan, the
4 Confirmation Order or on account of the confirmation or consummation of the Plan. On the
5 Effective Date, all the liens and security interests granted in accordance with the Exit Facility
6 Documents shall be legal, valid, binding upon the Reorganized Debtor, enforceable in accordance
7 with their respective terms, and no obligation, payment, transfer or grant of security under the
8 Exit Facility Documents shall be stayed, restrained, voidable, or recoverable under the
9 Bankruptcy Code or under any applicable law or subject to any defense, reduction, recoupment,
10 setoff or counterclaim. Such liens and security interests shall be deemed automatically perfected
11 on the Effective Date without the need for the taking of any further filing, recordation, approval,
12 consent or other action, and such liens and security interests shall not be enjoined or subject to
13 discharge, impairment, release, avoidance, recharacterization or subordination (including
14 equitable subordination) for any purposes whatsoever and shall not constitute preferential
15 transfers or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy
16 law.

17 **11.3. AuthorizationAuthorization.** On the Effective Date, the Reorganized Debtor and
18 the Exit Facility Lender shall be authorized to make all filings and recordings, obtain all
19 governmental approvals and consents, and take any other actions necessary to establish and
20 perfect such liens and security interests under the provisions of the applicable state, federal, or
21 other law (whether domestic or foreign) that would be applicable in the absence of the Plan and
22 the Confirmation Order (it being understood that perfections shall occur automatically by virtue
23 of the entry of the Confirmation Order and any such filings, recordings, approvals, and consents
24 shall not be required), and the Reorganized Debtor shall thereafter cooperate to make all other
25 filings and recordings that otherwise would be necessary under applicable law to give notice of
26 such liens and security interests to third parties.

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ARTICLE XII
MEANS FOR IMPLEMENTING THE PLAN

12.1. Revesting.

12.1.1 ~~12.1.1~~ *Revesting of Property in the Reorganized Debtor.* On the Effective Date, all property of the Estate as defined in Section 541 of the Bankruptcy Code, including any Causes of Action, shall revest in the Reorganized Debtor, free and clear of all liens and encumbrances and all Claims, rights, interests, and entitlements. Thereafter, the Reorganized Debtor may use, sell, transfer or exchange such property in its discretion, subject to any restriction or limitation set forth in the Plan.

12.1.2 ~~12.1.2~~ *Obtaining Credit.* At any time after the Effective Date the Reorganized Debtor may obtain credit in its sole discretion without approval of the Bankruptcy Court.

12.1.3 ~~12.1.3~~ *No Waiver.* No claim, right, Cause of Action, or other property of the Estate shall be deemed waived or otherwise forfeited by the Debtor's failure to identify such property in the Schedules or the Disclosure Statement accompanying the Plan.

12.2. Non-Monetary Commitment to Healing and Reconciliation. ~~12.2~~ In order to further promote healing and reconciliation, and in order to continue efforts to protect children and vulnerable adults and to prevent Abuse from occurring in the future, the Reorganized Debtor shall, as of the Effective Date (unless a different date is provided in the Confirmation Order), continue the non-monetary measures outlined in Article IV(G) of the Disclosure Statement entitled "Debtor's Mission to Effect Reconciliation and Compensation," which non-monetary measures are expressly incorporated herein.

12.3. CCCEB Settlement. ~~12.3~~ Upon the occurrence of the Effective Date, the CCCEB Settlement, in accordance with the CCCEB Settlement Documents, shall become effective. The CCCEB Settlement shall include the following terms:

12.3.1. In full and complete satisfaction of all obligations under the CCCEB Note,

1 CCCEB shall transfer to RCBO on the Effective Date fee simple title to the Cathedral Property,
2 together with all improvements thereon and all tangible personal property owned by CCCEB and
3 located on or used in connection with operation of the Cathedral Property.

4 12.3.2. CCCEB shall assign to RCBO, and RCBO shall assume all obligations of
5 CCCEB under, all current contracts related to maintenance, operation, and security of the
6 Cathedral Property, provided that RCBO may decline to assume any such contract following
7 reasonable diligence review, and further provided that to the extent any such contracts are not
8 assignable under their terms or applicable law or assignment would constitute a breach under the
9 terms of such contract, RCBO may instead, at its election, fund CCCEB's obligations for
10 payment under any such contracts.

11 12.3.3. Funds in deposit accounts in the name of or controlled by CCCEB for
12 operation of the Cathedral Property shall, at RCBO's election, be transferred to RCBO, or
13 otherwise used for operating expenses related to the Cathedral Property or otherwise to pay the
14 debts of CCCEB.

15 12.3.4. CCCEB shall assign to RCBO, and RCBO shall assume all obligations
16 under the existing leases and user agreements with tenants and other users of the Cathedral
17 Property, including (i) that certain License and Services Agreement dated as of January 1, 2020,
18 with RCC regarding the mausoleum on the Cathedral Property; (ii) that certain Commercial
19 Office Lease Agreement with RCC dated as of April 3, 2024; (iii) that certain Lease Agreement
20 with the Order of Malta Clinic of Northern California dated January 25, 2008, and amended
21 February 10, 2023; and (iv) agreements for use of Cathedral Property space with RCWC, and the
22 Cathedral of Christ the Light parish Church.

23 12.3.5. CCCEB shall have no further obligation or liability of any kind for the debt
24 evidenced by the CCCEB Note, or in connection with the CCCEB Note.

25 12.3.6. The Debtor and CCCEB shall agree to such other terms, not inconsistent
26 with the Plan, as are necessary or desired to complete the CCCEB Settlement.

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12.4. Treatment of Actions and Causes of Action. On the Effective Date, all Causes of Action held by the Estate or the Debtor other than ~~the Assigned Insurance Interests~~ those included in the Survivors' Trust Assets shall be deemed fully vested in the Reorganized Debtor. Pursuant to Section 1123(b)(3) of the Bankruptcy Code, the Reorganized Debtor shall retain and have the exclusive authority and standing to prosecute, enforce, pursue, sue on, settle or compromise any and all Causes of Action (including Avoidance Actions), arising before the Effective Date, including all Causes of Action of a trustee and debtor-in-possession under the Bankruptcy Code, but not including the Coverage Action, Assigned Insurance Interests, and any other Causes of Action expressly released or compromised as part of or pursuant to the Plan or by other order of the Bankruptcy Court entered prior to the Effective Date. The Reorganized Debtor shall also retain and may prosecute and enforce all defenses, counterclaims, and rights that have been asserted or could be asserted by the Debtor against or with respect to all Claims asserted against the Debtor or property of the Estate. Failure to specifically identify potential Causes of Action in the Plan shall not be deemed a waiver of any such Cause of Action by the Debtor, Reorganized Debtor, or the Survivors' Trust.

12.5. Continued Existence. From and after the Effective Date, the Debtor shall continue in existence as the Reorganized Debtor in accordance with applicable law for all purposes, including, among other things, (a) enforcing and prosecuting claims, interests, rights, and privileges of the Debtor including, without limitation, prosecuting Causes of Action, (b) resolving Disputed Claims, (c) administering the Plan, (d) filing appropriate tax returns and refund requests, and (e) performing all such other acts and conditions required by and consistent with consummation of the Plan.

12.6. The Survivors' Trust. On the Effective Date, the Survivors' Trust shall be created, as provided in Article IX of the Plan.

12.7. Post-Effective Date Prosecution of Non-Abuse Litigation Claims.

12.7.1 ~~12.7.1~~ *Relief from the Automatic Stay.* Effective upon the Effective

1 Date, Holders of Class 6 Claims are granted relief from the automatic stay of Section 362 of the
2 Bankruptcy Code solely for the purpose of continuing to prosecute their Class 6 Claim in a court
3 of competent jurisdiction (each, a “Class 6 Action”), including but not limited to litigating such
4 action through entry of a judgment, prosecution of any appeals and/or settlement of such action,
5 subject to the terms and conditions set forth herein. All Holders of Class 6 Claims shall be
6 permitted, but not required, to liquidate their Class 6 Action in a court of competent jurisdiction
7 in accordance with 28 U.S.C. § 157(b)(2)(B).

8 12.7.2 Non-Abuse Litigation Reserve. No less than sixty (60) days after the
9 Effective Date, the Reorganized Debtor shall establish the Non-Abuse Litigation Reserve and
10 fund it with \$750,000.00.

11 12.7.3 ~~12.7.2~~ Sources of Recovery for Non-Abuse Litigation Claims.
12 Notwithstanding any provision to the contrary in the Plan Documents, Holders of Class 6 Claims
13 shall be entitled to prosecute and/or settle their respective Class 6 Action, provided that each such
14 Holder shall be limited to recovering from (i) the proceeds of any applicable insurance policy
15 which provides coverage, or could provide coverage, with respect to such Class 6 Claim and
16 (ii) its *pro rata* portion of the Non-Abuse Litigation Reserve; provided, however, no Holder of a
17 Class 6 Claim may recover more than \$250,000.00 from the Non-Abuse Litigation Reserve.

18 Effective upon the Effective Date, Holders of Class 6 Claims shall be otherwise barred and
19 enjoined from seeking recovery on any judgment or settlement obtained in their respective Class
20 6 Action from the assets of the Debtor, Reorganized Debtor, Contributing Non-Debtor Catholic
21 Entities, Survivors’ Trust, and any other party receiving a release under this Plan.

22 12.7.4 ~~12.7.3~~ Insurance Coverage for Non-Abuse Litigation Claims. All
23 parties, including, but not limited to, any insurer under any insurance policy alleged to provide
24 coverage of a Class 6 Claim, reserve and expressly do not waive any of their rights, remedies
25 and/or defenses with respect to any Class 6 Claim. If any insurer denies and/or disclaims
26 coverage of a Class 6 Claim, the Debtor or Reorganized Debtor (as applicable) shall reasonably
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28 PLAN OF REORGANIZATION, Dated November 8, 2024

1 cooperate at the sole cost of the Holder of such Class 6 Claim to assign to that Holder the right to
2 pursue and receive the proceeds of any applicable coverage under such Insurer's Abuse Insurance
3 Policy or Abuse Insurance Policies. Nothing contained herein shall be deemed a representation or
4 warranty concerning the availability, scope or interpretation of any insurance coverages which
5 may or may not exist [for Class 6 Claims](#).

6 **12.8. Bankruptcy Procedure and Transition.**

7 [12.8.1](#) ~~12.8.1~~ *Notice Required Post-Confirmation.* Except as otherwise
8 specifically provided in this Plan, notice of Filings in the Bankruptcy Court after the
9 Confirmation Date, including fee applications, shall be required to be given only to Persons or
10 Entities on the Post-Confirmation Notice List. Consistent with the Local Rules of the Bankruptcy
11 Court, no other form of service shall be required on parties receiving service through ECF.

12 [12.8.2](#) ~~12.8.2~~ *Post-Confirmation Matters.* Except as otherwise specified herein,
13 matters arising after the Confirmation Date and subject to the Court's retained jurisdiction may be
14 initiated in the same manner and with the same effect as if the Chapter 11 Case was pending
15 before the Bankruptcy Court and the Plan had not been confirmed. Subject to the provisions of
16 the Plan and the Bankruptcy Code governing compensation of Professionals, and except as
17 provided in Article XIII of the Plan, every party to such a matter shall bear its own attorneys' fees
18 and costs in connection therewith.

19 [12.8.3](#) ~~12.8.3~~ *Dissolution of the Committee.* On the Effective Date, the
20 Committee shall be dissolved and the Committee and its members, as of the Effective Date, shall
21 be discharged of and from all further authority, duties, responsibilities, and obligations related to,
22 arising from and in connection with the Chapter 11 Case.

23 [12.8.4](#) ~~12.8.4~~ *Statutory Fees.*

24 [12.8.4.1](#) ~~12.8.4.1~~ The Reorganized Debtor shall continue to pay all
25 U.S. Trustee Fees accruing on or before the earlier of (i) the closing of the Chapter 11
26 Case, and (ii) December 31, 2026. Should the Chapter 11 Case remain open through
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28 ~~PLAN OF REORGANIZATION, Dated November 8, 2024~~

1 January 1, 2027 or later, the Survivors' Trust shall pay all U.S. Trustee Fees accruing on
2 or after that date until the Chapter 11 Case is closed. All U.S. Trustee Fees shall be paid
3 at the rate in effect at the time such fees come due.

4 12.8.4.2 ~~12.8.4.2~~ Solely for purposes of calculating U.S. Trustee
5 Fees on account of the amounts to be funded by the Debtor to the Survivors' Trust, such
6 amounts shall be considered distributions from the Debtor pursuant to 28 U.S.C.
7 § 1930(a)(6) on the date of such distributions.

8 12.8.4.3 ~~12.8.4.3~~ Contributions by any party to the Survivors' Trust
9 other than the Debtor, including without limitation a Contributing Non-Debtor Catholic
10 Entity or a Settling Insurer, shall not be considered distributions by or on behalf of the
11 Debtor or Reorganized Debtor for purposes of calculating U.S. Trustee Fees.

12 12.8.4.4 ~~12.8.4.4~~ Distributions from the Survivors' Trust shall not
13 be considered distributions by or on behalf of the Debtor or Reorganized Debtor for
14 purposes of calculating U.S. Trustee Fees.

15 **12.9. Post-Petition Deposits.**

16 12.9.1 ~~12.9.1~~ *Closing of Utility Deposit Account.* As of the Effective Date, the
17 Reorganized Debtor shall be authorized to close the Adequate Assurance Account, as defined in
18 the *Final Order Establishing Adequate Assurance Procedures With Respect to The Debtor's*
19 *Utility Providers* [Docket No. 114], and retain all funds held therein.

20 12.9.2 ~~12.9.2~~ *Other Deposits.* From and after the Effective Date, the
21 Reorganized Debtor may, at its election, demand the refund of any deposit provided to a Person
22 other than a utility after the Petition Date or may offset the amount of such deposit, at the
23 Reorganized Debtor's election, against either post-Effective Date billings or against distributions
24 to the holder of such deposit on account of its Allowed Claims, or otherwise take any actions
25 permitted by law to obtain recovery of such deposit; for the avoidance of any doubt, the foregoing
26 supersedes any pre- or post-petition agreement between the holder of such deposit and the Debtor.

27 ~~PLAN OF REORGANIZATION, Dated November 8, 2024~~

1 **12.10. Other Actions**— On and after the Effective Date, the Reorganized Debtor shall be
2 authorized to take such actions as are reasonably necessary to complete and effectuate the terms
3 of this Plan, subject only to the specific limitations contained in this Plan, the Bankruptcy Code or
4 Bankruptcy Rules, and any order of the Court.

5 **12.11. General Settlement**— Pursuant to Sections 105 and 1123 of the Bankruptcy Code
6 and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and
7 other benefits provided under the Plan, on the Effective Date, the provisions of the Plan shall
8 constitute a good faith compromise and settlement of all Claims and controversies resolved
9 pursuant to the Plan, including without limitation the CCCEB Settlement. On or before the
10 Effective Date, the Bankruptcy Court will have approved, by Final Order, such compromises, and
11 the Bankruptcy Court's findings will constitute its determination that such compromises and
12 settlements are in the best interests of the Debtor, the Estate, Holders of Abuse Claims (including
13 Unknown Abuse Claims), Holders of other Claims, and other parties in interest, and are fair,
14 equitable, and within the range of reasonableness. To the extent a separate Final Order is not
15 entered on or before the Confirmation Date, the entry of the Confirmation Order will constitute
16 the Final Order approving the compromises and settlements hereunder.

17 **12.12. Closing of the Case**— As soon as reasonably practicable when the Reorganized
18 Debtor deems appropriate, consistent with the provisions of this Plan, the Bankruptcy Code
19 including without limitation Section 350 of the Bankruptcy Code, the Bankruptcy Rules including
20 without limitation Bankruptcy Rule 3022, and the Local Rules of this Court, the Reorganized
21 Debtor shall file and serve an application for entry of a Final Decree closing the Chapter 11 Case,
22 together with a proposed Final Decree. A Final Decree may be entered before the Survivors'
23 Trust is fully administered, and the expectation that the Survivors' Trust will make further
24 distributions shall not be a basis for delaying entry of a Final Decree. Entry of a Final Decree
25 closing the Chapter 11 Case shall, whether or not specified therein, be without prejudice to the
26 right of the Reorganized Debtor, the United States Trustee, the Survivors' Trustee, or any other
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28 **PLAN OF REORGANIZATION, Dated November 8, 2024**

1 party in interest to reopen the Chapter 11 Case for any matter over which the Bankruptcy Court or
2 the District Court has retained jurisdiction under this Plan. Any Final Decree or order closing this
3 Chapter 11 Case will provide that the Bankruptcy Court or the District Court, as appropriate, will
4 retain (a) jurisdiction to enforce, by injunctive relief or otherwise, the Confirmation Order, any
5 other orders entered in this Chapter 11 Case, and the obligations created by this Plan and the Plan
6 Documents; and (b) all other jurisdiction and authority granted to it under this Plan and the Plan
7 Documents.

8 **ARTICLE XIII**
9 **EFFECT OF PLAN CONFIRMATION**

10 **13.1. Binding Effect of Confirmation**— As of the Confirmation Date, but subject to
11 occurrence of the Effective Date, the provisions of this Plan shall be binding on and inure to the
12 benefit of the Debtor, the Estate, all Holders of Claims against the Debtor, and all other Persons
13 or Entities whether or not such Persons or Entities have accepted this Plan. The rights, benefits,
14 and obligations of any Person or Entity named or referred to in the Plan will be binding on, and
15 will inure to the benefit of, the executors, administrators, successors and assigns of each Person
16 or Entity (as applicable), whether or not they have accepted the Plan.

17 **13.2. Ratification**— Subject to all of the terms of this Plan, the Confirmation Order
18 shall be deemed to ratify all transactions effectuated by the Debtor during the pendency of the
19 Chapter 11 Case to the extent occurring pursuant to an order of the Court.

20 **13.3. Discharge of Claims**— Under Section 1141(d) of the Bankruptcy Code, and
21 except as otherwise specifically provided in the Plan or in any agreement or document executed
22 pursuant to the Plan, the distributions, rights, and treatment of Claims and Causes of Action in the
23 Plan shall be in complete satisfaction, discharge, and release, as of the Effective Date, of Claims
24 and Causes of Action that arose prior to the Effective Date, whether known or unknown, against
25 the Debtor (including for the avoidance of doubt the Churches) or any of its assets or properties,
26 including without limitation (i) any demands, liabilities, and Causes of Action that arose before
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28 **PLAN OF REORGANIZATION, Dated November 8, 2024**

1 the Effective Date, (ii) any liability to the extent such Claims relate to services performed by
2 employees of the Debtor before the Effective Date and that arise from a termination of
3 employment, (iii) any contingent or ~~non-contingent~~non-contingent liability on account of
4 representations or warranties issued on or before the Effective Date, and (iv) all debts of the kind
5 specified in Sections 502(g), 502(h), or 502(i) of the Bankruptcy Code. Any default by the
6 Debtor with respect to any Claim existing immediately before or on account of the filing of the
7 Chapter 11 Case shall be deemed cured on the Effective Date. The Confirmation Order shall be a
8 judicial determination of the discharge of all Claims subject to the Effective Date occurring.
9 Nothing in this Section 13.3 shall prohibit a Holder of an Abuse Claim from exercising the
10 Litigation Option to pursue recovery from any applicable Non-Settling Insurer Abuse Insurance
11 Policy in accordance with this Plan.

12 **13.4. Confirmation Injunction.**

13 Except as expressly provided in the Plan or the Confirmation Order, as of the Effective
14 Date all Holders of Claims of any nature whatsoever against or in the Debtor or any of its assets
15 or properties based upon any act, omission, transaction, occurrence, or other activity of any nature
16 that occurred before the Effective Date shall be precluded and permanently enjoined from
17 prosecuting or asserting any such discharged Claim against the Debtor or the Reorganized Debtor
18 or the property of the Debtor or Reorganized Debtor. In accordance with the foregoing, except as
19 expressly provided in the Plan or the Confirmation Order, the Confirmation Order shall be a
20 judicial determination of discharge or termination of all Claims, and other debts and liabilities
21 against or in the Debtor pursuant to Sections 105, 524 and 1141 of the Bankruptcy Code, and
22 such discharge shall void any judgment obtained against the Debtor at any time to the extent such
23 judgment relates to a discharged Claim.

24 **13.5. Injunction Against Interference with the Plan.** ~~—~~ Upon the entry of the
25 Confirmation Order, all Holders of Claims and other parties in interest, along with their
26 respective present or former affiliates, employees, agents, officers, directors, attorneys, or
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28 ~~PLAN OF REORGANIZATION, Dated November 8, 2024~~

1 principals, shall be enjoined from taking any actions to interfere with the implementation or
2 consummation of this Plan.

3 **13.6. Exculpation**~~-.~~ Subject to the occurrence of the Effective Date, to the fullest
4 **extent permissible under applicable law and without affecting or limiting either the**
5 **Releases**releases **by the Debtor or the Releases by Holders of Abuse Claims, and except as**
6 **otherwise specifically provided in the Plan or the Confirmation Order, none of the**
7 **Exculpated Parties shall have or incur any liability to any Holder of a Claim or any other**
8 **Person for any act or omission in connection with, related to, or arising out of, the**
9 **Chapter 11 Case, the Plan, the pursuit of Confirmation of the Plan, the negotiation and**
10 **consummation of the Plan, or the administration of the Chapter 11 Case and the Plan, the**
11 **property to be distributed under the Plan, the administration of the Survivors' Trust Assets**
12 **and the Survivors' Trust by the Survivors' Trustee, or any other related agreement, or any**
13 **restructuring transaction, contract, instrument, release, or other agreement or document**
14 **created or entered into during the Chapter 11 Case in connection with the Chapter 11 Case,**
15 **or upon any other act or omission, transaction, agreement, event, or other occurrence**
16 **related or relating to the foregoing, and each Exculpated Party hereby is exculpated from**
17 **any claim or Cause of Action related to the foregoing; provided, however, that the foregoing**
18 **shall not operate as an exculpation, waiver or release for (i) any express contractual**
19 **obligation owing by any such Person or Entity, (ii) willful misconduct or gross negligence,**
20 **and (iii) with respect to Professionals, liability arising from claims of professional**
21 **negligence which shall be governed by the standard of care otherwise applicable to**
22 **professional negligence claims under applicable non-bankruptcy law, and, in all respects,**
23 **the Exculpated Parties shall be entitled to rely upon the advice of counsel with respect to**
24 **their duties and responsibilities under the Plan; provided further that nothing in the Plan**
25 **shall, or shall be deemed to, release the Exculpated Parties, or exculpate the Exculpated**
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28 PLAN OF REORGANIZATION, Dated November 8, 2024

1 **Parties with respect to, their respective obligations or covenants arising pursuant to the**
2 **Plan.**

3 **13.7. Injunction Related to Exculpation.** ~~As of the Effective Date, all Holders of~~
4 Claims that are the subject of Section 13.6 are, and shall be, expressly, conclusively, absolutely,
5 unconditionally, irrevocably, and forever stayed, restrained, prohibited, barred and enjoined from
6 taking any of the following actions against any Exculpated Party and, solely to the extent
7 provided by Section 1125(e) of the Bankruptcy Code, any Entity described in Section 1125(e) or
8 its or their property or successors or assigns on account of or based on the subject matter of such
9 Claims, whether directly or indirectly, derivatively or otherwise: (a) commencing, conducting or
10 continuing in any manner, directly or indirectly, any suit, action or other proceeding (including
11 any judicial, arbitral, administrative or other proceeding) in any forum; (b) enforcing, attaching
12 (including any prejudgment attachment), collecting, or in any way seeking to recover any
13 judgment, award, decree, or other order; (c) creating, perfecting or in any way enforcing in any
14 matter, directly or indirectly, any lien or encumbrance; and/or (d) setting off, seeking
15 reimbursement or contributions from, or subrogation against, or otherwise recouping in any
16 manner, directly or indirectly, any amount against any liability or obligation that is discharged
17 under Section 13.3 or exculpated under Section 13.6.

18 **13.8. Releases by the Debtor.** ~~As of the Effective Date, except for the rights that~~
19 **remain in effect from and after the Effective Date to enforce the Plan and the Confirmation**
20 **Order, pursuant to Section 1123(b) of the Bankruptcy Code, for good and valuable**
21 **consideration, the adequacy of which is hereby confirmed, including the service of the**
22 **Released Parties and Settling Insurers, and each of them, to facilitate and implement the**
23 **reorganization of the Debtor, as an integral component of the Plan, the Debtor, the**
24 **Reorganized Debtor, and the Estate shall, and shall be deemed to, expressly, conclusively,**
25 **absolutely, unconditionally, irrevocably, and forever release and discharge each and all of**
26 **the Released Parties and Settling Insurers of and from any and all Causes of Action**
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28 ~~PLAN OF REORGANIZATION, Dated November 8, 2024~~

1 (including Avoidance Actions), any and all other Claims, obligations, rights, demands, suits,
2 judgments, damages, debts, remedies, losses and liabilities of any nature whatsoever
3 (including any derivative claims or Causes of Action asserted or that may be asserted on
4 behalf of the Debtor, the Reorganized Debtor, or the Estate), whether liquidated or
5 unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or
6 unforeseen, existing or hereinafter arising, in law, equity, contract, tort or otherwise, based
7 on or relating to, or in any manner arising from, in whole or in part, any act, omission,
8 transaction, event, or other circumstance taking place or existing on or before the Effective
9 Date (including before the Petition Date) in connection with or related to the Debtor, the
10 Reorganized Debtor, the Estate, their respective assets and properties, the Chapter 11 Case,
11 the Plan Documents, and any related agreements, instruments, and other documents
12 created or entered into before or during the Chapter 11 Case, the pursuit of entry of the
13 Confirmation Order, the administration and implementation of the Plan, including the
14 distribution of property under the Plan, or any other related agreement, or upon any other
15 act or omission, transaction, agreement, event, or other occurrence taking place on or
16 before the Effective Date related or relating to the foregoing. Notwithstanding anything to
17 the contrary in the foregoing, the releases set forth in this Section 13.8 shall not be
18 construed as releasing any post-Effective Date obligations of any Person or Entity under the
19 Plan or any document, instrument, or agreement executed to implement the Plan or
20 reinstated under the Plan.

21 *13.9. Releases by Holders of Abuse Claims*-. As of the Effective Date, except for the
22 rights that remain in effect from and after the Effective Date to enforce the Plan and the
23 Confirmation Order, pursuant to Section 1123(b) of the Bankruptcy Code, for good and
24 valuable consideration, the adequacy of which is hereby confirmed, including the service of
25 the Released Parties to facilitate and implement the reorganization of the Debtor, as an
26 integral component of the Plan, and except as otherwise expressly provided in the Plan or
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28 *PLAN OF REORGANIZATION, Dated November 8, 2024*

1 the Confirmation Order, to the maximum extent permitted under applicable law, as such
2 law may be extended subsequent to the Effective Date, all Holders of Abuse Claims
3 (including without limitation Unknown Abuse Claims and any Abuse Claims that are
4 Disputed Claims) that ~~have~~timely return a Ballot but do not affirmatively ~~opted~~opt out of
5 the Releases pursuant to Section 6.2 of the Plan, shall, and shall be deemed to, expressly,
6 conclusively, absolutely, unconditionally, irrevocably, and forever discharge and release
7 each and all of the Released Parties and their respective property and successors and
8 assigns of and from all Abuse Claims and any and all Claims and Causes of Action
9 whatsoever, whether known or unknown, asserted or unasserted, derivative or direct,
10 foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, whether
11 for tort, fraud, contract, veil piercing or alter-ego theories of liability, successor liability,
12 contribution, indemnification, joint liability, or otherwise, arising from or related in any
13 way to such Abuse Claims.

14 *13.10. Injunction Related to Releases* ~~-. As of the Effective Date, and except as set~~
15 ~~forth in Articles VIII and IX hereof for Holders of Abuse Claims who elect the Litigation~~
16 ~~Option to sue the Debtor (as a nominal party only)~~, all Holders of Abuse Claims that are the
17 subject of Section 13.9 ~~of the Plan~~hereof are, and shall be, expressly, conclusively,
18 absolutely, unconditionally, irrevocably, and forever stayed, restrained, prohibited, barred
19 and enjoined from taking any of the following actions against any Released Party or its
20 property or successors or assigns on account of or based on the subject matter of such
21 Claims, whether directly or indirectly, derivatively or otherwise: (a) commencing,
22 conducting or continuing in any manner, directly or indirectly, any suit, action or other
23 proceeding (including any judicial, arbitral, administrative or other proceeding) in any
24 forum; (b) enforcing, attaching (including, without limitation, any prejudgment
25 attachment), collecting, or in any way seeking to recover any judgment, award, decree, or
26 other order; (c) creating, perfecting or in any way enforcing in any matter, directly or
27

28 *PLAN OF REORGANIZATION, Dated November 8, 2024*

1 indirectly, any lien or encumbrance; and/or (d) setting off, seeking reimbursement or
2 contributions from, or subrogation against, or otherwise recouping in any manner, directly
3 or indirectly, any amount against any liability or obligation that is discharged under
4 Section 13.3 of the Plan or released under Section 13.9 of the Plan.

5 **13.11. Disallowed Claims**— On and after the Effective Date, the Debtor and the
6 Reorganized Debtor shall be fully and finally discharged of any and all liability or obligation on
7 any and all Disallowed Claims, and any order Disallowing a Claim that is not a Final Order as of
8 the Effective Date solely because of an Entity’s right to move for reconsideration of such Order
9 pursuant to Section 502 of the Bankruptcy Code or Bankruptcy Rule 3008 shall nevertheless
10 become and be deemed to be a Final Order on and as of the Effective Date. The Confirmation
11 Order, except as otherwise provided herein, shall constitute an order Disallowing all Claims to
12 the extent such Claims are not allowable under any provision of Section 502 of the Bankruptcy
13 Code, including time-barred Claims, and Claims for unmatured interest.

14 **13.12. Channeling Injunction**— **IN CONSIDERATION OF THE UNDERTAKINGS**
15 **UNDER THIS PLAN BY THE RELEASED PARTIES, THEIR CONTRIBUTIONS TO**
16 **THE SURVIVORS’ TRUST, AND OTHER CONSIDERATION AND TO FURTHER**
17 **PRESERVE AND PROMOTE THE AGREEMENTS AMONG THE RELEASED**
18 **PARTIES AND THE SETTLING INSURERS AND TO SUPPLEMENT WHERE**
19 **NECESSARY THE INJUNCTIVE EFFECT OF THE DISCHARGE AS PROVIDED IN**
20 **SECTIONS 524 AND 1141 OF THE BANKRUPTCY CODE, AND PURSUANT TO**
21 **SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE:**

22 **13.12.1. ~~13.13.1.~~—ANY AND ALL CHANNELED CLAIMS,**
23 **INCLUDING WITHOUT LIMITATION UNKNOWN ABUSE CLAIMS, ARE**
24 **CHANNELED INTO THE SURVIVORS’ TRUST AND SHALL BE TREATED,**
25 **ADMINISTERED, DETERMINED, RESOLVED AND PAID IN THE AMOUNTS AS**
26 **PROVIDED BY THE SURVIVORS’ TRUST DISTRIBUTION PLAN AND**

27 **PLAN OF REORGANIZATION, Dated November 8, 2024**

1 PROCEDURES ESTABLISHED UNDER THIS PLAN AND THE SURVIVORS' TRUST
2 AGREEMENT AS THE SOLE AND EXCLUSIVE REMEDY FOR ALL HOLDERS OF
3 CHANNELED CLAIMS; AND

4 13.12.2. ~~13.13.2.~~ EXCEPT AS SET FORTH IN ARTICLES VIII AND
5 IX HEREOF FOR HOLDERS OF ABUSE CLAIMS WHO ELECT THE LITIGATION
6 OPTION TO SUE THE DEBTOR (AS A NOMINAL PARTY ONLY), ALL PERSONS
7 WHO HELD OR ASSERTED, HOLD OR ASSERT, OR MAY IN THE FUTURE HOLD
8 OR ASSERT ANY CHANNELED CLAIMS ARE HEREBY PERMANENTLY STAYED,
9 ENJOINED, BARRED AND RESTRAINED FROM TAKING ANY ACTION, DIRECTLY
10 OR INDIRECTLY, FOR THE PURPOSES OF ASSERTING, ENFORCING, OR
11 ATTEMPTING TO ASSERT OR ENFORCE ANY CHANNELED CLAIM AGAINST
12 THE RELEASED PARTIES AND THE SETTling INSURERS, INCLUDING:
13 (i) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER
14 PROCEEDING OF ANY KIND WITH RESPECT TO ANY CHANNELED CLAIM
15 AGAINST ANY OF THE RELEASED PARTIES OR SETTling INSURERS OR
16 AGAINST THE PROPERTY OF ANY OF THE RELEASED PARTIES OR SETTling
17 INSURERS; (ii) ENFORCING, ATTACHING, COLLECTING OR RECOVERING, BY
18 ANY MANNER OR MEANS, FROM ANY OF THE RELEASED PARTIES OR THE
19 PROPERTY OF ANY OF THE RELEASED PARTIES OR SETTling INSURERS, ANY
20 JUDGMENT, AWARD, DECREE, OR ORDER WITH RESPECT TO ANY
21 CHANNELED CLAIM AGAINST ANY OF THE RELEASED PARTIES OR SETTling
22 INSURERS; (iii) CREATING, PERFECTING OR ENFORCING ANY LIEN OF ANY
23 KIND RELATING TO ANY CHANNELED CLAIM AGAINST ANY OF THE
24 RELEASED PARTIES OR SETTling INSURERS OR THE PROPERTY OF THE
25 RELEASED PARTIES OR SETTling INSURERS; (iv) ASSERTING, IMPLEMENTING
26 OR EFFECTUATING ANY CHANNELED CLAIM OF ANY KIND AGAINST ANY
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28 *PLAN OF REORGANIZATION, Dated November 8, 2024*

1 OBLIGATION DUE ANY OF THE RELEASED PARTIES OR SETTLING INSURERS,
2 ANY OF THE RELEASED PARTIES OR SETTLING INSURERS, OR THE PROPERTY
3 OF ANY OF THE RELEASED PARTIES OR SETTLING INSURERS; (v) TAKING ANY
4 ACT, IN ANY MANNER, IN ANY PLACE WHATSOEVER, THAT DOES NOT
5 CONFORM TO, OR COMPLY WITH, THE PROVISIONS OF THIS PLAN OR THE
6 SURVIVORS' TRUST DOCUMENTS; AND (vi) ASSERTING OR ACCOMPLISHING
7 ANY SETOFF, RIGHT OF INDEMNITY, SUBROGATION, CONTRIBUTION OR
8 RECOUPMENT OF ANY KIND AGAINST ANY OBLIGATION DUE TO ANY OF THE
9 RELEASED PARTIES OR SETTLING INSURERS.

10 *13.13. Provisions Relating to the Channeling Injunction.*

11 13.13.1 ~~13.13.1~~-*Modifications.* The Channeling Injunction is a permanent
12 injunction. It shall not be modified, dissolved, or terminated.

13 13.13.2 ~~13.13.2~~-*Non-Limitation.* Nothing in the Plan or the Survivors' Trust
14 Documents shall or shall be construed in any way to limit the scope, enforceability, or
15 effectiveness of the Channeling Injunction or the assumption by the Survivors' Trust of all
16 liability with respect to the Abuse Claims.

17 13.13.3 ~~13.13.3~~-*Bankruptcy Rule 3016 Compliance.* The Debtor's compliance
18 with the requirements of Bankruptcy Rule 3016 shall not constitute or be deemed to constitute an
19 admission that the Plan provides for an injunction against conduct not otherwise enjoined under
20 the Bankruptcy Code.

21 13.13.4 ~~13.13.4~~-*No Duplicative Recovery.* In no event shall any Holder of an
22 Abuse Claim be entitled to receive any payment, reimbursement, or restitution from any Released
23 Party under any theory of liability for the same loss, damage, or other Abuse Claim that is
24 reimbursed by the Survivors' Trust or is otherwise based on the same events, facts, matters, or
25 circumstances that gave rise to the applicable Abuse Claim. This provision does not prohibit ~~the~~
26 ~~Survivors' Trust~~ a Holder of Abuse Claim from pursuing recovery from Non-Settling Insurers for
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28 *PLAN OF REORGANIZATION, Dated November 8, 2024*

1 coverage of an Abuse Claim ~~for which the Holder of such Abuse Claim has received a recovery~~
2 ~~from the Survivors' Trust~~, subject to Articles VIII and IX hereof.

3 **13.14. Effect of Channeling Injunction.** The Channeling Injunction is an integral part of
4 this Plan and is essential to this Plan's consummation and implementation. It is intended that the
5 channeling of the Channeled Claims as provided in Section 13.12 of the Plan shall inure to the
6 benefit of the Released Parties and the Settling Insurers. In any action to enforce the injunctive
7 provisions of Section 13.12 of the Plan against a Holder of a Claim whereby it is held by a Final
8 Order that such Holder willfully violated the terms of Section 13.12 of the Plan, the moving party
9 may seek an award of costs including reasonable attorneys' fees against such Holder, and such
10 other legal or equitable remedies as are just and proper, after notice and a hearing. The
11 Channeling Injunction does not bar claims against any Non-Settling Insurer except to the extent a
12 Non-Settling Insurer becomes a Settling Insurer.

13 **13.15. Exclusion Regarding Non-Settling Insurers. NOTWITHSTANDING THE**
14 **FOREGOING, AND FOR THE AVOIDANCE OF DOUBT, NOTHING IN THIS**
15 **ARTICLE XIII (INCLUDING THE RELEASES, INJUNCTIONS, AND**
16 **EXCULPATIONS) LIMITS THE RIGHTS OF A NON-SETTLING INSURER AS SET**
17 **FORTH IN, OR PRESERVED BY, THE PLAN, INCLUDING (I) ARTICLES VIII AND**
18 **IX AND (II) THE RIGHTS OF ANY INSURER (INCLUDING NON-SETTLING**
19 **INSURERS) TO ASSERT ANY CLAIMS FOR REINSURANCE UNDER**
20 **REINSURANCE CONTRACTS OR CLAIMS UNDER RETROCESSIONAL**
21 **CONTRACTS AGAINST THE SETTLING INSURERS AND OTHER INSURANCE**
22 **COMPANIES. FURTHERMORE, THE NON-SETTLING INSURERS ARE NOT**
23 **GRANTING (NOR SHALL THEY BE SUBJECT TO) ANY THIRD-PARTY RELEASE,**
24 **INJUNCTION, OR EXCULPATION COVERING ANY NON-DEBTOR PERSON OR**
25 **ENTITY AND THEY SHALL BE DEEMED TO HAVE OPTED OUT OF ANY SUCH**
26 **RELEASE, INJUNCTION, OR EXCULPATION.**

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28 **PLAN OF REORGANIZATION, Dated November 8, 2024**

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**ARTICLE XIV
MODIFICATION**

14.1. Modification of the Plan.

14.1.1. To the fullest extent permitted under Section 1127 of the Bankruptcy Code, the Plan may be altered, amended or modified by the Debtor (or Reorganized Debtor as appropriate) at any time prior to its substantial consummation.

14.1.2. In the event of any modification, alteration or amendment on or before Confirmation, any votes to accept or reject this Plan shall be deemed to be votes to accept or reject this Plan as modified, unless the Court finds that the modification, alteration or amendment materially and adversely affects the rights of parties in interest which have cast said votes.

14.2. Correction of Defects— Following the Effective Date, the Reorganized Debtor may initiate a proceeding or motion in the Court in order to remedy any defects or omissions, or to reconcile any inconsistencies, in the Plan or the Confirmation Order, upon notice of such proceedings or motion served on all parties listed in the Post-Confirmation Notice List and any other parties who may be materially and adversely affected.

14.3. Savings Clause— Any minor defect or inconsistency in the Plan may be corrected or amended by the Confirmation Order.

14.4. Remedy of Defects— After the Effective Date, the Reorganized Debtor may, with approval of the Court, and so long as it does not materially and adversely affect the interests of Holders of Claims, remedy any defect or omission or reconcile any inconsistencies in the Plan or in the Confirmation Order in such manner as may be necessary to carry out the purposes and effect of the Plan and in form and substance satisfactory to the Reorganized Debtor.

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**ARTICLE XV
RETENTION OF JURISDICTION**

15.1. Scope of the Bankruptcy Court's Retained Jurisdiction— The Bankruptcy Court shall retain and have jurisdiction over the Chapter 11 Case for all purposes provided by the Bankruptcy Code, including for the following purposes:

15.1.1. To hear and determine motions for the assumption or rejection of Executory Contracts or Unexpired Leases, if any are pending on the Effective Date and not otherwise determined by Confirmation, and the allowance of Claims resulting therefrom.

15.1.2. To grant full and complete relief upon the request of the Reorganized Debtor.

15.1.3. To determine any and all objections to the allowance of Claims and to allow, ~~dis-allow~~ disallow, estimate, liquidate, or determine any Claim, except with respect to Abuse Claims whose Holders select the Litigation Option pursuant to Section 9.8.4 hereof and subject to the terms of Section 5.2.2 and Articles VIII and IX hereof.

15.1.4. To determine any and all applications for compensation and reimbursement of expenses and any other fees and expenses authorized to be paid or reimbursed under the Bankruptcy Code or the Plan which accrued on or prior to the Confirmation Date.

15.1.5. To determine any and all applications, adversary proceedings and contested or litigated matters (a) that may be pending on the Effective Date, except as provided in the Confirmation Order; or (b) which shall be commenced on or after the Effective Date and be properly before the Bankruptcy Court.

15.1.6. To consider any modifications of the Plan, any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order, to the extent authorized by the Bankruptcy Code.

15.1.7. To implement the provisions of the Plan and to issue orders in aid of execution of the Plan to the extent authorized by Section 1142 of the Bankruptcy Code.

~~PLAN OF REORGANIZATION, Dated November 8, 2024~~

1 15.1.8. To resolve any disputes and otherwise hear such additional matters brought
2 by the Survivors' Trustee or otherwise related to the Survivors' Trust Assets or to the fulfillment
3 of the Survivors' Trustee's duties pursuant to the Plan and the Survivors' Trust Documents.

4 15.1.9. To hear and determine disputes arising in connection with the
5 interpretation, implementation or enforcement of the Plan.

6 15.1.10. To enter a Final Decree and orders reopening the Chapter 11 Case
7 as appropriate after entry of a Final Decree, *provided that* the Bankruptcy Court shall retain
8 jurisdiction to enter an order terminating the Survivors' Trust and discharging the Survivors'
9 Trustee in accordance with the terms of the Survivors' Trust, notwithstanding the issuance of the
10 Final Decree and closing of the Chapter 11 Case and without the necessity of reopening the
11 Chapter 11 Case.

12 15.1.11. To hear any other matter consistent with the Bankruptcy Code.

13 **15.2. Failure of Bankruptcy Court to Exercise Jurisdiction.** If the Bankruptcy Court
14 abstains from exercising or declines to exercise jurisdiction or is otherwise without jurisdiction
15 over any matter arising out of the Chapter 11 Case, including matters set forth in this Article XV,
16 such lack of jurisdiction will not diminish, control, prohibit, or limit the exercise of jurisdiction
17 by any other court having competent jurisdiction with respect to such matter.

18 **ARTICLE XVI**
19 **MISCELLANEOUS PROVISIONS**

20 **16.1. Enforcement.** The Reorganized Debtor may take such actions, including the
21 initiation of proceedings or the prosecution of a motion, as may be reasonably necessary in order
22 to interpret or enforce the purposes and intent of the Plan.

23 16.1.1 ~~16.1.1~~ *Forum for Enforcement.* Subject to the retained jurisdiction of
24 the Bankruptcy Court, any motion or proceeding to enforce the Plan may be brought before the
25 Bankruptcy Court or any other court of competent jurisdiction.

26 16.1.2 ~~16.1.2~~ *Expenses of Enforcement.* In the event that any action, motion,
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28 **PLAN OF REORGANIZATION, Dated November 8, 2024**

1 contested matter, complaint, answer, counterclaim, cross-claim or other action is filed or taken by
2 the Reorganized Debtor either in the Bankruptcy Court or otherwise, in order to enforce or
3 interpret any terms of the Plan or the Confirmation Order, or any order or agreement made in
4 implementation of the Plan, the prevailing party in such matter (as determined by a court of
5 competent jurisdiction) shall be entitled to recover from any opposing party its expenses,
6 including reasonable attorneys' fees and costs, incurred in such matter.

7 **16.2. Exemption from Certain Transfer Taxes and Recording Fees.** Pursuant to
8 Section 1146(c) of the Bankruptcy Code, the issuance, transfer, or exchange of a security, or the
9 making or delivery of an instrument of transfer under the Plan may not be taxed under any law
10 imposing a stamp tax or similar tax. The taxes from which such transfers are exempt include
11 stamp taxes, recording taxes, sales and use taxes, transfer taxes, and other similar taxes.

12 **16.3. Effectuating Documents.** The Debtor or the Reorganized Debtor, as the case
13 may be, is authorized to execute, deliver, file, or record such contracts, instruments, releases, and
14 other agreements or documents and take such actions as may be necessary or appropriate to
15 implement, effectuate, and further evidence the terms and conditions of the Plan and any notes or
16 interests issued pursuant to the Plan.

17 **16.4. Governing Law.** Unless a rule of law or procedure is supplied by federal law,
18 including the Bankruptcy Code and the Bankruptcy Rules, the laws of the State of California
19 (without reference to its conflict of law rules) will govern the construction and implementation of
20 the Plan and any agreement, documents, and instruments executed in connection with the Plan
21 unless otherwise specifically provided in such agreements, documents, or instruments.

22 **16.5. Integration.** The provisions of this Plan and the Confirmation Order shall
23 supersede any and all prior agreements, documents, understandings, written or otherwise, in
24 respect of any Claim, and the treatment or satisfaction thereof, except as provided in any order of
25 the Court. All such prior agreements, documents or understandings are merged herein, and no
26 Person may thereafter pursue or prosecute any Claim or demand arising out of or pertaining to
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28 **PLAN OF REORGANIZATION, Dated November 8, 2024**

1 such superseded agreements, documents or understandings as against the Debtor or Reorganized
2 Debtor.

3 **16.6. Inconsistency.** In the event of any inconsistency between the Plan and any
4 Exhibit to the Plan or any other instrument or document created or executed pursuant to the Plan,
5 including the Survivors' Trust Documents, the Plan shall govern. In the event of any
6 inconsistency between the Plan or any other document and the Confirmation Order, the
7 Confirmation Order shall govern.

8 **16.7. Section Headings.** Headings are used in the Plan for convenience and reference
9 only and shall not affect in any way the meaning or interpretation of the Plan or constitute a part
10 of the Plan for any other purpose.

11 **16.8. Severability.** If any provision in the Plan is determined to be unenforceable, the
12 determination will in no way limit or affect the enforceability and operative effect of any other
13 provision of the Plan.

14 **ARTICLE XVII**
15 **REQUEST FOR CONFIRMATION**

16 **17.1. Confirmation Pursuant to § 1129(b).** If necessary, the Debtor requests
17 Confirmation of the Plan pursuant to Section 1129(b) of the Bankruptcy Code.

18 [signature ~~signatures~~ on the next page]
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28 **PLAN OF REORGANIZATION, Dated November 8, 2024**

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DATED: ~~November 8~~ January 3,
~~2024~~ 2025

**THE ROMAN CATHOLIC BISHOP OF
OAKLAND**

By:
/s/ Attila Bardos
Attila Bardos
Chief Financial Officer ~~Attila Bardos~~
~~Chief Financial Officer~~

Presented by:
FOLEY & LARDNER LLP
Thomas F. Carlucci
Shane J. Moses
Ann Marie Uetz
Matthew D. Lee
Geoffrey S. Goodman
Mark C. Moore

/s/Shane J. Moses
Shane J. Moses

*Counsel for the Debtor
and Debtor in Possession*

Schedule ~~1.1.201.1.21~~

Legal Description of Cathedral Property Parcel

LEGAL DESCRIPTION OF LAND - CATHEDRAL

Real property in the City of Oakland, County of Alameda, State of California, described as follows:

Parcel 2, Parcel Map 6031, filed March 4, 1991 in Book 196, Pages 41 and 42 of Maps, Alameda County Records.

APN: 008 -0653-024

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Schedule ~~1.1.27~~1.1.28

Schedule of Churches

Church Listing

Church Names	City
HOLY SPIRIT/NEWMAN HALL CHURCH	BERKELEY
ST. MARY MAGDALEN CHURCH	BERKELEY
CATHEDRAL OF CHRIST THE LIGHT	OAKLAND
ST. THERESA CHURCH	OAKLAND
ST. PATRICK MISSION	CROCKETT
ST. BARNABAS CHURCH	ALAMEDA
ST. JOSEPH BASILICA	ALAMEDA
ST. AMBROSE CHURCH	BERKELEY
OUR LADY OF GRACE CHURCH	CASTRO VALLEY
TRANSFIGURATION CHURCH	CASTRO VALLEY
ST. RAYMOND PENAFORT CHURCH	DUBLIN
CORPUS CHRISTI CHURCH	FREMONT
HOLY SPIRIT CHURCH	FREMONT
ST. JAMES THE APOSTLE CHURCH	FREMONT
ST. JOSEPH CHURCH	FREMONT
OUR LADY OF GUADALUPE CHURCH	FREMONT
ALL SAINTS CHURCH	HAYWARD
ST. BEDE CHURCH	HAYWARD
ST. CLEMENT CHURCH	HAYWARD
ST. JOACHIM CHURCH	HAYWARD
ST. CHARLES BORROMEO CHURCH	LIVERMORE
ST. MICHAEL CHURCH	LIVERMORE
ST. EDWARD CHURCH	NEWARK
ST. AUGUSTINE CHURCH	OAKLAND
ST. BENEDICT CHURCH	OAKLAND
ST. BERNARD CHURCH	OAKLAND
ST. ELIZABETH CHURCH	OAKLAND
ST. LEO THE GREAT CHURCH	OAKLAND
OUR LADY OF LOURDES CHURCH	OAKLAND
ST. MARGARET MARY CHURCH	OAKLAND
ST. PATRICK CHURCH	OAKLAND
SACRED HEART CHURCH	OAKLAND
CORPUS CHRISTI CHURCH	PIEDMONT
CATHOLIC COMMUNITY of PLEASANTON	PLEASANTON
CHURCH OF THE ASSUMPTION	SAN LEANDRO
OUR LADY OF GOOD COUNSEL	SAN LEANDRO
ST. FELICITAS CHURCH	SAN LEANDRO
ST. LEANDER CHURCH	SAN LEANDRO
ST. JOHN THE BAPTIST CHURCH	SAN LORENZO
OUR LADY OF THE ROSARY CHURCH	UNION CITY
ST. ANNE CHURCH	UNION CITY
ST. IGNATIUS OF ANTIOCH CHURCH	ANTIOCH
IMMACULATE HEART of MARY CHURCH	BRENTWOOD
ST. AGNES CHURCH	CONCORD
ST. BONAVENTURE CHURCH	CONCORD

Church Listing

Church Names	City
ST. FRANCIS OF ASSISI CHURCH	CONCORD
QUEEN OF ALL SAINTS CHURCH	CONCORD
ST. ROSE OF LIMA CHURCH	CROCKETT
ST. ISIDORE CHURCH	DANVILLE
ST. JEROME CHURCH	EL CERRITO
ST. JOHN THE BAPTIST CHURCH	EL CERRITO
ST. CALLISTUS CHURCH	EL SOBRANTE
ST. PERPETUA CHURCH	LAFAYETTE
ST. CATHERINE OF SIENA CHURCH	MARTINEZ
ST. MONICA CHURCH	MORAGA
ST. ANTHONY CHURCH	OAKLEY
SANTA MARIA CHURCH	ORINDA
ST. JOSEPH CHURCH	PINOLE
CHURCH OF THE GOOD SHEPHERD	PITTSBURG
OUR LADY QUEEN OF THE WORLD	BAY POINT
ST. PETER MARTYR CHURCH	PITTSBURG
CHRIST THE KING CHURCH/ST. STEPHEN CHURCH	PLEASANT HILL/WALNUT CREEK
OUR LADY OF MERCY CHURCH	POINT RICHMOND
ST. CORNELIUS CHURCH	RICHMOND
ST. DAVID OF WALES CHURCH	RICHMOND
ST. PATRICK CHURCH	RODEO
ST. JOAN OF ARC CHURCH	SAN RAMON
ST. ANNE CHURCH	WALNUT CREEK
ST. JOHN VIANNEY CHURCH	WALNUT CREEK
ST. MARY CHURCH	WALNUT CREEK
DIVINE MERCY CHURCH	OAKLAND DIVIMERCC
ST. MARK CHURCH	RICHMOND
ST. ANTHONY	MARY HELP OF CHRISTIANS
ST. COLUMBA CHURCH	OAKLAND
ST. JARLATH CHURCH	OAKLAND
ST. LOUIS BERTRAND	OAKLAND
MOST HOLY ROSARY CHURCH	ANTIOCH
ST. JOSEPH THE WORKER CHURCH	BERKELEY
ST. ANNE CHURCH	BYRON
ST. PAUL CHURCH	SAN PABLO
ST. PHILIP NERI	ST. ALBERT THE GREAT CHURCH ALAMEDA

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Schedule ~~1.1.71~~1.1.72

Legal Description of Livermore Property

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LEGAL DESCRIPTION LIVERMORE PROPERTY

REAL Property in the Unincorporated Area, County of Alameda, State of California, described as follows:

Commencing at [h• Southeasterly comer of that certain 0.157 of an acre parcel of land described in the deed to the State of California recorded September 30, 1952 in Volume 6837, Page 111, Official Records of Ala da County; thence North 2° 26' 15" East, 10.11 feet to the Northerly line of said parcel; thence along said Northerly line South 83° 57' 10" west, 684.28 feet; thence South 1° 31' 50" East, 40.12 feet;hence North 83° 57' 10" East, 583.02 feet; thence along a tangent curve to the right with a radius of 0 feet, through an angle of 61° 36' 54" an arc distance of 53,77 feet to the Westerly line of that cert in 0.047 of an acre, parcel of land conveyed to the State of California by deed recorded June I,,1953 in Volume 7043, Page 61, Official Records of Alameda County; thence along said Westerly South 2° 26' 15" West, 212.44 feet; thence South 86° 42' 45" East, 25.00 feet; thence South 3° 17' 15" West, 43.00 feet to a point distant North 3° 17' 15" East, 237.00 feet from Engineer's Engineer's Stati4n 690 + 70.00 on the "A4" line of the Department of Public Works' survey for the State freeway, in Alameda County, road IV-Ala-5-F; thence South 86° 42' 45" East, 15.64 feet; thence North 2° 26' 15" East, 318.86 feet; thence North 83° 57' 10" East, IO. I 1 feet to the to the point of commencement,

As described in the Relinquishment of State Highway in the County of Alameda recorded June 10, 1956, Book 806(, Page 455, and being a portion of Las Colinas Road.

FIRST AMERICAN TITLE

Summary report: Litera Compare for Word 11.7.0.54 Document comparison done on 1/3/2025 7:30:36 PM	
Style name: New	
Intelligent Table Comparison: Inactive	
Original filename: RCBO - Plan of Reorganization.docx	
Modified filename: RCBO - Debtor's Amended Plan of Reorganization 4905-2678-6571 v.5.docx	
Changes:	
<u>Add</u>	800
Delete	614
Move From	14
<u>Move To</u>	14
<u>Table Insert</u>	0
Table Delete	16
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	1458

EXHIBIT B

**Redline of Amended Disclosure Statement vs. Disclosure Statement
and Redline of Liquidation Analysis**

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11 **UNITED STATES BANKRUPTCY COURT**
12 **NORTHERN DISTRICT OF CALIFORNIA**
13 **OAKLAND DIVISION**

14 In re:
15 THE ROMAN CATHOLIC BISHOP OF
16 OAKLAND, a California corporation sole,
17 Debtor.

Case No. 23-40523
Chapter 11
Judge: Hon. William J. Lafferty

18
19 **AMENDED DISCLOSURE STATEMENT FOR**
20 **DEBTOR'S AMENDED PLAN OF REORGANIZATION**

21 **NOTE: THIS DISCLOSURE STATEMENT IS BEING PRESENTED TO THE**
22 **COURT FOR APPROVAL, BUT HAS NOT YET BEEN APPROVED BY THE**
23 **BANKRUPTCY COURT AS CONTAINING ADEQUATE INFORMATION**
24 **WITHIN THE MEANING OF SECTION 1125(A) OF THE**
25 **BANKRUPTCY CODE**
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1 **IMPORTANT INFORMATION ABOUT THIS DISCLOSURE STATEMENT¹**

2 THE ROMAN CATHOLIC BISHOP OF OAKLAND, A CALIFORNIA CORPORATION
3 SOLE, THE DEBTOR AND DEBTOR IN POSSESSION IN THE ABOVE-CAPTIONED CHAPTER
4 11 CASE (THE “DEBTOR” OR “RCBO”) SEEKS CONFIRMATION OF THE *DEBTOR’S*
5 AMENDED PLAN OF REORGANIZATION (THE “PLAN”). A COPY OF THE PLAN IS
6 ATTACHED TO THIS DOCUMENT AS **EXHIBIT A**.

7 THIS DISCLOSURE STATEMENT (THE “DISCLOSURE STATEMENT”), THE PLAN,
8 THE PLAN SUPPLEMENT, THE ACCOMPANYING BALLOTS, AND RELATED MATERIALS
9 ARE BEING FURNISHED BY THE DEBTOR, AS THE PLAN PROPONENT, PURSUANT TO
10 SECTIONS 1125 AND 1126 OF TITLE 11 OF THE UNITED STATES CODE (THE
11 “BANKRUPTCY CODE”) AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY
12 PROCEDURE, IN CONNECTION WITH THE DEBTOR’S SOLICITATION OF VOTES TO
13 ACCEPT THE PLAN.

14 THE PLAN PROVIDES FOR THE REORGANIZATION OF THE DEBTOR’S FINANCIAL
15 AFFAIRS, FOR DISTRIBUTIONS TO CREDITORS HOLDING ALLOWED CLAIMS FROM THE
16 DEBTOR’S ASSETS, THE ASSETS OF CONTRIBUTING NON-DEBTOR CATHOLIC ENTITIES,
17 AND THE CONTRIBUTIONS OF SETTLING INSURERS, IF ANY, AND FOR THE CLAIMS
18 AGAINST NON-SETTLING INSURERS TO BE ASSIGNED TO THE SURVIVORS’ TRUST (AS
19 DEFINED HEREIN). THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE
20 SUBJECT TO MATERIAL CONDITIONS PRECEDENT, SOME OF WHICH MAY NOT BE
21 SATISFIED. THERE IS NO ASSURANCE THAT THESE CONDITIONS WILL BE SATISFIED
22 OR WAIVED.

23 ALL HOLDERS OF CLAIMS AGAINST THE DEBTOR ARE ENCOURAGED TO READ
24 AND CAREFULLY CONSIDER THIS ENTIRE DISCLOSURE STATEMENT, INCLUDING ALL
25 EXHIBITS AND INCLUDING THE “*RISK FACTORS TO BE CONSIDERED*” IN ARTICLE
26 ~~XIX~~XVIII.

27 IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE
28 DATE OF THE PLAN OCCURS, ALL HOLDERS OF CLAIMS AGAINST THE DEBTOR
(INCLUDING, WITHOUT LIMITATION, THOSE HOLDERS OF CLAIMS WHO DO NOT
SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN OR WHO ARE NOT ENTITLED TO
VOTE ON THE PLAN, EXCEPT AS OTHERWISE PROVIDED IN THE PLAN) WILL BE BOUND
BY THE TERMS OF THE PLAN AND THE TRANSACTIONS DESCRIBED IN THE PLAN.

NO PERSON MAY GIVE ANY INFORMATION ON BEHALF OF THE DEBTOR
REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN, OTHER
THAN THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, EXCEPT
FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS (THE “COMMITTEE”)
CONSISTENT WITH ITS OBLIGATIONS ARISING UNDER 11 U.S.C. § 1103(c)(3). ALL OTHER
STATEMENTS REGARDING THE PLAN AND THE TRANSACTIONS CONTEMPLATED
THEREIN, WHETHER WRITTEN OR ORAL, ARE UNAUTHORIZED.

THIS DISCLOSURE STATEMENT IS DESIGNED TO PROVIDE ADEQUATE
INFORMATION TO ENABLE HOLDERS OF IMPAIRED CLAIMS AGAINST THE DEBTOR
(THAT ARE ENTITLED TO VOTE AS DESCRIBED HEREIN) TO MAKE AN INFORMED

¹ Capitalized terms used but not otherwise defined in this Disclosure Statement shall have the meanings ascribed to them in the *Debtor’s Amended Plan of Reorganization* [Docket No. 4441594] (the “Plan”).

1 JUDGMENT ON WHETHER TO ACCEPT OR REJECT THE PLAN. ALL CREDITORS ARE
2 ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN
3 IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN
4 SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE
5 QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN FILED
6 CONTEMPORANEOUSLY HERewith, OTHER EXHIBITS ANNEXED HERETO, AND OTHER
7 DOCUMENTS REFERENCED AS FILED WITH THE BANKRUPTCY COURT PRIOR TO THE
8 END OF THE SOLICITATION PERIOD FOR THE PLAN. NO MATERIALS OTHER THAN THE
9 ACCOMPANYING MATERIALS ATTACHED HERETO OR REFERENCED HEREIN HAVE
10 BEEN APPROVED BY THE BANKRUPTCY COURT OR THE PLAN PROPONENT FOR USE IN
11 SOLICITING ACCEPTANCES OR REJECTIONS OF THE PLAN. SUBSEQUENT TO THE DATE
12 HEREOF, THERE CAN BE NO ASSURANCE THAT: (I) THE INFORMATION AND
13 REPRESENTATIONS CONTAINED HEREIN REMAIN MATERIALLY ACCURATE, OR (II)
14 THIS DISCLOSURE STATEMENT CONTAINS ALL MATERIAL INFORMATION.

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THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION
CONTAINED IN THIS DISCLOSURE STATEMENT OR IN ANY EXHIBIT, EXCEPT AS
EXPRESSLY INDICATED IN THIS DISCLOSURE STATEMENT OR IN ANY EXHIBIT. THIS
DISCLOSURE STATEMENT WAS COMPILED FROM INFORMATION OBTAINED BY THE
DEBTOR FROM NUMEROUS SOURCES BELIEVED TO BE ACCURATE TO THE BEST OF THE
DEBTOR'S KNOWLEDGE, INFORMATION, AND BELIEF. THE DEBTOR'S RESPECTIVE
PROFESSIONALS HAVE NOT INDEPENDENTLY VERIFIED ALL OF THE INFORMATION
SET FORTH IN THIS DISCLOSURE STATEMENT AND ARE NOT RESPONSIBLE FOR ANY
INACCURACIES THAT MAY BE CONTAINED IN THIS DISCLOSURE STATEMENT OR THE
PLAN.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS
OF THE DATE HEREOF, AND THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL
NOT, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE
INFORMATION IS CORRECT AT ANY TIME SUBSEQUENT TO THIS DATE, AND THE
DEBTOR UNDERTAKES NO DUTY TO UPDATE THE INFORMATION.

PERSONS OR ENTITIES HOLDING OR TRADING IN OR OTHERWISE PURCHASING,
SELLING, OR TRANSFERRING CLAIMS AGAINST THE DEBTOR SHOULD EVALUATE THIS
DISCLOSURE STATEMENT IN LIGHT OF THE PURPOSE FOR WHICH IT WAS PREPARED,
AND SHOULD BE AWARE THAT ACTUAL DISTRIBUTIONS MAY VARY FROM THE
ESTIMATES CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT AND THE RELATED DOCUMENTS ARE THE ONLY
DOCUMENTS AUTHORIZED BY THE BANKRUPTCY COURT TO BE USED IN CONNECTION
WITH THE SOLICITATION OF VOTES ACCEPTING OR REJECTING THE PLAN. NO
REPRESENTATIONS ARE AUTHORIZED BY THE BANKRUPTCY COURT CONCERNING
THE DEBTOR, THE DEBTOR'S BUSINESS OPERATIONS, THE VALUE OF THE DEBTOR'S
ASSETS, OR THE VALUES OF ANY BENEFITS OFFERED PURSUANT TO THE PLAN, EXCEPT
AS EXPLICITLY SET FORTH IN THIS DISCLOSURE STATEMENT OR ANY OTHER
DISCLOSURE STATEMENT OR OTHER DOCUMENT APPROVED FOR DISTRIBUTION BY
THE BANKRUPTCY COURT. HOLDERS OF CLAIMS SHOULD NOT RELY UPON ANY
REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE ACCEPTANCE OF THE PLAN,
OTHER THAN THOSE SET FORTH IN THIS DISCLOSURE STATEMENT.

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY PURPOSE
OTHER THAN TO DETERMINE WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN,
AND NOTHING STATED IN THIS DISCLOSURE STATEMENT SHALL CONSTITUTE AN
ADMISSION OF ANY FACT OR LIABILITY BY ANY PERSON OR BE ADMISSIBLE IN ANY

AMENDED DISCLOSURE STATEMENT FOR **AMENDED** PLAN OF REORGANIZATION

1 PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PERSON, OR BE DEEMED
2 CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN ON THE
DEBTOR, ANY RELEASED PARTY, OR HOLDERS OF CLAIMS.

3 THIS DISCLOSURE STATEMENT IS FORWARD-LOOKING. FORWARD- LOOKING
4 STATEMENTS ARE STATEMENTS OF EXPECTATIONS, BELIEFS, PLANS, OBJECTIVES,
5 ASSUMPTIONS, PROJECTIONS, AND FUTURE EVENTS OF PERFORMANCE. AMONG
6 OTHER THINGS, THIS DISCLOSURE STATEMENT CONTAINS FORWARD-LOOKING
7 STATEMENTS WITH RESPECT TO ANTICIPATED FUTURE PERFORMANCE OF THE
8 DEBTOR AND A TRUST TO BE CREATED FOR THE BENEFIT OF HOLDERS OF ABUSE
9 CLAIMS, AS WELL AS ANTICIPATED FUTURE DETERMINATIONS OF CLAIMS AND
10 DISTRIBUTIONS ON CLAIMS. THESE STATEMENTS, ESTIMATES, AND PROJECTIONS
11 MAY OR MAY NOT PROVE TO BE CORRECT. ACTUAL RESULTS COULD DIFFER
12 MATERIALLY FROM THOSE REFLECTED IN THESE FORWARD-LOOKING
13 UNCERTAINTIES DUE TO A WIDE VARIETY OF SIGNIFICANT BUSINESS, LEGAL, AND
14 ECONOMIC RISKS, INCLUDING, AMONG OTHERS, THOSE DESCRIBED IN THIS
DISCLOSURE STATEMENT. THE PLAN PROPONENT UNDERTAKES NO OBLIGATION TO
UPDATE ANY FORWARD-LOOKING STATEMENT. NEW FACTORS EMERGE FROM TIME
TO TIME AND IT IS NOT POSSIBLE TO PREDICT ALL FACTORS, NOR CAN THE IMPACT
OF ALL FACTORS BE ASSESSED.

15 HOLDERS OF CLAIMS SHOULD NOT CONSTRUE THE CONTENTS OF THIS
16 DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL, OR TAX
17 ADVICE. EACH HOLDER SHOULD CONSULT WITH THEIR OWN LEGAL, BUSINESS,
18 FINANCIAL, AND TAX ADVISORS WITH RESPECT TO ANY MATTERS CONCERNING THIS
19 DISCLOSURE STATEMENT, THE SOLICITATION OF VOTES TO ACCEPT THE PLAN, THE
20 PLAN, AND THE TRANSACTIONS CONTEMPLATED BY THE PLAN.

21 **[THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY ORDER OF THE**
22 **BANKRUPTCY COURT AS CONTAINING ADEQUATE INFORMATION OF A KIND AND**
23 **IN SUFFICIENT DETAIL TO ENABLE HOLDERS OF CLAIMS TO MAKE AN INFORMED**
24 **JUDGMENT WITH RESPECT TO VOTING TO ACCEPT OR REJECT THE PLAN.]**
25 HOWEVER, THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT
26 DOES NOT CONSTITUTE A RECOMMENDATION OR DETERMINATION BY THE
27 BANKRUPTCY COURT AS TO THE MERITS OF THE PLAN. EACH HOLDER OF A CLAIM
28 ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN SHOULD READ THIS DISCLOSURE
STATEMENT AND THE PLAN (INCLUDING ALL EXHIBITS AND SCHEDULES TO THE PLAN
AND DISCLOSURE STATEMENT) IN THEIR ENTIRETY BEFORE VOTING.

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EXHIBITS:

A—PLAN OF REORGANIZATION

B—LIQUIDATION ANALYSIS

C—FINANCIAL PROJECTIONS

D—LOAN TERM SHEET

E—RCWC PLAN FUNDING COMMITMENT

F—SURVIVORS' TRUST DOCUMENTS

G—COMMITTEE LETTER

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ARTICLE I

EXECUTIVE SUMMARY

The Debtor is responsible for coordinating the mission of the Roman Catholic Church within the geographical boundary of the Diocese of Oakland. Beginning in the late Twentieth Century, it came to light that some people working for and associated with the Roman Catholic Church—priests, bishops, laypersons, and volunteers—had been sexually abusing children and vulnerable adults for decades. This crisis shocked the world. It also exposed Church institutions worldwide, including the Debtor, to significant tort liability. As will be described in greater detail, the Debtor filed bankruptcy as a means of managing its liability for these depraved actions against some of the most vulnerable members of society.

Providing fair and equitable compensation for survivors of Abuse, and reorganizing to enable the Debtor to continue its mission to serve the needs of the faithful within the Diocese of Oakland, are the focal points of the Plan. The tragedy of the Abuse by those purporting to do the missionary work of the Church is impossible to overstate. Instead of fulfilling this mission, these perpetrators inflicted harm and suffering. The Abuse was and is inexcusable. It not only deeply impacted the survivors, but it also affected the faithful and the community the Debtor serves.

A. Survivors’ Trust Assets / Plan Contributions

i. Contributions from the Debtor and Other Contributing Entities.

To compensate the victims and survivors of sexual abuse, the Plan establishes a Survivors’ Trust funded with the Survivors’ Trust Assets. The Survivors’ Trustee will liquidate the Survivors’ Trust Assets and distribute the proceeds to the Holders of Abuse Claims and Unknown Abuse Claims, pursuant to the procedures contained in the Survivors’ Trust Distribution Plan ~~to be filed with the Plan Supplement and described herein~~ (part of the Survivors’ Trust Documents attached hereto as Exhibit F).²

On the Plan’s Effective Date (the date after confirmation when the Plan becomes Effective), the Plan will create a Survivors’ Trust for the purpose of paying distributions to Holders of Class 4 and Class 5 Claims, which are the two Classes of Abuse Claims under the Plan. The Survivors’ Trust will be funded with (a) \$103 million in cash contributed by the Debtor, (b) a contribution of real estate which the Debtor believes is worth between approximately \$43 million and \$81 million (or more), and (c) \$14.25 million in cash contributed by RCWC contingent on the number of Releases it secures from those Holders of Class 4 Claims and Class 5 Claims who have asserted liability against RCWC in connection with an Abuse Claim.³ The Debtor will also contribute and assign to the Survivors’ Trust the rights and interests of the Debtor in the Non-Settling Insurer Policies.

More specifically, the Survivors’ Trust will receive the following contributions from the Debtor and RCWC (together, the “Contributing Entities”) on the following schedule:

² Distributions to Holders of Abuse Claims may be subject to fee agreements between Holders of Abuse Claims and their legal counsel. The Debtor has no information on any such agreements. Legal counsel to Holders of Abuse Claims are obligated to comply with Rules 1.5 and 1.5.1 of the California Rules of Professional Conduct and Cal. Bus. & Prof. Code § 6147 in connection with any fees charged to Holders of Abuse Claims.

³ Provided, however, if less than 100% of all RCWC Claimants grant RCWC a release pursuant to Section 13.9 of the Plan, then the RCWC Cash Contribution, and each of its installment payments, shall be reduced by a percentage proportional to the percentage of RCWC Claimants who opt out of granting RCWC such Release.

- On the Effective Date:
 - From the Debtor: \$63.0 million in cash
 - From the Debtor (via Adventus): the Livermore Property
 - From RCWC: \$2.0 million in cash
- On the first anniversary of the Effective Date: \$10.0 million from the Debtor and \$3.0 million from RCWC;
- On the second anniversary of the Effective Date: \$10.0 million from the Debtor and \$3.0 million from RCWC;
- On the third anniversary of the Effective Date: \$10.0 million from the Debtor and \$3.0 million from RCWC; and,
- On the fourth anniversary of the Effective Date: \$10.0 million from the Debtor and \$3.25 million from RCWC.

The Debtor Cash Contribution to the Survivors' Trust will be facilitated in part by a \$55 million loan from the RCC. The remaining Debtor Cash Contribution will come from unrestricted cash including unrestricted cash raised from the sale of real estate owned by the Debtor. The RCWC Cash Contribution will come from unrestricted cash including unrestricted cash raised from the sale of real estate owned by RCWC, and is based on the number of Abuse Claims asserting liability against it that do not affirmatively "opt out" of the third-party releases.

The Contributing Entities' Cash contributions to the Survivors' Trust are anticipated to be not less than \$117.25 million. The Livermore Property is worth between \$43 million and up to approximately \$81 million or more if it is entitled for residential development, such that the sale of the Livermore Property by the Survivors' Trustee could contribute such amount following its sale to the Survivors' Trust Assets.⁴ Adventus holds title to the Livermore Property. The Livermore Property is located at 3658 Las Colinas Road, Livermore, CA. The property consists of approximately 122.5 acres of vacant land with no on-site improvements. It is currently zoned for agricultural use. The Debtor's estimated valuation of the Livermore Property assumes the property is entitled for the construction of ~~single-family~~ single-family homes. The Debtor has engaged with City of Livermore officials and staff regarding the entitlement process for many years. The Debtor shall also contribute any proceeds held by the Debtor or the Reorganized Debtor on account of any Insurance Settlement Agreements finalized and effectuated prior to the Effective Date, if any, and the Assigned Insurance Interests, all as set forth in Article VIII and Sections 9.3.5 and ~~9.3.6~~ 9.3.6 of the Plan. RCWC will make a similar contribution of Assigned Insurance Interests alongside its Cash Contribution. Contributions of any kind by the Contributing Entities are referred to as the "Contributing Entities' Contributions," the cash component of which is the "Contributing Entities' Cash Contributions."

ii. The "Why" of the Contributions From the Debtor and Other Contributing Entities

The Debtor firmly believes the Contributing Entities' Contributions, in the aggregate, accomplish the dual goals of fairly compensating Holders of Abuse Claims and allowing the Debtor to continue its mission to serve the Catholic faithful and those who need its services and ministries in the East Bay area. The basis for this belief is three-fold.

⁴ As discussed in the Committee Letter attached hereto as Exhibit G, the Committee contests this valuation.

1 First, the Contributing Entities' Contributions exceed, in the aggregate and on a per-Abuse Claim
2 basis, the equivalent contributions from debtors in recent diocesan bankruptcy cases the Debtor believes
3 are comparable to this diocesan bankruptcy case. This is discussed in more detail in Section I.B, below.

4 Second, the Plan maximizes the Debtor's assets available to pay creditors while allowing the
5 Debtor to continue its mission. Many of the Debtor's assets are either necessary for it to maintain basic
6 operations – including for Churches within the Diocese of Oakland – or were donated to the Debtor for a
7 specific, restricted purpose. Because the Debtor is a charitable entity, California law imposes limitations
8 on the use of property donated subject to a restriction on use. See Cal. Bus. and Prof. Code § 17510.8
9 ("acceptance of charitable contributions by a charity . . . establishes a charitable trust and a duty on the
10 part of the charity . . . to use those charitable contributions for the declared charitable purposes for which
11 they are sought"). Consequently, the Debtor may not use assets donated for a specific purpose for any
12 other purpose. In other words, the Debtor cannot use assets donated for the purpose of corporal works of
13 mercy (e.g. feeding the hungry, sheltering the homeless, visiting the sick or imprisoned), to pay operational
14 expenses, or to pay its creditors. Many of the Debtor's cash assets are restricted in this manner.
15 Additionally:

- 16 • The Initial Debtor Cash Contribution to be made on the Effective Date will include what
17 limited unrestricted cash the Debtor has available to pay Abuse Claims plus proceeds from
18 the loan the Debtor will receive from RCC;
- 19 • After the Effective Date, the Reorganized Debtor will meet its contribution obligations by
20 selling real estate (including some Church property and including both vacant and non-
21 vacant land) and transferring the proceeds to the Survivors' Trust, potentially to be
22 supplemented with additional unrestricted cash; and,
- 23 • The Livermore Property, which the Plan proposes to transfer to the Survivors' Trust on the
24 Effective Date, hands over to the Survivors' Trust for the benefit of Class 4 Claims what
25 is likely the most valuable single real estate asset available to the Debtor (through its
26 affiliate, Adventus, which will approve the transfer if the Plan is confirmed). The Debtor
27 has spent considerable time working with the City of Livermore to permit the Livermore
28 Property to be developed for residential use. This work is ongoing. If the Debtor (or the
Survivors' Trust) succeeds, the sale of the Livermore Property will dramatically increase
the amount available to pay Abuse Claims.

19 Finally, and most materially, the Plan reflects the Debtor's willingness to make deep sacrifices to
20 fairly compensate survivors of sexual abuse. In order to pay the entire Debtor Cash Contribution, and to
21 pay back RCC, the Debtor will be forced to sell a significant amount of its real estate holdings, including
22 some Church property and including both vacant and non-vacant land. The Plan reflects the Debtor's
23 careful analysis of its real estate assets, including how each asset contributes to the Debtor's mission and
24 measures that would need to be taken to make those each asset salable, and inherently depends on the sale
25 or encumbering of certain real estate. Some of the real estate to be sold will be vacant or mostly-vacant
26 land adjacent to one of the Churches. Some of the real estate to be sold will include land on which
27 Churches presently sit. In the case of the latter, this means those locations might not be used for church
28 services or any other aspects of the Catholic faith and mission after they are sold. This is a painful result
for the Debtor and many Catholics. The Debtor is still assessing which specific property will be sold but
the Debtor will sell enough property as needed to fund the Plan and to make it feasible. Under applicable
U.S. Supreme Court and Ninth Circuit case law, the Debtor cannot be forced to sell real estate on which
it operates one of the Churches. See *Security Farms v. Gen. Teamsters, Warehouseman and Helpers*
Union, Local 890 (In re Gen. Teamsters, Warehouseman and Helpers Union, Local 890), 265 F.3d 865,
877 (9th Cir. 2001); see also *Hosanna-Tabor Evangelical Lutheran Church and School v. E.E.O.C.*, 565
U.S. 171, 188-190) (in the context of the ministerial exception to federal employment discrimination laws,
First Amendment Religion Clauses prohibit "government interference with an internal church decision
that affects the faith and mission of the church itself"). Here the Debtor is willing to sell some of its

AMENDED DISCLOSURE STATEMENT FOR AMENDED PLAN OF REORGANIZATION

1 [property, including Church property, pursuant to a confirmed Plan in order to achieve the dual goals of](#)
2 [this Chapter 11 Case.](#)

3
4 **iii. Potential Settling Insurer Contributions and the Insurance Assignment.**

5 The Plan provides that Non-Settling Insurers may become Settling Insurers, and provides for
6 settlement proceeds resulting therefrom to be used to further supplement ~~the Survivors' recoveries to~~ Trust
7 [Claims](#). To the extent no settlement with a particular Non-Settling Insurer is achieved, the Plan establishes
8 a framework for post-confirmation litigation for Trust Claimants seeking recovery from Non-Settling
9 Insurers [through the Litigation Option](#).

10 The Debtor engaged in extensive and tireless mediation with the Insurers over the Insurance
11 Assignment. The Debtor and Insurers have reached agreement on a term sheet that would allow the Debtor
12 to assign its rights and obligations under the Abuse Insurance Policies, but not the Policies themselves, to
13 the Survivors' Trust upon the Effective Date. The Plan – chiefly, but not exclusively, Article VIII of the
14 Plan – reflect, in the Debtor's view, the agreed-upon term sheet.⁵

15
16 **iv. Potential Additional Contributions.**

17 The Plan further provides that other Non-Debtor Catholic Entities (in addition to Adventus and
18 RCWC), such as religious orders, may make contributions and receive treatment similar to Adventus and
19 RCWC. All such parties (including Adventus and RCWC) are referred to as the "[Contributing Non-](#)
20 [Debtor Catholic Entities](#)." Collectively, the Cash, property, and insurance contributions to the Survivors'
21 Trust from all parties are referred to herein as the "[Survivors' Trust Assets](#)."

22 On the Effective Date, the Survivors' Trust will segregate \$5.0 million of the Initial Debtor
23 Contribution into the Unknown Abuse Claims Reserve for the benefit of Holders of Class 5 Claims.

24 **B. Comparison to Other Diocesan/Religious Order Cases**

25 The Debtor believes the treatment proposed in the Plan is fair and equitable to its creditors and
26 represents a greater recovery—on a claimant-by-claimant basis—based on contributions from the Debtor
27 itself when compared with prior, similar bankruptcy cases.⁶

28 The following chart demonstrates potential average per-Claim distributions assuming: 1) stated
values of the Contributing Entities' Cash Contributions plus the stated range of value for the Livermore
Property, and 2) approximately 345 unique Abuse Claims will ultimately receive distributions:

Contributing Entities' Cash Contribution	Livermore Property Value	Total Debtor/RCWC Contribution Value	Average Per-Claim Distribution
\$117.25 million	NONE	\$117.25 million	\$339,855
\$117.25 million	\$43.0 million	\$160.25 million	\$464,492
\$117.25 million	\$81.0 million	\$198.25 million	\$574,637

29 ⁵ [As discussed in the Committee Letter, the Committee does not support the agreement between the Debtor](#)
30 [and the Insurers embodied herein.](#)

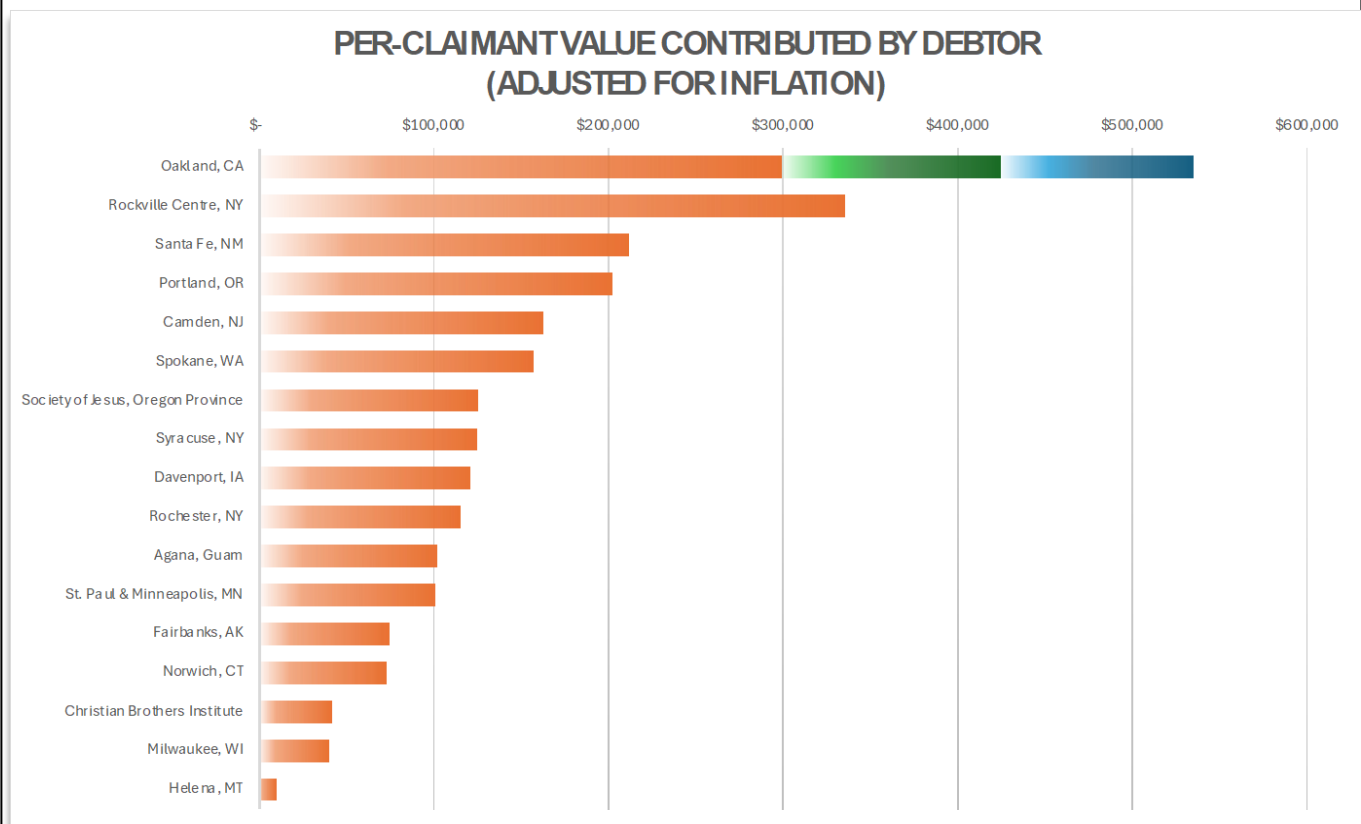
31 ⁶ [As discussed in the Committee Letter, the Committee disagrees with this assertion.](#)

1 In addition, these potential average per-Claim distributions do not include: 1) the value of the
 2 Assigned Insurance Interests and potential associated recoveries, ~~nor~~ 2) [possible settlements with Settling](#)
 3 [Insurers prior to the Effective Date of the Plan, if any, and 3\)](#) additional possible contributions from other
 4 Contributing Non-Debtor Catholic Entities besides RCWC.

5 The first chart below compares the Debtor Contributions to other cases with confirmed or proposed
 6 plans of reorganization, with the green portion assuming the low range of value for the ultimate sale of
 7 the Livermore Property, and the blue portion assuming the high value for same; *provided however*, that
 8 the debtor-funded recovery shown for *Rockville Centre* includes contributions on the Effective Date from
 9 separately incorporated parishes.

10 ~~The second chart below reflects projected per claimant average values assuming 345 Abuse~~
 11 ~~Claims receive Distributions from the Survivors' Trust.~~

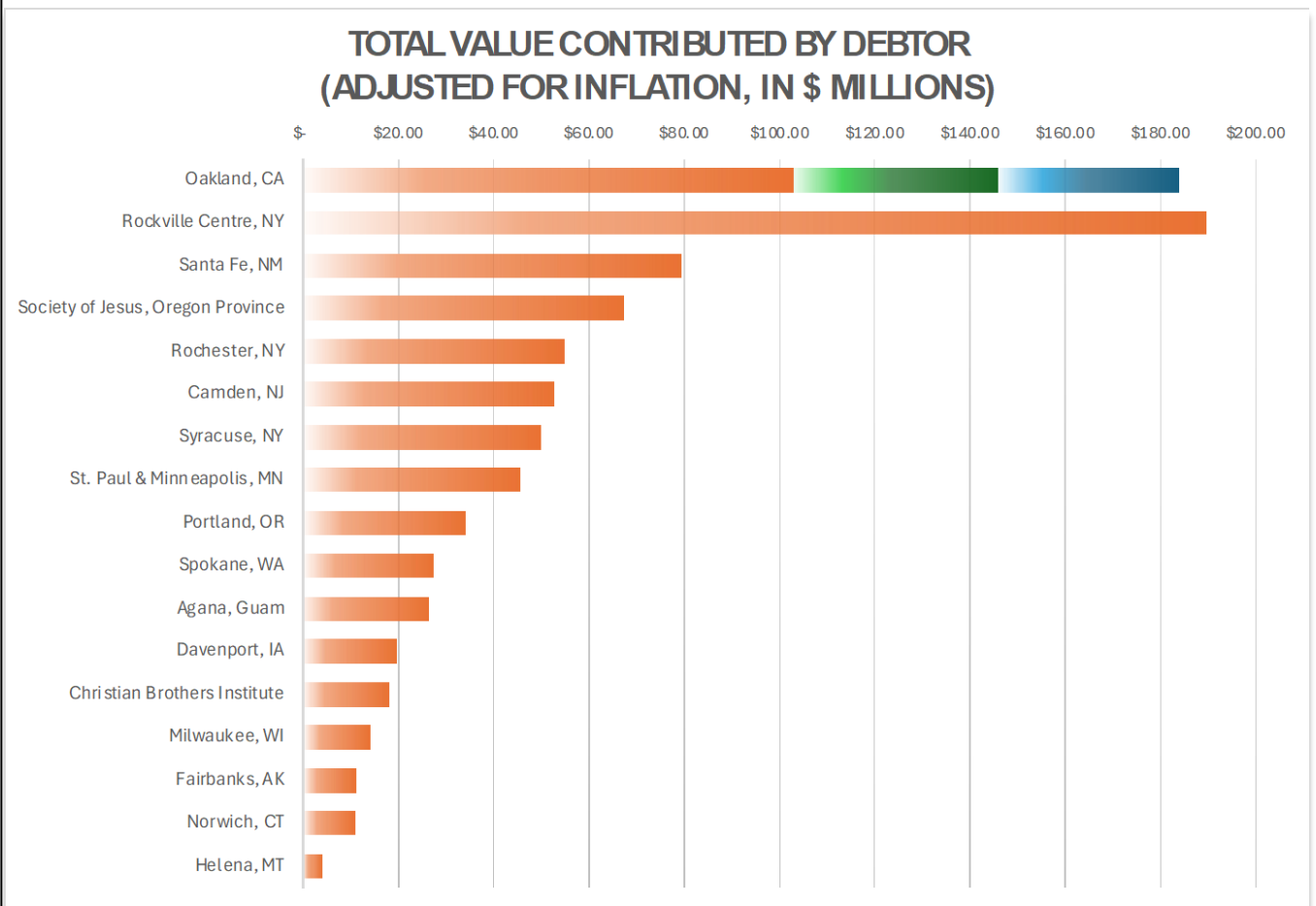
12 [The charts below reflect outcomes in specific bankruptcy cases derived from publicly available](#)
 13 [information about those cases. The Debtor chose these specific cases because the Debtor believes they](#)
 14 [are comparable to this case due to: 1\) the number of abuse claims and 2\) the recency of confirmation or](#)
 15 [settlement in the case. Non-bankruptcy outcomes have not been included because the Debtor believes](#)
 16 [non-bankruptcy settlements or judgments are not applicable to this chapter 11 case in that the creditors in](#)
 17 [this chapter 11 case will be paid according to a confirmed plan of reorganization if the Plan is confirmed.](#)
 18 [Where possible the Debtor has attempted to compare apples-to-apples in terms of debtor-only](#)
 19 [contributions in cases with separately incorporated parishes.⁷](#)



25
 26 ⁷ [As discussed in the Committee Letter, the Committee disputes: 1\) whether this analysis is relevant and](#)
 27 [2\) which data points from which cases should be used. The Committee has provided its own comparative](#)
 28 [analysis in the Committee Letter.](#)

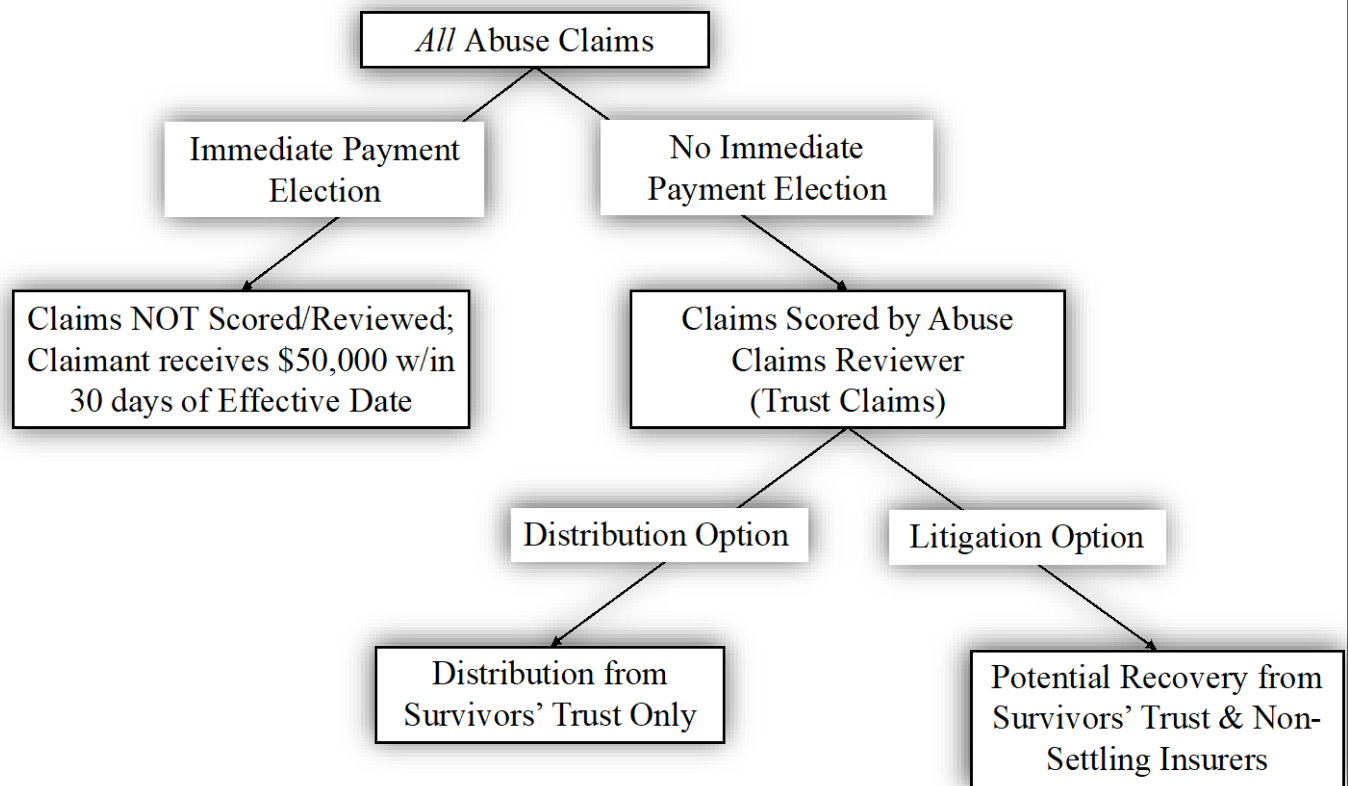
1 The second chart below reflects projected per-claimant average values assuming 345 Abuse
 2 Claims receive Distributions from the Survivors' Trust. As discussed in Section V(H)(2) below, 386
 3 "unique" (non-duplicative, timely) Abuse Claims were filed in this Chapter 11 Case. Of those claims,
 4 after the thorough review described herein, the Debtor estimates that approximately 345 may receive
 5 distributions from the Survivors' Trust, although all Abuse Claims will be entitled to elect the Immediate
 6 Payment Option.

7
 8 Because the Immediate Payment Option pays less (\$50,000) than the projected per-claimant
 9 average values under the Plan, every Abuse Claimant that elects that option increases the projected per-
 10 claimant average for all other Abuse Claimants. The tradeoff, as described below, is that Abuse Claimants
 11 electing the Immediate Payment Option: 1) receive their payment within 30 days of the Effective Date of
 12 the Plan, and 2) do not have their Abuse Claims scored or reviewed in any way.



23 **C. Plan Mechanics**

24 The following subsections outline the decisions Abuse Claimants make under the Plan regarding
 25 their potential distributions from the Survivors' Trust. Those decisions (and the outcomes therefrom) can
 26 be represented graphically as follows:



i. Immediate Payments.

The Plan provides the option for Abuse Claimants to elect to receive an Immediate ~~Distribution~~ Payment within 30 days of the Effective Date in the amount of \$50,000. If an Abuse Claimant elects to receive an Immediate ~~Distribution~~ Payment, all recovery on their Abuse Claim is limited to the Immediate ~~Distribution~~ Payment. For the avoidance of doubt, an Abuse Claimant who elects to receive an Immediate ~~Distribution~~ Payment shall not be permitted to seek any additional recovery on account of the Abuse Claim from any other party, including Non-Settling Insurers. Correspondingly, Abuse Claims of Claimants that elect the Immediate ~~Distribution~~ Payment will not be scored or subject to Claim objections.

ii. Initial Determination / Claims Scoring.

After the Effective Date, the Abuse Claims Reviewer will score all remaining Abuse Claims (defined as “Trust Claims”) and issue a letter to each Holder of such Claims (“Trust Claimants”) regarding the scoring of their specific Claim (the “Initial Determination”). The purpose of the scoring is to calculate ~~the value~~ each Trust Claimant’s *pro rata share* of projected distributions. The Initial Determination will include a projected total recovery for the Trust Claimant based on the anticipated Survivors’ Trust Assets available for distribution. Actual distributions may change based on, among other things, the value of the Livermore Property when sold and recoveries for Litigation Claimants from Non-Settling Insurers that free up additional funds for Distribution Claimants.

As set forth in the Trust Distribution Plan, the scoring process works as follows:

- First, the Abuse Claims Reviewer applies Initial Criteria to determine whether any incurable defects exist with respect to a Trust Claim. These criteria include whether the

1 Trust Claim was timely submitted, substantially completed and signed, is duplicative of
2 another Trust Claim, or was previously resolved through litigation or settlement;

- 3 • Second, the Abuse Claims Reviewer applies General Criteria intended to determine
4 whether the Trust Claim adequately describes the alleged abuse, alleged perpetrator,
5 location of abuse, and legal liability of the Debtor or another party; and,
- 6 • Third, the Abuse Claims Reviewer applies Evaluation Factors to score the claim on a scale
7 from 1-100. The Evaluation Factors include the nature of the abuse (in terms of duration,
8 frequency, level of severity and degree of intrusiveness, etc.), the impact of the abuse (in
9 terms of mental and physical health, spiritual well-being, interpersonal relationships, etc.);
10 prior recoveries, if any, from other parties; and the claimant's involvement in bringing the
11 abuse to light for the benefit of all Trust Claimants.

12 After scoring each Trust Claim, the Abuse Claims Reviewer will calculate the value of an
13 individual "point." The point value will be determined by dividing (a) the total dollars available for
14 distribution to Trust Claims by (b) the total of points among the individual Trust Claims. For example:

- 15 • Assume there are 250 claimants holding Trust Claims with an average score of 50 points
16 per claim.
- 17 • 50 points per claim multiplied by 250 claims yields 12,500 total points.
- 18 • Assuming a total distributable amount of \$150 million, each point would be valued at
19 \$12,000 (\$150 million divided by 12,500 points).

20 Accordingly, Trust Claims assigned 25, 50, and 75 points would receive projected total recoveries of
21 \$300,000, \$600,000, and \$900,000 from the Survivor's Trust, respectively.

22 Following receipt of the Initial Determination, Trust Claimants get 30 days to request review of
23 the Initial Determination by a neutral decisionmaker (the "Neutral Determination"). If sought, the Neutral
24 Determination shall be the "Final Determination." If no Neutral Determination is sought, the Initial
25 Determination shall be the Final Determination.

26 **iii. Distribution Option vs. Litigation Option.**

27 All Trust Claimants will have 90 days from issuance of the Initial Determination to elect one of
28 two paths as to their Trust Claim: 1) acceptance of a distribution solely from the Survivors' Trust (the
"Distribution Option"), or 2) pursuit of litigation that could yield recovery from an insurer, if any (the
"Litigation Option"). Claimants that do not make an election will be deemed to have chosen the
Distribution Option.

~~Regardless of which path they choose, Trust Claimants also get 30 days to request review of the
Initial Determination by a neutral decisionmaker (the "Neutral Determination"). The higher of the Initial
Determination or Neutral Determination (if sought) shall be the "Final Determination."~~

On the ~~121st~~^{91st} day following issuance of the Initial Determinations by the Abuse Claims
Reviewer, the Survivors' Trustee will know: 1) how many Trust Claimants chose the Distribution Option,
and 2) how many Trust Claimants chose the Litigation Option. Following resolution of the last ~~review of~~
~~an Initial Neutral Determination by the neutral decisionmaker~~, the Survivors' Trustee will know the total
number of points of Trust Claims and be able to project pro rata shares of anticipated distributions to
Trust Claimants.

At that point:

AMENDED DISCLOSURE STATEMENT FOR **AMENDED** PLAN OF REORGANIZATION

1 For Trust Claimants that chose the Distribution Option:

- 2
- 3 • The Survivors' Trustee will make his Initial Distribution, which shall be comprised of
4 such Trust Claimant's ~~pro-rata~~pro rata share of the Survivors' Trust Assets existing on
5 that date, less reasonable reserves for the Survivors' Trust. This will likely not include
6 the proceeds from the sale of the Livermore Property at that time.
 - 7 • Following sale of the Livermore Property (if it did not occur prior to the Initial
8 Distribution) or upon receipt of additional Cash Contributions, the Survivors' Trustee
9 will ~~make his Second Distribution~~such Additional Distributions as are necessary and
10 appropriate, which shall be comprised of such Trust Claimant's ~~pro-rata~~pro rata share
11 ~~of the proceeds~~ thereof, less reasonable reserves for the Survivors' Trust.

12 For Trust Claimants that chose the Litigation Option:

- 13 • The Survivors' Trust shall reserve the amount of the projected distribution based on
14 the Final Determination pending the outcome of the litigation. As the Survivors' Trust
15 receives additional Cash Contributions or the proceeds from the sale of the Livermore
16 Property, the Survivors' Trust shall increase the reserve commensurately (the
17 "Reserved Amount").
- 18 • The Trust Claimant shall be allowed to resume or institute (as appropriate) litigation
19 against the ~~Survivors' Trust (as successor in interest to the~~ Debtor (in name only) to
20 establish coverage liability and damages for the Trust Claimant's Abuse Claim: as
21 against the applicable Non-Settling Insurer(s). As to the liability of the Debtor (as
22 assumed by the Survivors' Trust):
 - 23 ○ If the litigation yields a judgment against the ~~Survivors' Trust~~ Debtor (in name only)
24 (the "Judgment Amount") that is lower than the ~~Final Determination, the judgment~~
25 ~~amount~~ Reserved Amount, the Judgment Amount controls. Any excess in the
26 reserve will be reallocated for payment to all Trust Claimants who elected the
27 Distribution Option.
 - 28 ○ If the litigation yields a ~~judgment~~ Judgment Amount against the ~~Survivors'~~
~~Trust~~ Debtor (in name only) that is higher than the ~~Final Determination, the Final~~
~~Determination~~ Reserved Amount, the Reserved Amount controls.
- 29 • If the litigation yields a judgment covered by insurance, the amount of such
30 ~~judgment~~ coverage shall be paid by the ~~Survivors' Trust~~ responsible Insurer(s) directly
31 to such Trust Claimant following recovery.
- 32 • Following resolution of each Litigation Option case, the Survivors' Trustee will make
33 ~~an Initial~~ Litigation Distribution to each such Litigation Claimant in an amount equal
34 to the lesser of: 1) ~~such Trust Claimant's Final Determination~~ the Reserved Amount, or
35 2) the ~~Survivors' Trust judgment liability~~ Judgment Amount, both amounts being
36 subject to reasonable reserves.
 - 37 ○ If: 1) the Survivors' Trust subsequently receives additional Survivors' Trust Assets
38 that would have increased the reserve for a Litigation Claimant, and 2) the
39 Litigation Distribution was less than the Judgment Amount, the Survivors' Trustee
40 can make additional Litigation Distributions to such claimant up to the Judgment
41 Amount, provided however, that in no event can a Litigation Claimant receive more
42 than the total amount of his or her judgment from all sources.

43 **AMENDED DISCLOSURE STATEMENT FOR AMENDED PLAN OF REORGANIZATION**

- [Any excess in the reserve for a Litigation Claimant will be reallocated for payment to all Trust Claimants who elected the Distribution Option.](#)

Following resolution of the last Trust Claim of the last Trust Claimant that chose the Litigation Option, the Survivors' Trustee will make his [Final Distribution to Trust Claimants that elected the Distribution Option](#), which shall be comprised of ~~all~~[such](#) Trust Claimants' pro-rata shares of all remaining Survivors' Trust Assets, including reserves.

D. Non-Monetary Commitment to Healing and Reconciliation

The final key aspect of the Plan is the continuation of the Debtor's Mission to Effect Reconciliation and Compensation, which constitutes its non-monetary commitment pursuant to the Plan. Bishop shares the conviction of His Holiness Pope Francis, expressed on February 2, 2015, that "everything possible must be done to rid the Church of the scourge of the sexual abuse of minors and to open pathways of reconciliation and healing for those who were abused ..." As such the Bishop, on behalf of himself and the Debtor, pledges and agrees to continue the good work outlined in Article IV(G), below.

The abuse of children and vulnerable adults has no place in the Diocese of Oakland, specifically, or the Roman Catholic Church, generally. The Debtor will do everything in its power to prevent such abuse.

ARTICLE II

GENERAL INFORMATION

On May 8, 2023, (the "[Petition Date](#)"), the Debtor filed a voluntary chapter 11 petition with the Bankruptcy Court. Since the Petition Date, the Debtor has remained in possession of its assets and has continued to own, operate, and manage its affairs pending the approval of a plan of reorganization in accordance with the provisions of the Bankruptcy Code.

On May 23, 2023, the U.S. Trustee appointed the Committee in this Chapter 11 Case pursuant to section 1102 of the Bankruptcy Code. The Committee is comprised of individuals who assert claims of sexual abuse against the Debtor. The individual members of the Committee are represented by counsel that collectively represent approximately forty-five percent (45%) of all Abuse Claimants who have asserted Abuse Claims against the Debtor.

The Plan sets forth, among other things, the proposed treatment of Claims and other interests in accordance with the Bankruptcy Code. This Disclosure Statement is intended to explain the Plan and provide such information to Holders of Claims as may be deemed material, important, and necessary so that they may make reasonably informed decisions in exercising their right to vote for acceptance of the Plan. A copy of the Plan is included with this Disclosure Statement as [Exhibit A](#). If the Plan and this Disclosure Statement are not consistent, the terms of the Plan control. Capitalized terms used in this Disclosure Statement but not otherwise defined herein shall have the meanings ascribed to them in the Plan.

The Plan provides for the financial restructuring of the Debtor and the resolution of all, or substantially all, Claims against the Debtor, including, without limitation, the resolution of all Abuse Claims against the Debtor.

A. Releases and Exculpations

The Contributions set forth in the Plan are the result of extensive negotiations regarding, among other things, the extent of liability faced by each entity, the ability of each entity to pay, and insurance

1 coverage available for the types of Claims being satisfied through the Survivors' Trust. In exchange for
2 the contributions to the Survivors' Trust, (a) the Debtor and Reorganized Debtor, (b) the Contributing
3 Non-Debtor Catholic Entities, (c) the Settling Insurers, if any, and (d) each of the foregoing Persons'
4 respective Related Persons shall receive the benefit of certain releases, exculpation, and injunctions, which
5 are summarized below, and set forth more specifically later in this Disclosure Statement and in the Plan.

6 **Exculpation.** The Plan provides certain exculpation
7 provisions which are typical and customary in chapter 11 plans. The
8 provisions provide that the (a) the Exit Facility Lender, (b) the
9 Debtor, including the Churches, (c) the Reorganized Debtor,
10 including the Churches, (d) the Committee, (e) the Committee's
11 members, (f) each Contributing Non-Debtor Catholic Entity, (g) the
12 College of Consulters of the Diocese of Oakland and each of its
13 members, (h) The Diocese of Oakland Finance Council and each of
14 its members, (i) the Presbyteral Council of the Diocese of Oakland
15 and each of its members, (j) the Meditators, (k) the Unknown Abuse
16 Claims Representative, and (l) for each of the foregoing, their
17 respective officers, directors, agents, employees, equity holders,
18 attorneys, financial advisors, accountants, representatives, and other
19 duly authorized employed Professionals in this Bankruptcy Case,
20 will be released from certain of their acts and omissions that
21 occurred from the Petition Date through Effective Date, or in
22 preparation of the Chapter 11 Case. None of these parties will be
23 exculpated from claims arising from the gross negligence, willful
24 misconduct, fraud, or breach of the fiduciary duty of loyalty.

25 **Releases.** The Plan provides that ~~certain parties, including~~
26 ~~the Contributing Non-Debtor Catholic Entities,~~ the Released Parties
27 (as defined therein), will be granted releases and a channeling
28 injunction regarding certain claims, including all Abuse Claims. If
the Plan is confirmed, Abuse Claimants will not be able to recover
directly from or pursue further litigation against such parties,
including the Contributing Non-Debtor Catholic Entities, and Abuse
Claimants' recoveries on account of their Abuse Claims will be
limited by the terms of the Plan.

Injunctions. The Plan provides for certain injunctions,
including a channeling injunction which will channel certain
Claims, including all Abuse Claims against the Debtor or any of the
Contributing Non-Debtor Catholic Entities, into the Survivors'
Trust. This means that any holder of a Claim that is channeled will
no longer be permitted to pursue their Claim except as set forth in
the Plan.

The exculpations, releases, and injunctions contained in the Plan are an integral part of the Debtor's
overall restructuring efforts and were an essential element of the negotiations among the parties and in
obtaining the support of the Debtor and the Contributing Non-Debtor Catholic Entities for the Plan. **Each
Holder of an Abuse Claim has the ability to exempt itself from the releases and channeling
injunction provisions of the Plan relating to the Contributing Non-Debtor Catholic Entities by
affirmatively withholding consent or "opting out" of such releases and injunctions on the Abuse
Claim Ballot. Opting out of the releases for Contributing Non-Debtor Catholic Entities, specifically
RCWC, does not change the proposed treatment for any Holder of an Abuse Claim. As described
above, however, it may change the amount contributed by RCWC to the Survivors' Trust Assets.**

1 You may be deemed to grant releases to third parties under the Plan. ~~Consenting Abuse~~
2 ~~Claimants are deemed under the Plan are deemed to have released the Debtor and to have consented~~
3 ~~to the release of the Contributing Non-Debtor Catholic Entities pursuant to Section 13.9 of the Plan,~~
4 ~~and Consenting Abuse Claims are subject to a channeling injunction pursuant to Section 13.12 of~~
5 ~~the Plan. A Consenting Abuse Claimant is any Holder of an Abuse Claim who has not either (i)~~
6 ~~affirmatively indicated on their Opt-Out Release Form that they are withholding their consent to~~
7 ~~the releases and injunctions provided for in the Plan with respect to the Non-Debtor Catholic~~
8 ~~Entities or (ii) Filed a timely objection to confirmation of the Plan indicating that they are~~
9 ~~withholding their consent to the releases and injunctions provided for in the Plan with respect to~~
10 ~~the if: 1) you return a ballot voting for or against the Plan, and 2) you do not check the box indicating~~
11 ~~that you opt out of the third-party release in favor of Contributing Non-Debtor Catholic Entities.~~
12 ~~Abuse Claimants that do not return a ballot will not be deemed to release the Contributing Non-~~
13 ~~Debtor Catholic Entities.~~

8 ~~Holders of Class 4 or Class 5 Abuse Claims that do not affirmatively opt-out of the release~~
9 ~~and injunction provisions set forth in the Plan, in each case, will be deemed to consent to these terms.~~

10 If the Plan is confirmed by the Bankruptcy Court and the Effective Date occurs, all Holders
11 of Claims against the Debtor, including all Abuse Claimants, will be bound by the terms of the
12 Plan and the transactions contemplated thereby, including the release provisions contained therein
13 (including Holders of Claims who do not submit Ballots to accept or reject the Plan or who are not
14 entitled to vote on the Plan, but excluding Holders of Abuse Claims who are entitled to, and
15 affirmatively do, opt out of the release and channeling injunction provisions contained in the Plan).

16 The Plan further provides that the Holders of Allowed Administrative Expense Claims, Priority
17 Tax Claims, Non-Tax Priority Claims, Professional Fee Claims, Secured Claims, and General Unsecured
18 Claims will be paid in full as set forth herein, that all Abuse Claims will be channeled to the Survivors'
19 Trust, that the Debtor will be able to restructure its financial affairs, and that the Reorganized Debtor will
20 be able to continue the mission and ministry of the Church, including through its work with the elderly,
21 poor, incarcerated, vulnerable populations, and the Catholic community as a whole, and to address the
22 spiritual needs of those harmed by the Abuse crisis.

23 In the opinion of the Debtor, the treatment of Claims under the Plan provides an opportunity for
24 greater recovery for Creditors than that which is likely to be achieved under other alternatives.
25 Accordingly, the Debtor believes that confirmation of the Plan is in the best interests of, and
26 provides the highest and most expeditious recoveries to, Holders of Claims against the Debtor. All
27 creditors entitled to vote, therefore, are urged to vote to accept the Plan.

28 As set forth in the Committee Letter and throughout this Disclosure Statement, the
Committee does not support this Plan.

B. Summary of Voting Procedures

1. Vote Solicitation and Deadline.

To be counted, your Ballot must be received, pursuant to the following instructions, by
Kurtzman Carson Consultants, LLC dba Verita Global ("Verita"), on or before 5:00 p.m. (prevailing
Pacific Time) on _____, ~~2024~~2025 (the "Voting Deadline"):

If by first class mail, overnight courier or hand delivery:

The Roman Catholic Bishop of Oakland – Ballot Processing c/o Verita
222 N. Pacific Coast Highway, 3rd Floor
El Segundo, CA 90245

AMENDED DISCLOSURE STATEMENT FOR AMENDED PLAN OF REORGANIZATION

1 **By electronic, online submission:**

2 Please visit <https://www.veritaglobal.net/rcbo/>. Click on the “E-Ballot”
3 section of the Debtor’s website and follow the directions on your Ballot to
4 submit your E-Ballot. If you choose to submit your Ballot via Verita’s E-
Ballot system, you should not also return a hard (paper) copy of your
Ballot.

5 **IMPORTANT NOTE: You will need a unique E-Ballot ID Number that will be**
6 **provided with your Ballot.**

7 **IF YOU HOLD A CLAIM ENTITLED TO VOTE:**

8 Please (i) complete the information requested on the Ballot; (ii) sign, date, and indicate your vote to accept
9 or reject the Plan; and (iii) return the completed Ballot in the enclosed pre-addressed, postage-paid
envelope, or by one of the other methods described above, so that it is actually received by Verita on or
before the Voting Deadline.

10 **DO NOT RETURN ANY INVOICES, DEBT INSTRUMENTS, NOTES, OR**
11 **CERTIFICATES THAT YOU MAY HAVE WITH YOUR BALLOT.**

12 **ANY BALLOTS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE**
13 **COUNTED, NOR WILL ANY BALLOTS RECEIVED BY TELECOPY OR EMAIL BE**
14 **ACCEPTED.**

15 **IF YOU HAVE QUESTIONS REGARDING THE BALLOT, DID NOT RECEIVE A**
16 **RETURN ENVELOPE WITH YOUR BALLOT, DID NOT RECEIVE AN ELECTRONIC COPY**
17 **OF THE DISCLOSURE STATEMENT AND THE PLAN, OR NEED PHYSICAL COPIES OF**
18 **THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE DEBTOR’S**
19 **SOLICITATION AND CLAIMS AGENT, VERITA, BY EMAIL AT**
20 **RCBOINFO@VERITAGLOBAL.COM OR BY CALLING (888)-733-1425 (U.S./CANADA) OR**
21 **(310)-751-2631 (INTERNATIONAL) AND REQUESTING TO SPEAK WITH A MEMBER OF**
22 **THE DEBTOR’S BALLOTING TEAM.**

23 2. **Importance of Your Vote.**

24 Your vote is important. The Bankruptcy Court defines acceptance by a Class of Claims as
25 acceptance of at least two-thirds in amount and a majority in number of Allowed Claims in the Class that
26 vote. Only the Ballots of those Holders of Claims who actually vote are counted for purposes of
determining whether a Class voted to accept the Plan. Your failure to vote will leave to others the decision
to accept or reject the Plan.

27 3. **Third-Party Release Opt-Out ~~Form~~ for Abuse Claimants**

28 If you are the Holder of an Abuse Claim in Class 4 or Class 5, the ~~materials included with your~~
~~Ballot include an Opt Out Release Form~~ Ballot includes a checkbox allowing you to opt-out of the non-
debtor releases. If you wish to opt-out of the release provided under the Plan to non-debtor parties, ~~your~~
~~completed Opt Out Release Form must be actually received, pursuant to the following instructions, by~~
~~Verita, on or before 5:00 p.m. (prevailing Pacific Time) on _____, 2024 (the “Release Opt Out~~
~~Deadline”);~~ you must check the box on the Ballot indicating that you wish to opt-out and return the Ballot
by the Voting Deadline set forth above.

If by first class mail, overnight courier or hand delivery:

AMENDED DISCLOSURE STATEMENT FOR **AMENDED** PLAN OF REORGANIZATION

1 The Roman Catholic Bishop of Oakland — Ballot Processing c/o Verita
2 222 N. Pacific Coast Highway, 3rd Floor
3 El Segundo, CA 90245

4 **By electronic, online submission:**

5 Please visit <https://www.veritaglobal.net/rebo/>. Click on the “E-Ballot”
6 section of the Debtor’s website and follow the directions on your Ballot to
7 submit your E-Ballot. If you choose to submit your Ballot via Verita’s E-
8 Ballot system, you should not also return a hard (paper) copy of your
9 Ballot.

10 **IMPORTANT NOTE: You will need a unique Release Opt-Out ID Number that**
11 **will be provided with the Opt-Out Release Form.**

12 **IF YOU HOLD AN ABUSE CLAIM AND RETURN THE BALLOT CASTING A VOTE**
13 **IN FAVOR OF OR AGAINST THE PLAN, YOU WILL BE DEEMED TO CONSENT TO THE**
14 **THIRD-PARTY RELEASE IN THE PLAN AND DESCRIBED IN SECTION III.F AND**
15 **ARTICLE XIII, BELOW, UNLESS YOU RETURN A COMPLETED OPT-OUT RELEASE**
16 **FORM, WITH CHECK THE OPT-OUT BOX CHECKED, BY ON THE RELEASE OPT-OUT**
17 **DEADLINE BALLOT. ANY ATTEMPT TO OPT-OUT RELEASE FORMS RECEIVED AFTER**
18 **THE RELEASE OPT-OUT DEADLINE OF THE RELEASES THROUGH A DIFFERENT**
19 **METHOD WILL NOT BE EFFECTIVE.**

20 **C. Overview of Chapter 11**

21 Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter
22 11, a debtor is authorized to reorganize its business for the benefit of itself and its creditors. In addition
23 to permitting rehabilitation of a debtor, another goal of chapter 11 is to promote equality of treatment for
24 similarly situated creditors and interest holders with respect to any distribution of a debtor’s assets.

25 The commencement of a chapter 11 case creates an estate that comprises all of the legal and
26 equitable interests of the debtor as of the filing date. The Bankruptcy Code provides that the debtor may
27 continue to operate its business and remain in possession of its property as a “debtor in possession.” Upon
28 filing a petition for chapter 11 relief and during the pendency of a case, the Bankruptcy Code imposes an
automatic stay against creditors’ attempts to collect or enforce, through litigation or otherwise, claims
against the debtor. The automatic stay provisions of section 362 of the Bankruptcy Code, unless modified
by court order, will generally prohibit or restrict attempts by creditors to collect or enforce any claims that
arose prior to the commencement of the chapter 11 case against the debtor.

The Bankruptcy Code provides for the formation of an official committee of unsecured creditors
in a chapter 11 case to represent the interests of Creditors in the case. On May 23, 2023, the United States
Trustee appointed the Committee in the Chapter 11 Case to represent the interests of the Debtor’s
unsecured creditors, including Holders of Abuse Claims. Each of the members of the Committee asserted
a claim for sexual abuse against the Debtor.

The principal objective of a chapter 11 reorganization is the confirmation of a plan of
reorganization. The plan sets forth the means for satisfying the claims of creditors and other stakeholders.
The plan and a disclosure statement that contains information necessary to allow creditors, shareholders,
and members to evaluate the plan are sent to creditors, shareholders and members whose claims or
interests are impaired, who then vote to accept or reject the plan.

AMENDED DISCLOSURE STATEMENT FOR AMENDED PLAN OF REORGANIZATION

1 A class of claims is entitled to vote to accept or reject a plan if the class is “impaired” by the plan.
2 Section 1124 of the Bankruptcy Code provides generally that a claim is impaired if the legal, equitable,
3 or contractual rights of the claim are altered.

4 A plan may be confirmed under section 1129(a) of the Bankruptcy Code if each class of claims or
5 interests is not impaired by the plan or if each class has voted to accept the plan. Votes will be counted
6 only with respect to claims: (a) that are listed on the debtor’s schedules other than as disputed, contingent,
7 or unliquidated; or (b) for which a proof of claim was filed on or before the claim filing deadline set by
8 the Bankruptcy Court for the filing of proofs of claim. However, any vote by a holder of a claim will not
9 be counted if the claim has been disallowed or is the subject of an unresolved objection, absent an order
10 from the Bankruptcy Court allowing the claim for voting purposes. A class of claims has accepted a plan
11 if voting creditors that hold at least two-thirds in amount and more than one-half in number of the allowed
12 voting claims in the class have voted to accept the plan. Pursuant to Bankruptcy Rule 3018(a), Class 4
13 Claims shall be estimated at \$1.00 for voting purposes only. The actual amount payable on account of
14 Class 4 or Class 5 Claims will be determined pursuant to the Survivors’ Trust Distribution Plan.

15 A holder of a Disputed Claim is not entitled to vote on the Plan unless such Claim is temporarily
16 Allowed by the Debtor, or by an order of the Bankruptcy Court, in an estimated amount that it deems
17 proper for the purpose of voting to accept or reject the Plan. In other words, only holders of Allowed
18 Claims that are in Class 3 (General Unsecured Claims), Class 4 (Abuse Claims), Class 5 (Unknown Abuse
19 Claims) Class 6 (Non-Abuse Litigation Claims), or Class 8 Claim (OPF Claim) may vote to accept or
20 reject the Plan. A Claim (a) to which an objection has been Filed by the Debtor or any other party in
21 interest that is pending at the time of the Confirmation Hearing, or (b)(i) that is listed on the Debtor’s
22 Schedules as disputed, unliquidated, or contingent, and (ii) with respect to which a superseding proof of
23 claim has not been Filed, is not an Allowed Claim for voting purposes, unless the Claim is settled by
24 agreement or the Bankruptcy Court Allows the Claim (in whole or in part) by Final Order. Upon request
25 of a party in interest, the Bankruptcy Court may temporarily Allow or estimate a Disputed Claim for the
26 purpose of voting on the Plan. In addition, a vote may be disregarded if the Bankruptcy Court determines
27 that the acceptance or rejection of the Plan by the Claim Holder is not solicited or procured in good faith
28 or in accordance with the provisions of the Bankruptcy Code.

17 If an impaired class votes to reject the plan, the proponent of the plan may seek to “cram down”
18 the plan by confirming it under section 1129(b) of the Bankruptcy Code. A plan proponent may cram
19 down a plan upon a rejecting class only if at least one impaired class has voted to accept the plan, the plan
20 does not discriminate unfairly, and the plan is fair and equitable with respect to each impaired class that
21 has not voted to accept the plan. **The Debtor believes that the Plan will satisfy the foregoing
22 requirements as to any rejecting Class of Claims and can therefore be confirmed despite any such
23 rejection by any Class.**

24 Voting on the Plan by each Holder of a Claim in an Impaired Class is important. After carefully
25 reviewing the Plan and Disclosure Statement, each Holder of a Claim should vote on the enclosed ballot
26 either to accept or reject the Plan. Any ballot that does not appropriately indicate acceptance or rejection
27 of the Plan will not be counted. A ballot that is not received by the deadline will not be counted. If a
28 ballot is lost, damaged, or missing, a replacement ballot may be obtained by contacting the Debtor’s
Claims and Noticing Agent, Verita, by email at RCBOInfo@veritaglobal.com or by calling (888)-733-
1425 (U.S./Canada) or (310)-751-2631 (international) and requesting to speak with a member of the
solicitation team.

25 Class 3 (General Unsecured Claims), Class 4 (Abuse Claims), Class 5 (Unknown Abuse Claims),
26 Class 6 (Non-Abuse Litigation Claims) and Class 8 (OPF Claim) are Impaired under the Plan and are
27 entitled to vote on the Plan.

27 Class 1 (RCC Secured Claim) and Class 2 (Priority Unsecured Claims) are Unimpaired under the
28 Plan, projected to receive payment in full, and are conclusively deemed to accept the Plan. Accordingly,

AMENDED DISCLOSURE STATEMENT FOR AMENDED PLAN OF REORGANIZATION

1 they are not entitled to vote. Class 7A (Contribution and Indemnification Claims Related to Class 4
2 Claims) and Class 7B (Contribution and Indemnification Claims Related to Class 5 Claims) are Impaired
3 under the Plan, will not receive any distributions, and conclusively deemed to reject the Plan. Accordingly,
4 they are not entitled to vote.

5 Section 1129(a) of the Bankruptcy Code establishes several conditions for the confirmation of a
6 plan. These conditions are too numerous to be fully explained here. Parties are encouraged to seek
7 independent legal counsel to answer any questions concerning the chapter 11 process. Among the
8 conditions for plan confirmation is that either each holder of an impaired claim must accept the plan, or
9 the plan must provide at least as much value as would be received upon liquidation of a debtor's estate
10 under chapter 7 of the Bankruptcy Code. The Debtor believes the Plan satisfies all the applicable
11 requirements of section 1129(a) of the Bankruptcy Code.

12 The Bankruptcy Court has scheduled a Confirmation Hearing to consider approving the Plan
13 commencing on _____, ~~2024~~2025 at ____:____.m. (prevailing Pacific Time) at the United States
14 Bankruptcy Court for the Northern District of California, United States Courthouse, 1300 Clay Street,
15 Courtroom 220, Oakland, CA 94612. The Confirmation Hearing may be adjourned from time to time
16 without further notice other than by announcement in the Bankruptcy Court on the scheduled hearing date
17 or upon the Debtor filing a notice of adjournment.

18 **D. Summary of Classification of Claims**

19 Detailed elsewhere in this Disclosure Statement are descriptions of the technical aspects of the
20 classification of Claims, the relative allocations of assets to Holders of such Claims, the methodology as
21 to how such assets are to be distributed, the risks inherent in the proposed Plan, and the applicable
22 bankruptcy and tax consequences of the Plan. However, a broad overview of what each class of creditors
23 is likely to receive under the Plan will be helpful for your consideration of whether you wish to accept or
24 reject the Plan.

25 The following is a summary of the classification of all Claims under the Plan. This summary is
26 qualified in its entirety by reference to the Plan:

27 Class	Class Description	<u>Number of Claimants</u>	Status	Voting Rights
Class 1	RCC Secured Claim	<u>1</u>	Unimpaired	Non-voting Deemed to accept
Class 2	Priority Unsecured Claims, other than non-classified claims set forth in Article III	<u>36</u>	Unimpaired	Non-voting Deemed to accept
Class 3	General Unsecured Claims	<u>71</u>	Impaired	Eligible to vote
Class 4	Abuse Claims	<u>~345</u>	Impaired	Eligible to vote
Class 5	Unknown Abuse Claims	<u>Unknown</u>	Impaired	Eligible to vote via the Unknown Abuse Claims Representative
Class 6	Non-Abuse Litigation Claims	<u>2</u>	Impaired	Eligible to vote
Class 7A	Contribution and Indemnification Claims Related to Class 4 Claims	<u>Unknown</u>	No recovery	Non-voting Deemed to reject

28 **AMENDED DISCLOSURE STATEMENT FOR AMENDED PLAN OF REORGANIZATION**

1	Class 7B	Contribution and Indemnification Claims Related to Class 5 Claims	Unknown	No recovery	Non-voting Deemed to reject
2	Class 8	OPF Claim	1	Impaired	Eligible to vote

4 As discussed in the Liquidation Analysis attached hereto as **Exhibit B**, the Debtor estimates that recoveries for Holders of Abuse Claims in Class 4 and Class 5 under the Plan will be greater than if the Debtor were to liquidate under chapter 7 of the Bankruptcy Code because the total amount of assets available for Distribution is greater under the Plan than in liquidation under chapter 7. ~~The~~

7 [The Debtor’s Liquidation Analysis is predicated on the premise that a “hypothetical liquidation” must be a possible liquidation. This means a liquidation analysis ought not include assets which cannot be used to pay creditors because including such assets distorts the outcome and would create confusion concerning the comparison of how creditors are being paid under the Plan versus what creditors might be paid in a liquidation which is legally possible. Under Ninth Circuit law, assets of the Debtor’s estate that cannot be legally made available for distribution to creditors should not be included in a hypothetical liquidation under section 1129\(a\)\(7\) of the Bankruptcy Code. See Security Farms, 265 F.3d at 877. Moreover, the decision on whether to operate a church at a particular location, or the decision whether to sell real estate on which a church sits, is inherently an ecclesiastical decision which affects the faith and mission of the Catholic Church. Under the Free Exercise Clause and Establishment Clause of the First Amendment to the U.S. Constitution, these decisions are reserved for the Bishop alone and the government may not interfere with or dictate those decisions. In other words, because: 1\) the Debtor cannot be forced into a chapter 7 liquidation proceeding under the Bankruptcy Code, and 2\) the Debtor cannot be forced to sell real estate on which it operates one of the Churches, the Liquidation Analysis does not contemplate such sales. The Debtor asserts this presents a more accurate view of potential recoveries in a hypothetical liquidation scenario and provides appropriate context to whether the Plan is in the best interests of Abuse Claimants, in particular.](#)

16 [As set forth in the Committee Letter, the Committee disputes the Debtor’s position regarding forced liquidation in a hypothetical chapter 7 and believes additional property may be available for creditors. Ultimately, the Court will decide whether to confirm the Plan or not. If the Court disagrees with the Debtor’s position regarding forced liquidation in a hypothetical chapter 7, it may not confirm the Plan.](#)

19 [Additionally, the Cash Contributions and the Assigned Insurance Interests provided by the Contributing Non-Debtor Catholic Entities will not be available to the Estate under chapter 7, nor would be the Immediate Payment option present in the Plan.](#)

21 The Debtor also believes that theoretical Distributions under a chapter 7 case would likely be delayed due to the time it will take a chapter 7 trustee to assess the Debtor’s assets, review and analyze Claims, and evaluate and litigate claims against third parties. The cost of litigation to determine the value of the Abuse Claims asserted against the Debtor alone would cost tens of millions of dollars. Holders of Allowed Claims entitled to vote to accept or reject the Plan should review the Liquidation Analysis (including all footnotes thereto and documents referenced therein) [and the Committee Letter](#) in assessing whether to vote to accept or reject the Plan.

25 **E. Disclosure Statement Enclosures**

26 Accompanying this Disclosure Statement are the following enclosures:

- 27 1. **Order Approving Disclosure Statement.**

1 A copy of the Order of the Bankruptcy Court dated _____, ~~2024~~2025, in which the
2 Bankruptcy Court approved this Disclosure Statement and, among other things, establishing procedures
3 for voting on the Plan, scheduling the Confirmation Hearing, and setting the deadline for objecting to
4 confirmation of the Plan (the “Disclosure Statement Order”).

5
6
7 **2. Notice of Confirmation Hearing.**

8 A copy of the notice of the deadline for submitting ballots to accept or reject the Plan and, among
9 other things, the date, time and place of the Confirmation Hearing, and the deadline for filing objections
10 to confirmation of the Plan (the “Confirmation Hearing Notice”).

11 **3. Ballot.**

12 Ballot(s) (and return envelope) for each respective Class entitled to vote, for voting to accept or
13 reject the Plan. See Article VI(B) below for an explanation of which Holders of Claims are entitled to
14 vote. The Ballot includes the Immediate Payment election for Holders of Class 4 Claims ~~includes the
15 Immediate Distribution election.~~

16 **4. and a checkbox allowing Holders ~~Opt-Out Release Form.~~**

17 ~~A form giving each Holder of Claims in Class 4 or of Class 4 Claims and the Unknown Abuse
18 Claims Representative (on behalf of Class 5 the right) to affirmatively ~~opt-out~~opt-out of the Releases
19 provided to non-debtors under the Plan. Any Holder of a Claim who does not, on or before the Voting
20 Deadline, affirmatively opt out of the Releases by returning their Opt Out Release Form after checking
21 the appropriate box on the Opt Out Release Form indicating they opt not to grant the Releases provided
22 in the Plan shall be deemed to have granted the Releases provided under the Plan.~~

23
24
25
26
27
28 **ARTICLE III**

QUESTIONS AND ANSWERS ABOUT THE DISCLOSURE STATEMENT AND PLAN

A. What is Chapter 11?

Chapter 11 is a form of bankruptcy under the Bankruptcy Code that involves a court-supervised
reorganization of a debtor’s assets and liabilities. It is most used by businesses. The commencement of
a Chapter 11 case creates an “estate” comprised of any and all the legal and equitable interests of the
debtor as of the date of filing of its bankruptcy petition. The Bankruptcy Code provides that the Chapter
11 debtor may continue to operate and remain in possession of its property as a “debtor-in-possession.”

Under Chapter 11, a debtor is authorized to reorganize for the benefit of itself and its creditors.
The principal objective of a Chapter 11 case is the confirmation and consummation of a Chapter 11 plan.
A plan sets forth the means for satisfying claims against a debtor. The Confirmation of a plan of
reorganization by a bankruptcy court binds the debtor, any issuer of securities under a plan of
reorganization, any person acquiring property under a plan of reorganization, any creditor of a debtor, and
any other person or entity as may be ordered by the bankruptcy court in accordance with the applicable
provisions of the Bankruptcy Code. Subject to certain limited exceptions, a confirmation order discharges
a debtor from any debt that arose before the confirmation of such plan and provides for the treatment of
such debt in accordance with the terms of the confirmed plan of reorganization. Certain creditors of a
debtor are permitted to vote to accept or reject the plan.

1 **B. Why is the Debtor sending me this Disclosure Statement?**

2 Before soliciting acceptances of a Chapter 11 plan, section 1125 of the Bankruptcy Code requires
3 the preparation of a disclosure statement containing adequate information of a kind, and in sufficient
4 detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance
5 of the Plan, and requires the debtor to share such disclosure statement with all creditors whose votes on
6 the plan are being solicited. On [____], ~~2024~~2025, the Bankruptcy Court entered an Order (the
7 “Disclosure Statement Order”), [Docket No. ____], that approves this Disclosure Statement as containing
8 adequate information within the meaning of section 1125 of the Bankruptcy Code and that establishes
9 certain dates, deadlines, and procedures in connection with the proposed Confirmation of the Plan.

10 **C. Am I entitled to vote on the Plan?**

11 Your ability to vote on the Plan depends on what type of Claim or Claims that you hold. Pursuant
12 to section 1122(a) of the Bankruptcy Code, each category of Claims has been classified in a given “Class,”
13 as set forth in Articles II – IV of the Plan. The following Classes of Claims are entitled to vote on the
14 Plan:

Class	Class Description	Status	Voting Rights
Class 3	General Unsecured Claims	Impaired	Eligible to vote
Class 4	Abuse Claims	Impaired	Eligible to vote
Class 5	Unknown Abuse Claims	Impaired	Eligible to vote via the Unknown Abuse Claims Representative
Class 6	Non-Abuse Litigation Claims	Impaired	Eligible to vote
Class 8	OPF Claim	Impaired	Eligible to vote

15 All other Classes of Claims are not entitled to vote and will not receive Ballots in connection with
16 solicitation.

17 **D. What is meant by “Confirmation” and “Effective Date”?**

18 “Confirmation” refers to the Bankruptcy Court’s approval of the Plan. Confirmation of the Plan
19 does not guarantee that you will receive the distribution indicated under the Plan. After Confirmation of
20 the Plan, there are conditions that need to be satisfied or waived so that the Plan can become effective.
21 Distributions to Holders of Allowed Claims will only be made on or after the date the Plan becomes
22 effective—the “Effective Date.”

23 **E. Does the Plan contain releases and permanent injunctions in favor of the Debtor and the**
24 **Churches?**

25 Yes. The Plan contains releases and permanent injunctions that relate to and affect the rights,
26 Claims, and/or Causes of Action that Holders of Claims, including Holders of Abuse Claims, may have
27 against the Debtor or Reorganized Debtor. Because the Churches are not separately incorporated legal
28 entities, as a matter of California law they are not separate from the Debtor, and they do not own or hold
a legal or equitable interest in property separate from the Debtor. Thus, the Churches are included in the
releases and permanent injunction in favor of the Debtor.

Before you vote, you should review the entire Disclosure Statement and Plan, including, but not
limited to, its releases and injunctions.

1 **F. Does the Plan contain releases and permanent injunctions in favor of Third Parties?**

2 Yes. The Plan also contains releases and injunctions that relate to and affect the rights, Claims,
3 and/or Causes of Action that “Releasing Parties” may have against entities who are not the Debtor or the
4 Reorganized Debtor, as provided for in Article XIII of the Plan (the “Third-Party Releases and Third-
Party Permanent Injunctions”). As discussed below, Holders of Abuse Claims who vote to accept or reject
5 the Plan, ~~or who~~ but do not affirmatively opt out of the releases provided by the Plan by checking the
6 appropriate box on the ~~Opt-Out Release Form~~ Ballot indicating that they opt not to grant the releases set
forth in the Plan, are Releasing Parties. Before you vote, you should review the entire Disclosure
Statement, Plan, and any Plan Supplement, including, but not limited to the provisions concerning the
Third-Party Releases and Third-Party Permanent Injunctions.

7 “Released Parties” as defined in the Plan includes: (a) the Debtor, (b) the Reorganized Debtor (i.e.,
8 the Debtor after confirmation of the Plan), (c) the Churches (as discussed above), (d) the Contributing
9 Non-Debtor Catholic Entities, but each only as to the Abuse Claims for which it receives a Release under
10 Section 13.9 of the Plan. In order to effectuate this release of the foregoing, “Released Parties” also
11 includes each of their “current and former directors, managers, officers, employees, predecessors,
12 successors, assigns, managed accounts or funds, agents, advisory board members, financial advisors,
partners, attorneys, accountants, investment bankers, consultants, representatives, and other
professionals.” The Plan does not purport or attempt to release or grant permanent injunctions to any
other diocese, archdiocese, or religious organization that is not a Contributing Non-Debtor Catholic Entity.
Presently, RCWC and Adventus are the only Contributing Non-Debtor Catholic Entities under the Plan.
The Plan also expressly excludes from the release the perpetrators of abuse identified in Abuse Claims.

13 **G. As the Holder of an Abuse Claim, will I be bound by the Third-Party Releases and Third-
Party Permanent Injunctions?**

14 All ~~Holders of Claims, including~~ Holders of Abuse Claims who vote to accept or reject the Plan,
15 or who do not affirmatively opt out of the releases provided by the Plan by checking the appropriate box
16 on the ~~Opt-Out Release Form~~ Ballot indicating that they opt not to grant the releases set forth in the Plan
and returning such form to Debtor’s claims and noticing agent, will be bound by the Third-Party Releases
and Third-Party Permanent Injunctions.

17 **H. As the Holder of any Claim other than an Abuse Claim, will I be bound by the Third-Party
Releases and Third-Party Permanent Injunctions?**

18 Holders of Claims other than Class 4 or Class 5 Claims are not subject to the Third-Party Releases
19 and Third-Party Permanent Injunctions. They will not be releasing claims against any non-debtors.

20 **I. What is required for the Unknown Abuse Claims Representative to Opt-Out of the Third-
Party Releases and Third-Party Permanent Injunctions?**

21 The Unknown Abuse Claims Representative shall cast a single Ballot with a single checkbox for
22 the opt-out on behalf of ~~all Class 5 Claims and shall receive a single Opt-Out Release Form for~~ all Class
23 5 Claims. To the extent the Unknown Abuse Claims Representative submits a Ballot ~~or an Opt-Out~~
24 ~~Release Form~~ (with the opt-out checkbox) on behalf of Class 5 Claims, they shall do so according to the
same procedures and deadlines as Holders of Class 4 Claims.

25 **J. Are there any Exculpation Provisions contained in the Plan?**

26 Yes. The Plan also contains provisions (the “Exculpation Clause,” as set forth and defined in the
27 Plan in Article 13.6) exculpating or limiting the liability of certain parties, including the Debtor, the
Reorganized Debtor, the Committee, and numerous other parties (the “Exculpated Parties,” as set forth
and defined in the Plan in Article 1.1.50). The Exculpation Clause may affect the rights, Claims, and/or

1 Causes of Action of Holders of Claims, including Holders of Abuse Claims, in relation to the Exculpated
2 Parties.

3 **K. Does the Plan contain Provisions Designed to Foster the Protection of Children from
4 Sexual Abuse?**

5 Yes. The Plan's Non-Monetary Commitment to Healing and Reconciliation reinforce and
6 continue the Debtor's existing policies and procedures, as described herein, for the protection of children
7 and vulnerable adults.

8 **L. What is the Effect of the Plan on the Debtor's Ongoing Religious and Charitable
9 Endeavors?**

10 The Debtor is reorganizing under Chapter 11 of the Bankruptcy Code. Following Confirmation,
11 the Plan will be consummated on the Effective Date. On and after the Effective Date, the Reorganized
12 Debtor will continue its charitable, non-profit operations and, except as otherwise provided by the Plan,
13 may use, acquire, or dispose of property and compromise or settle any Non-Abuse Litigation Claims
14 without supervision or approval by the Bankruptcy Court, free of any restrictions of the Bankruptcy Code
15 or Bankruptcy Rules. Additionally, upon the occurrence of the Effective Date, all actions contemplated
16 by the Plan will be deemed authorized and approved.

17 **M. Is the Debtor Preserving Estate Causes of Action under the Plan?**

18 Yes, except to the extent such rights, Claims, Estate Causes of Action, defenses, and counterclaims
19 are otherwise dealt with in the Plan or are expressly and specifically released in connection with the Plan,
20 the Confirmation Order, or any settlement agreement approved during the Chapter 11 Case, the Plan
21 provides that, as of the Effective Date, the Reorganized Debtor reserves any and all rights, Claims, Estate
22 Causes of Action, defenses, and counterclaims of or accruing to the Debtor or Reorganized Debtor,
23 whether or not litigation relating thereto is pending on the Effective Date.

24 **ARTICLE IV**

25 **THE DEBTOR AND ITS OPERATIONS**

26 **A. Organization and Central Mission of the Roman Catholic Church**

27 The Roman Catholic Church follows an episcopal governance structure led by bishops who preside
28 over formal jurisdictions, or geographic areas, known as dioceses. The Pope, who serves as the Bishop
of Rome, is the global, spiritual leader of the Roman Catholic Church whose jurisdiction is called the Holy
See.

Each diocese is led by a bishop or archbishop who is responsible for reporting to the Holy See
regarding the diocese's religious and administrative functions. A diocese supports, serves, and provides
administrative functions to, among others, local churches (commonly known as "parishes") and various
other Catholic entities.⁴⁸ Bishops perform their canonical duties in accord with the Code of Canon Law
("Canon Law"), which is the ecclesiastical law of the Roman Catholic Church.

⁴⁸ There is another type of organization within the Catholic community known as a religious order.
Religious orders are largely autonomous and governed by the statutes and constitutions of the particular
order. The priests, religious women and brothers of religious orders do not normally report directly to or
take ultimate direction from diocesan bishops. The principal authority for supervising, reassigning or

1 Canon Law is the oldest continual legal system in the western world. Under Canon Law, a diocese
2 is “a portion of the people of God which is entrusted to a bishop for him to shepherd with the cooperation
3 of the presbyterium....” (Code of Canon Law, c. 369). As such, each diocese within the Roman Catholic
4 Church is inherently *territorial*, comprised of a specific geographic area and the faithful within it. A
5 diocese conducts its civil affairs for the practice of the Roman Catholic Church within that geographic
6 area and for the faithful within the area.

7 Also under Canon Law, every diocese is divided into distinct parts, known as parishes, which are
8 ecclesiastical entities consisting of communities of the faithful whose pastoral care is entrusted to a pastor
9 (*i.e.*, a priest) whom the bishop appoints to serve the parish to which he is assigned. CIC, cc. 374 §1, 515
10 §1.

11 Each diocese, and each parish within a diocese, is a separate public juridic person. *Id.*, cc. 573,
12 515 §3. The administration of property belonging to a juridic person pertains to its administrator, such as
13 the diocesan bishop over the property of a diocese, and the priest over the property of a parish. *Id.*, cc.
14 393, 532. Each such administrator is obligated to acquire, hold, administer, and/or alienate such property
15 in accordance with Canon Law (*id.*, c. 1257), which requires that property held by any juridic person—
16 diocese, parish, or otherwise—must be used for the purposes of the Roman Catholic Church. The bishop
17 is responsible for administering the property belonging to the diocese, and each pastor is responsible for
18 being the exclusive administrator of the property belonging to his parish. Similarly, the pastoral care of
19 the faithful across the entire diocese is entrusted to the bishop, whereas the pastoral care of the faithful
20 within each particular parish is entrusted to the pastor for the parish.

21 Clergy (or ordained clerics of the diocese) carry out the diocese’s spiritual mission through
22 celebration of the sacraments, provision of pastoral services to the laity (the non-ordained faithful of the
23 diocese), and performance of corporal and spiritual works of mercy for not only the laity but also for the
24 larger public. There are three levels of clergy within the Roman Catholic Church: the episcopate,
25 composed of bishops; the presbyterate, composed of priests ordained by bishops; and the diaconate,
26 composed of deacons who assist bishops and priests in a variety of ministerial roles.

27 The mission of the Roman Catholic Church is to share God’s love and mercy with all people. The
28 Roman Catholic Church does this through its charitable operations, as well as in the countless churches
where Catholics come together to worship across the world. The Roman Catholic Church also engages
diplomatic institutions like the United Nations in defense of human dignity for all people and in pursuit
of the common good.

19 **B. History of the Diocese of Oakland**

20 The Holy See established the Diocese of Oakland in 1962 from the eastern territory of the
21 Archdiocese of San Francisco. The territory of the Debtor spans roughly 1,467 square miles and
22 encompasses two counties, Alameda and Contra Costa. The Debtor is situated along the eastern shore of
the San Francisco Bay and the Debtor estimates it serves nearly 550,000 resident Catholics and assists
approximately 260,000 people through its ministry and charitable services.

23 On January 27, 1962, the Most Rev. Floyd Lawrence Begin, auxiliary bishop of the Debtor of
24 Cleveland, Ohio, was named the first Bishop of Oakland. His installation took place on April 28,
25 1962. The Debtor has had four other bishops, with its incumbent and fifth bishop, Most Reverend Michael
26 C. Barber, SJ (“Bishop Barber” or the “Bishop”) having been appointed on May 25, 2013.

27 _____
punishing members of religious orders are the superiors of those orders.

1 The charitable history of the Debtor is born out of missionary origins. In 1772, Franciscan Friar
2 Juan Crespi celebrated Mass with Spanish explorers next to a swamp in what would become downtown
3 Oakland. Almost 25 years after that first Mass, Franciscan Fermín de Francisco Lasuén de Arasqueta
4 founded Mission San José. The mission was the only parish on the coast opposite San Francisco for the
5 next 64 years. In 1861, the now amalgamated parish of St. Mary of the Immaculate Conception opened.
6 In 1869, St. Paul’s parish in San Pablo was the second to open in the present diocese and was the first
7 parish in what is now Contra Costa County.

8 In 1840, the Holy See erected the “Diocese of the Two Californias” to recognize the growth of the
9 provinces of Alta and Baja California. In 1848, Alta California was ceded to the United States and the
10 Holy See split the Diocese of the Two Californias into American and Mexican sections, and the American
11 section was renamed the Diocese of Monterey.

12 In 1853, the Holy See established the Archdiocese of San Francisco from the northern territory of
13 the Diocese of Monterey. The territory that would eventually become the Diocese of Oakland was, at that
14 time, situated within the eastern part of the Archdiocese of San Francisco.

15 **C. Governance, Mission-Service Activities, and Structure of the Diocese of Oakland**

16 The Debtor is a corporation sole organized under the laws of the State of California. The Debtor
17 conducts its civil affairs under the laws of the State of California and the United States of America, and
18 in accordance with Canon Law.

19 None of the parish churches (the “Churches”) within the diocese are separately incorporated
20 entities under California law. To the extent that the Bishop holds goods belonging to a parish—including,
21 for example, real and personal property—he does so in trust for the benefit of the applicable Church.
22 However, because the Churches are not separately incorporated legal entities, as a matter of California
23 law they are not separate from the Debtor, and they do not own or hold a legal or equitable interest in
24 property separate from the Debtor.

25 Bishop Barber has led the Debtor since he was ordained to the episcopacy and installed as Bishop
26 of Oakland on May 25, 2013. Bishop Barber has been an ordained priest for almost 40 years and has
27 served as a missionary abroad, a professor of theology, a seminary spiritual director and, from 1991-2018,
28 as a chaplain and officer in the U.S. Navy.

Bishop Barber is assisted in the management of the Debtor by both clergy and lay administrators
and staff, including the Diocesan Chancellor, Vicar General and Chief Financial Officer. As of the
Petition Date, the Debtor employed approximately 30 full-time and 42 part-time employees at the Debtor’s
central services office, which is also known as the “Chancery.” The Chancery is located in downtown
Oakland.

The diocese has 80 parishes and missions and is home to 159 diocesan priests, 160 religious priests,
35 extern priests, and 118 permanent deacons.

The Churches play a central role in the lives of Catholics living within the Debtor by administering
key aspects of the Catholic Faith, including: baptism, education, communion, Mass, confirmation,
marriage, and bereavement, including last rites, funeral services and grief support. In this way, the
Churches provide the critical connection between the Debtor and the faithful from the beginning of life to
the end.

The Debtor serves one of the most ethnically diverse areas in the nation, where approximately 70%
of residents of Alameda County and approximately 59% of residents of Contra Costa County identify as
non-White. Alameda County, in particular, is home to more Asian residents than any other race or
ethnicity. The Debtor runs ethnic pastoral centers that serve communities from Brazil, China, Eritrea,

1 Ethiopia, Fiji, India, Indonesia, Kenya, Korea, Laos, Nigeria, Poland, Tonga and Vietnam. For some new
2 arrivals in Alameda and Contra Costa counties, the Roman Catholic Church is their community focal
3 point, a place they can find support and oftentimes necessary resources to begin their lives in the United
4 States.

5 Sunday celebrations within the Churches are celebrated in approximately 17 languages, with the
6 most common being English, Spanish, and Vietnamese. A number of Churches celebrate Mass using
7 multiple languages.

8 The Debtor provides resources, programming, spiritual leadership, and other key services and
9 support to local Catholics and the East Bay community at large, including substantial support for the poor
10 and for minority communities. The ministry of the Debtor is therefore critical to not only the faithful
11 within the diocese, but also to the public-at-large, including non-Catholics.

12 Most of the Churches in the diocese provide some sort of lay outreach to the poor in their local
13 community, e.g., St. Vincent de Paul, food pantries, temporary shelters and ministry to the sick. Lay
14 associations have also formed to engage on issues of immigrant rights, economic development, peace
15 building, and restorative justice.

16 Over one third of the Churches in the diocese are involved in some sort of grassroots faith-based
17 community organizing. This collaboration is most evident in the Debtor's work for affordable and
18 emergency housing and community organizing. In Contra Costa, eight Churches actively participate with
19 the Interfaith Council of Contra Costa ("I4C"), which is an interfaith coalition of congregations joining
20 together to promote social justice in their community. I4C member congregations also provide shelter
21 and social services to homeless families on a rotating basis. For instance, Christ the King in Pleasant Hill
22 provides shelter, food, and volunteer counselors to homeless families every winter. West Contra Costa
23 County and South Alameda County have similar interfaith coalitions that involve many Churches.

24 Chaplains serve five hospitals in the diocese. The remaining hospitals without assigned chaplains
25 are served by the Churches that include the hospitals within the geographic boundaries of their respective
26 parish. Most of those have established programs involving laity who visit Catholic patients daily and who
27 also visit shut-ins and individuals in convalescent facilities. There are 101 nursing homes and similarly
28 licensed care facilities that are served by the Debtor.

Each Church is encouraged to have a committee whose specific task is outreach to the sick and
housebound within the parish. Training for these individuals is provided at the parish level. Pastoral care
for doctors and nurses and other health care workers is ordinarily provided through the chaplains who
service the institutions where those individuals are working.

D. The Debtor's Operations

The Debtor's revenue streams include parish assessment revenue, which is dependent on donations
by parishioners through their respective Church; and the Bishop's Ministries Appeal ("BMA"), an annual
fundraising campaign that supports the Churches and diocesan ministries and programs. Funds raised
through the BMA are solicited specifically and restricted to fund the particular ministries and programs
that the BMA was designed to support and facilitate, including faith formation and evangelization,
Catholic Youth Organization sports, formation of priests to serve parishioners, care of the retired priests,
and meeting the unexpected needs of schools and Churches. In the ordinary course of business, the Debtor
also receives, among other revenue, rental revenue, events/programming revenue, revenue from CTN,
management fees, and unrestricted gifts, grants, and bequests (collectively, "Other Chancery Revenues").

The Debtor provides support to and sometimes administers, among others, local Churches and
parish schools and other charitable, educational, and religious-service affiliates critical to the ministry of
the Roman Catholic Church within the Debtor.

1 The Debtor has a December 31st year end. On an unaudited based, for fiscal year 2022, ended
2 December 31, 2022, the Debtor had total revenue of approximately \$21.1 million. Of this amount,
3 approximately \$5.5 million was from parish assessments, \$2.7 million was from the BMA and \$2.3 million
4 was from other gifts, grants and bequests. Other revenue totaled approximately \$10.6 million, consisting
5 of rental income, insurance revenue, program revenue and income and dividends, among other
6 sources. The Debtor had total operating expenses of \$20.0 million, resulting in income from operations
7 of \$1.1 million before other non-operating income and expenses.

8 On an unaudited based, for fiscal year 2023, ended December 31, 2023, the Debtor had total
9 revenue of approximately \$19.0 million. Of this amount, approximately \$6.5 million was from parish
10 assessments, \$2.4 million was from the BMA and \$2.5 million was from other gifts, grants and
11 bequests. Other revenue totaled approximately \$7.6 million, consisting of rental income, net insurance
12 revenue, program revenue and income and dividends, among other sources. The Debtor had total
13 operating expenses of \$35.2 million (including professional fees), resulting in losses from operations of
14 \$16.24 million before other non-operating income and expenses.

15 **E. Mission Alignment Process**

16 In November 2020, Bishop Barber called for the formulation of a task force to assess how to meet
17 the challenges of declining Mass attendance, underutilized parish facilities and the declining number of
18 priests serving in the Diocese of Oakland. In March 2021, the Debtor formed a task force called the
19 Mission Alignment Process (MAP) Commission (the "Commission"). The Commission is composed of
20 15 members representing laity and clergy of the Debtor.

21 The Commission began meeting in April 2021 to evaluate and guide the Debtor in a process of
22 self-reflection and renewal. Data from the Churches, parishioners, schools, priests, and diocesan
23 demographics was analyzed and a presentation was developed for the presbyterate of the Debtor. This
24 data included facts about parish-by-parish Mass attendance, the historical decline in priests serving in
25 parish ministry, and projections of a decline in the number of future priests under 70 years old for parish
26 ministry. Over a period of 14 months, a series of additional meetings with clergy and parish and school
27 lay leadership at the regional and deanery level were held and input was sought for dealing with these
28 challenges and increasing focus on Bishop Barber's three priorities – emphasizing the Sunday experience
of the Holy Eucharist, practicing the corporal and spiritual works of mercy, and forming missionary
disciples.

In November 2022 Bishop Barber arranged 14 meetings of priests to discuss the feedback from
the regional and deanery consultative meetings and to deliberate on a path forward for each deanery. This
path forward included consideration of clustering, merging, or closing of Churches. A cluster is where
two or more Churches remain separate and retain their names but share one or more priests and one
administration. A merger is where two or more parishes are combined to form one new parish while
consolidating membership, property and finances. Closures include selling, renting or using parish
properties for other purposes.

The work of the MAP Commission continues, and the Plan constitutes an extension of its work.
The information gained through the MAP has assisted the Debtor through its Chapter 11 Case in evaluating
resources to settle claims while ensuring that the Roman Catholic Church in the Diocese of Oakland can
emerge as an even more vibrant and faith-filled community.

F. Affiliated Non-Debtor Catholic Entities

Through common missions, the Debtor is affiliated with certain entities separately incorporated
under California law and which are not debtors in this Chapter 11 Case (each such affiliated incorporated
entity a "Non-Debtor Catholic Entity," and collectively, the "Non-Debtor Catholic Entities").

1 Analogous to a corporate headquarters, the Debtor provides certain administrative services to
2 optimize functional area expertise, staffing and centralized purchasing (e.g., in areas of background checks
3 and other human resource functions, accounting, and group purchasing of insurance) and programmatic
4 support services to certain Non-Debtor Catholic Entities in support of their religious, educational and
5 charitable missions. Each Non-Debtor Catholic Entity operates independently and accounts for its
6 operations separately.

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1. ***The Roman Catholic Welfare Corporation of Oakland***

RCWC is a nonprofit religious corporation that oversees 32 elementary schools and two high schools. The Catholic schools fulfill the threefold mission of Catholic education to (1) proclaim the Gospel, (2) build community, and (3) serve the faithful and non-believers alike. RCWC initiates, administers, and supervises the educational program and evangelization goals in the Catholic schools located in the Debtor for which it has oversight responsibility. RCWC also coordinates accreditation, policy development, curriculum, testing, and training for the approximately 1,400 teachers serving in those schools. All the RCWC schools' real property is owned by RCWC. All schools are accredited by the Western Association of Schools and Colleges, and Catholic schools generally have separate administration from the Churches. Each school collects revenues, pays expenses, and conducts other operational and financial matters of the school.

RCWC has its own board and has at all times maintained its own, separate bank accounts and had its own financial statements. RCWC participates in the Debtor's benefits and insurance plans. RCWC relies upon the Oakland Parochial Fund, Inc. to manage its investments.

2. ***Lumen Christi Academies of the Roman Catholic Diocese of Oakland***

Formally established in 2018 by Bishop Barber, the Lumen Christi Academies ("LCA") were formed with the goal of creating an independent network of peer Catholic schools generally serving lower income, urban students. It is LCA's charter to establish new governance models and pursue academic innovation, efficient operations, and sustained investment in the professional development of teachers and principals, all while delivering the highest quality Catholic education to its students. At present, LCA is comprised of five culturally diverse elementary schools (*i.e.*, preschool through 8th grade) across the Oakland and Contra Costa County area.

LCA participates in the Debtor's benefits and insurance plans. It has at all times maintained its own board and separate bank accounts and had its own financial statements.

3. ***The Roman Catholic Cemeteries of the Diocese of Oakland***

The Roman Catholic Cemeteries of the Diocese of Oakland ("RCC"), a California corporation, operates and administers all cemetery, mausoleum and mortuary services in the diocese. RCC operates and administers six diocesan cemeteries, five diocesan mortuaries, two mausoleums and one crematory. RCC owns no real property and all real property necessary to carry out its activities (burial, entombment, and related services) is leased from the Debtor pursuant to ground leases or other appropriate lease forms. RCC is obligated to provide for Catholic burial of the deceased, and to provide "perpetual care." This obligation is central to the operating structure of the RCC cemeteries and is part of the contractual arrangements for every interment.

Funds from every interment are set aside for a permanent maintenance fund to be held, invested, and used to provide perpetual care. RCC has at all times segregated its funds from those of the Debtor and has at all times maintained separate accounts. RCC holds and invests such segregated funds and also bears the related obligation to provide perpetual care for the deceased.

1 RCC has its own board and audited financial statements. RCC participates in the Debtor's benefits
2 and insurance plans. RCC relies upon the Oakland Parochial Fund, Inc. to manage its investments.

3
4 **4. The Oakland Parochial Fund, Inc.**

5 The Oakland Parochial Fund, Inc. ("OPF") is a separately incorporated, non-regulated investment
6 fund organized for the purpose of offering the Churches and certain Affiliated Non-Debtor Catholic
7 Entities some administration and accounting functions and the opportunity, but not the obligation, to
8 professionally invest their funds. OPF serves as a non-profit fund manager for investments of the
9 Churches and RCWC (through its component schools, the "Schools"), to the extent they choose to
10 participate.

11 OPF has its own board and audited financial statements. It has at all times maintained its own,
12 separate investment accounts, and has its own bank account. OPF relies on the Debtor for finance and
13 accounting services related to the closing of books and maintaining its accounting records.

14 The services provided by OPF are a continuation of deposit and investment management services
15 (the "Diocesan Investment Management Services") previously provided by the Debtor. Before April 2023,
16 the Debtor managed certain deposits and investments of participating Churches and RCWC through the
17 Diocesan Investment Management Services, which consisted of two programs: (1) The Deposit and Loan
18 Fund program (the "DLF"), which held cash, investments, of participating Churches and Schools and
19 provided loans to participated Churches and Schools, and (2) the Investment/Endowment Pool (the
20 "Endowment Pool") in which Churches and the Schools could separately invest funds with long-term
21 investment horizons in marketable securities.

22 Prior to 2023, the DLF was maintained in two accounts: a deposit bank account that held case for
23 short-term liquidity needs of the Debtor, the Churches and RCWC Schools, and an investment account at
24 the Principal Financial Group ("Principal") for funds beyond short-term cash needs. The Endowment
25 Pool was also maintained at, and accounted for by, Principal. As part of the DLF, the Debtor periodically
26 loaned Funds held in the DLF to individual Churches or Schools in connection with capital improvement
27 projects (the "Loan Program").

28 The Debtor kept detailed book entry records of the funds held in the DLF for itself, the Churches,
29 and RCWC Schools, and provided quarterly statements to each participating Church and school. The
30 RCWC funds that the Debtor managed through the Diocesan Investment Management Services were
31 property of RCWC (i.e., not property of the Debtor), and were held by the Debtor solely for the RCWC
32 and the Schools' benefit. While the Debtor separately accounted for Church funds pursuant to Canon
33 Law, as a matter of Civil law the Churches are not separate from the Debtor.

34 In April 2023, the Debtor transitioned the Diocesan Investment Management Services to
35 OPF. While the transition of these services occurred shortly before the Petition Date, it was neither the
36 intent nor the result to move assets out of the reach of creditors that otherwise would have been available
37 to satisfy the liabilities of the Debtor.

38 To that end, in furtherance of the transition, the Debtor transferred the DLF and Endowment Fund
39 assets held for the benefit of the Churches and RCWC to OPF. While the total DLF and Endowment Fund
40 assets transferred to OPF were approximately \$106 million, \$14 million was in the form of Loan Program
41 receivables from Churches or Schools. Additionally, \$35 million from Church funds in the DLF was
42 loaned by OPF to the Debtor to fund this Chapter 11 Case. The net cash and investments transferred to
43 OPF pre-petition were therefore approximately \$57 million, of which approximately \$31 million was
44 School funds belonging to RCWC, and the remaining approximately \$26 million was Church funds. The
45 \$31 million in School funds remains property of RCWC, as it was when previously held in trust for RCWC
46 by the Debtor through the Diocesan Investment Management Services.

1 As of November 30, 2024, total DLF cash and investments held by OPF for Churches were
2 approximately \$5.6 million, and total Church Endowment Pool investments were approximately \$15.7
3 million. Substantially all of these funds are subject to donor restrictions, and therefore not available for
4 payment of claims. As reflected in the Liquidation Analysis attached hereto, Church funds not subject to
5 donor restrictions are treated as property of the Debtor for purposes of the Plan, regardless of where held.

6 Functionally, OPF acts as a deposit and investment manager for the Churches and RCWC,
7 providing for efficient, professionally managed investment of Church and RCWC school assets. The
8 funds deposited with OPF and the investments it manages are held by OPF for the benefit of the depositing
9 Churches and RCWC schools.

10 The Debtor's obligation is treated under the Plan as the OPF Claim, as defined in the Plan and
11 classified in Class 8 under the Plan. As further described in the treatment of Class 8 detailed below in
12 Section IV.B.9., the OPF Claim is subordinated to other creditor claims, and all payments thereunder are
13 deferred for up to ten (10) years after the Effective Date of the Plan.

9 **5. *The Catholic Cathedral Corporation of the East Bay***

10 The Catholic Cathedral Corporation of the East Bay ("CCCEB") was formed, along with Christ
11 the Light Cathedral Corporation ("CLCC"), to conduct activities related to replacing the prior diocesan
12 cathedral, which was rendered seismically unsound by the 1989 Loma Prieta earthquake and ultimately
13 demolished. CLCC's purpose was to raise funds necessary for the costs of construction of a cathedral
14 center and land acquisition in connection therewith. All monies and properties gifted to CLCC were and
15 are restricted by the donors for use only in connection with the cathedral center. These monies and
16 properties are to be used only for this purpose by either CLCC or CCCEB. CCCEB has at all times
17 maintained its own, separate bank accounts and had its own financial statements.

18 Construction of the new cathedral, known as Cathedral of Christ the Light (the "Cathedral")
19 commenced in May 2005. The Cathedral project included a mausoleum, a chancery to serve
20 administrative offices, rectory, other administrative and services offices, conference facilities, and an open
21 plaza (collectively, with the Cathedral, the "Cathedral Center").

22 CCCEB currently holds legal title to the land and improvements constituting the Cathedral Center
23 and ~~will continue to do so and to operate and maintain it~~ operates and maintains the Cathedral Center. The
24 Debtor ~~leases space in the~~ pays user fees to CCCEB for use of the chancery administrative offices ~~from~~
25 ~~CCCEB and rectory~~ and provides finance and accounting services and support for CCCEB. ~~CCCEB has~~
26 ~~at all times maintained its own, separate bank accounts and had its own financial statements.~~ Other
27 agreements between CCCEB and users of the Cathedral Center property include: (i) that certain License
28 and Services Agreement dated as of January 1, 2020, with RCC regarding the mausoleum on the Cathedral
Property; (ii) that certain Commercial Office Lease Agreement with RCC dated as of April 3, 2024; (iii)
that certain Lease Agreement with the Order of Malta Clinic of Northern California dated January 25,
2008, and amended February 10, 2023; and (iv) agreements for use of Cathedral Property space with
RCWC, and the Cathedral of Christ the Light parish Church (the foregoing, collectively, the "User
Agreements").

29 In addition to donations and gifts, construction of the Cathedral Center was funded, in part, through
30 funds loaned to CCCEB by the Debtor. As of the Petition Date, CCCEB owed the Debtor \$41,856,598.19
31 (the "CCCEB Note") on account of funds loaned to it, which amount remains outstanding. ~~As discussed~~
32 ~~below, the~~ The Plan contemplates that a settlement of CCCEB's outstanding obligations on the CCCEB
33 Note through a settlement (the "CCCEB Settlement") through which the Debtor will receive fee simple
34 title to the Cathedral Center, together with all improvements thereon and all tangible personal property
35 owned by CCCEB and located on or used in connection with the operation of the Cathedral Center, in full
36 and complete satisfaction of all obligations under the CCCEB Note. The terms of and basis for the
37 CCCEB Settlement are discussed in more detail in Section X.C., below.

1 6. ***The Oakland Society for the Propagation of the Faith***

2 The Oakland Society for the Propagation of the Faith (“SPOF”) provides support for Catholic
3 missionaries. SPOF is one of the four Pontifical Mission Societies, known in some countries as Missio.
4 This group of Catholic missionary societies is under the canonical jurisdiction of the Congregation for the
5 Evangelization of Peoples (Rome, Italy) and the Bishop of Rome (the Pope). Since 1922, the Pontifical
6 Mission Societies has been the Roman Catholic Church’s official support organization for overseas
7 mission. SPOF seeks to foster an even deeper spirit of universal mission. It strives to inform Catholics
8 of the life and the needs of the Roman Catholic Church in the missions and to encourage prayer and
9 financial help for those mission churches.

10 Through the offerings from Catholics worldwide, the SPOF provides ongoing support for the
11 pastoral and evangelizing programs of the Roman Catholic Church in Africa, Asia, the Pacific Islands and
12 remote regions of Latin America. This includes aid for religious communities in education,
13 evangelization, seminarians and catechist formation, catechetical work and the construction of churches
14 and chapels. Support is also provided for health care, social services, communication and transportation
15 needs for disaster and emergency relief when necessary.

16 SPOF relies on the Debtor for finance and accounting services related to the closing of books and
17 maintaining its accounting records. SPOF has at all times maintained its own, separate bank accounts and
18 had its own financial statements.

19 7. ***Catholic Charities of the Diocese of Oakland, Inc.***

20 Catholic Charities of the Diocese of Oakland, Inc., dba Catholic Charities of the East Bay
21 (“CCEB”) is a California not-for-profit corporation. CCEB is the social service arm of the Debtor. CCEB
22 helps vulnerable communities within Alameda and Contra Costa Counties by supporting children, youth,
23 families, and seniors and immigrants from crisis to stability to well-being.

24 Founded in 1935, CCEB provides hope and healing to vulnerable children, youth and families in
25 Alameda and Contra Costa Counties through compassionate services that transform lives and foster self-
26 sufficiency. CCEB works to address the root causes of poverty and issues of social justice. CCEB heeds
27 the call of the Pope to serve the vulnerable and services people in need regardless of religious belief, race,
28 national origin, gender or sexual orientation.

 As the social service arm of the Debtor, CCEB is a nationally-recognized leader in healing trauma
and providing evidence-based mental health services and restorative practices. CCEB is also nationally
accredited through the New York-based Council on Accreditation, demonstrating the implementation of
best practice standards in the field of human services in all aspects of CCEB’s programs, services,
management and administration.

CCEB has at all times maintained its own, separate bank accounts and had its own financial
statements.

 8. ***Catholic Church Support Services (dba Catholic Management Services)***

Catholic Church Support Services (“CCSS”), established January 1, 2014, is a California nonprofit
religious corporation that operates under the trade name of Catholic Management Services. CCSS
provides management services to Catholic dioceses throughout the United States, including Puerto Rico,
generally regarding their funeral and cemetery enterprises. CCSS provides general managerial
administration of the day-to-day operations of cemeteries, including marketing and branding support,
business development, and process and systems reviews under management services agreements.

1 CCSS has its own board and audited financial statements and has at all times maintained its own,
2 separate bank accounts. CCSS participates in the Debtor's benefits and insurance plans.

3 **9. *Furrer Properties Inc.***

4 Furrer Properties Inc. ("Furrer"), a California corporation and wholly-owned subsidiary of the
5 Debtor, is used by the Debtor to hold title in its real estate. Furrer holds select real estate assets that derive
6 rental property income from cemeteries, a four-unit rental property, and parking lot in Oakland. Its
7 financials are consolidated in the audited financials of the Debtor. Furrer maintains a separate bank
8 account administered by its agent, a property management company.

9 **10. *Adventus***

10 Adventus, a California nonprofit public benefit corporation, is used by the Debtor to hold title in
11 some limited real estate. Adventus' financials are consolidated into the audited financials of the Debtor.
12 Adventus has always maintained a separate bank account. As noted above, Adventus is contributing the
13 Livermore Property, real property having a street a street address of 3658 Las Colinas Road, Livermore,
14 California, with the legal description set forth in the applicable exhibit to the Plan, to the Survivors' Trust
15 Assets.

16 **11. *Catholic Foundation for the Diocese of Oakland***

17 Catholic Foundation for the Diocese of Oakland ("Foundation") was formed in 2014 for the
18 purpose of fundraising for the Debtor's one and only diocesan-wide capital campaign initiated that year.
19 It is currently in the process of being wound down as the campaign concluded and funds raised and
20 collected have nearly all been distributed.

21 **G. The Debtor's Mission to Effect Reconciliation and Compensation**

22 The needs of survivors of clergy sexual abuse (the "Abuse Survivors") and the protection of
23 children have long been priorities of the Debtor. Since the 1990s, the Debtor has provided counseling,
24 therapy, support and outreach to Abuse Survivors.

25 More than a decade before the U.S. Conference of Catholic Bishops adopted in the Spring of 2002
26 the *Charter for the Protection of Children and Young People* (the "USCCB Charter"), the Debtor
27 established a "Sensitive Issues Committee" to assist the bishop in reviewing and handling allegations of
28 sexual abuse by persons acting in the name of the Roman Catholic Church. During that time, the Sensitive
Issues Committee assisted in the evaluation of the credibility of claims and made recommendations to the
bishop regarding assistance to Abuse Survivors, including monetary assistance, counseling and pastoral
care.

Following the USCCB Charter's adoption, the Sensitive Issues Committee was renamed the
Diocesan Review Board in 2003 and again updated to the Minor Diocesan Review Board in 2022 (the
"MDRB"). The MDRB actively functions today. Its five lay members (including an Abuse Survivor and
business consultant, a former district attorney, a social worker, a retired educational administrator, and a
lay pastoral associate) and three clergy members meet at least quarterly to assess allegations and make
recommendations on the handling of those allegations of sexual abuse of children and vulnerable adults
by clergy. This consultative body is critical to the work of the Debtor to address crimes against children
and vulnerable adults. As with the Sensitive Issues Committee, the MDRB works with Bishop Barber to
analyze and properly respond to claims so credibility can be determined and acted upon in the best interest
of the Abuse Survivor.

In line with the Charter and the mission and teachings of the Roman Catholic Church, the Debtor
offers (i) counseling, treatment, and programming for those who both claim to have been and have been

1 credibly found to be survivors of abuse by members of the clergy along with (ii) safe environment
2 scanning training and classes for prevention. These programs (collectively, the “Abuse Survivors’
3 Assistance and Safe Environment Programs”) are important and necessary to the Debtor’s ongoing
4 obligations and to its moral and ethical responsibility to support Abuse Survivors.

5 In 2004, the Debtor began developing specific training and background check programs that
6 provide a safe environment for parishioners and visitors to diocesan facilities (“Safe Environment”).
7 Through its Safe Environment programs, the Debtor ensures and requires the training of all adults –
8 whether volunteer or employed – who serve in the Debtor. The Debtor gives rigorous attention to training
9 materials and teaches adult parish and school leaders to facilitate the training program. Processes are also
10 in place to refer anyone with claims regarding clergy sexual abuse to law enforcement and Debtor
11 representatives for assistance.

12 All volunteers and employees over age 18 in any parish, school, or other diocesan site, regardless
13 of ministry, must be trained every three years in safe environment. All children in Catholic school or
14 parish faith formation programs must also be trained annually to recognize and report abuse. As part of
15 this process, the Office of Safe Environment conducts annual statistical audits of each location in the
16 diocese and trains the coordinators annually to ensure the policies are met and followed.

17 The Office of Safe Environment has continually improved the content of its trainings and, as online
18 platforms became available, former Bishop Cummins approved their use. In 2016, Bishop Barber moved
19 the training program to an online synchronous platform provided by The National Catholic Risk Retention
20 Group known as “Virtus,” an international leader in abuse awareness training. The Debtor now has local
21 safe environment coordinators in every parish and school.

22 The Debtor also operates an Office for Victims Assistance (“OVA”) and employs a Victims
23 Assistance Coordinator (“VAC”) to directly address the needs of Abuse Survivors and coordinate support
24 services for them. The goals of the OVA, as administered by the VAC, are to support Abuse Survivors
25 and their families through counseling, spiritual direction, and support groups. The OVA also arms Church
26 leaders with the tools to develop support, promote healing, and empower Abuse Survivors in the diocesan
27 community.

28 Through the OVA, and the hotline established by the Debtor, counseling and spiritual direction
are offered to Abuse Survivors of clergy abuse and their families and the Debtor is committed to reporting,
investigating, and responding to such claims. The Debtor also pays for Abuse Survivors to receive
psychological counseling and related medical treatment, including medications where appropriate
(“Abuse Survivors’ Assistance”).

Abuse Survivors’ Assistance is available for any requesting individual who makes an allegation
of abuse by clergy or non-clergy affiliated with the Debtor. In some cases, the Debtor makes these
programs available to family members who have been affected by the abuse of a loved one.

Abuse Survivors’ Assistance is administered by psychologists, psychiatrists, licensed clinical
social workers, and licensed marriage and family therapists selected by the recipient (each a “Counselor”).
Before engaging a Counselor, the Debtor requires the Counselor to provide evidence that he or she is a
state-licensed mental health professional with at least a master’s degree in a relevant field. The Debtor
recommends Counselors who have a background in trauma therapy but does not require that background.
The Counselors are not employed by or otherwise affiliated with the Debtor.

Education on the issue of clergy sexual abuse is also a cornerstone of the Debtor’s mission to
address and eradicate this problem. The Debtor actively educates clergy, Church employees and the
community around the realities of clergy sexual abuse through workshops and presentations aimed at
bringing awareness to the problem. This forum also provides opportunities for Abuse Survivors to tell
their stories to help effect change regarding clergy sexual abuse. The Debtor’s ministry also includes

1 Abuse Survivors working together with priests and deacons regarding what it means to be sexually abused
2 by a member of the clergy.

3 Ultimately, the Debtor understands that in order to address the problem of clergy sexual abuse, it
4 must amplify the voice of Abuse Survivors and provide necessary resources to the public to understand
5 when and how to report incidents of abuse. The Debtor's website (www.oakdiocese.org) has five main
6 sections: Debtor, Bishop, Ministries, Giving and Survivors. The Survivors section contains five pages
7 full of resources, information and links to policies and procedures to further the cause of identifying,
8 addressing, reporting and responding to clergy sexual abuse. The website contains, among other things:

- 9 a. Contact information for the VAC, Chancellor and the number/email for the dedicated
10 Survivor Advocacy Hotline;
- 11 b. Information regarding the Debtor's Minor Diocesan Review Board and steps for reporting
12 abuse;
- 13 c. A parish infographic detailing the steps the Debtor will take to respond to and investigate
14 a claim of clergy sexual abuse;
- 15 d. Access to the Virtus registration and login in both English and Spanish, as well as retraining
16 instructions, so that safe environment training can be easily accomplished;
- 17 e. Policies related to *Background Screening and Training, Sexual Misconduct, and Minors*
18 *Volunteering or Working with Younger Children*;
- 19 f. Links to the *Code of Conduct Involving Interactions with Minors and Vulnerable Adults*
20 (in both Spanish and English), *Live Scan Requests* (for both employees and volunteers),
21 *Approved Safe Environment Curriculum for Children and Youth*, the forms for both schools
22 and churches regarding their *Safe Environment Reporting*, the *USCCB Charter for the*
23 *Protection of Children and Young People* and the *On Site Safe Environment Training*
24 *Schedule*; and
- 25 g. The "Credibly Accused List" of diocesan priests, religious order priests, deacons and
26 brothers (as well as some priests from other dioceses who had worked in the Debtor) who
27 have been credibly accused of the sexual abuse of minors.

28 The Debtor, through its programs, offices, coordinators and trainings, is committed to serving
those affected by historical clergy sexual abuse and to prevent future abuse from occurring. The Debtor is
bound by the USCCB Charter, a comprehensive set of procedures originally established by the United
States Conference of Catholic Bishops in June 2002, and modified in 2005, 2011, and most recently in
2018. The purpose of the USCCB Charter is to address allegations of sexual abuse of minors by Catholic
clergy. The USCCB Charter also includes guidelines for reconciliation, healing, accountability, and
prevention of future acts of abuse.

Finally, the Debtor continues to support the No More Secrets Ministry ("NMSM"), which was
formed by survivors of clergy sexual abuse in 2000 with the mission to provide an opportunity for personal
sharing, prayerful reflection, and spiritual renewal. NMSM has joined forces with the VAC and Licensed
Clinical Social Workers, to further support survivors to launch a new initiative called "**Lifting Survivors'**
Voices at the Oakland Diocese." Its work has been ongoing for nearly a quarter of a century.

**The Plan provides that the Debtor shall continue these efforts as part of its Non-Monetary
Commitment to Healing and Reconciliation.**

AMENDED DISCLOSURE STATEMENT FOR **AMENDED** PLAN OF REORGANIZATION

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ARTICLE V

THE CHAPTER 11 CASE

A. Events Leading to the Chapter 11 Case

In the State of California, there have been two “open window” periods allowing individuals under civil law to bring claims for childhood sexual abuse which otherwise were barred due to the expiration of the statute of limitations (prescription). In 2002, the California Legislature permitted certain expired claims of childhood sexual abuse not only against the perpetrators but also against third-party defendants (like the Churches) for a one-year period starting January 1, 2003 (the “First Legislation”). The Debtor paid approximately \$56,000,000 to 52 plaintiffs in settlement of claims brought as part of the First Legislation.

On October 13, 2019, Governor Gavin Newsom signed into law California Assembly Bill No. 218 (“AB 218”). AB 218 revived the statute of limitations for individuals to file civil lawsuits for childhood sexual abuse. The passage of AB 218 allowed certain individuals to bring what had been time-barred claims against individuals and entities for such claims through and including December 31, 2022. As of May 4, 2023, there were approximately 332 separate, active lawsuits or mediation demands pending against the Debtor filed by plaintiffs alleging sexual abuse by clergy or others associated with the Debtor (the “State Court Actions”).

The Debtor had neither the financial means nor the practical ability to litigate all of the abuse claims in state court. The Debtor commenced this Chapter 11 Case to allow all of the abuse claims to be asserted and addressed in a single forum – the Bankruptcy Court – and to ensure that all meritorious abuse claims be paid on a fair and equitable basis pursuant to an approved chapter 11 plan.

The Plan propounded by the Debtor will fairly and equitably compensate abuse survivors and will also enable the Debtor to continue its mission to serve the needs of the faithful within the Diocese of Oakland, and to continue to provide social services to numerous underserved people and groups in the East Bay, regardless of their religious faith.⁹

B. Voluntary Petition

On May 8, 2023 (the “Petition Date”), the Debtor filed a voluntary petition for chapter 11 bankruptcy relief under the Bankruptcy Code [Docket No. 1]. An immediate effect of the filing of the Chapter 11 Case was the imposition of the automatic stay under section 362 of the Bankruptcy Code, which, with limited exceptions, enjoined the commencement or continuation of: (1) all collection efforts by creditors; (2) enforcement of liens against any assets of the Debtor; and (3) all litigation against the Debtor.

The Debtor continues to operate its ministry and manage its properties as a debtor-in-possession under sections 1107(a) and 1108 of the Bankruptcy Code. No trustee has been appointed in this Chapter 11 Case.

C. First Day Relief

On the Petition Date, the Debtor filed a number of motions and other pleadings (the “First Day Motions”), the most significant of which are described below. The First Day Motions were proposed to ensure the Debtor’s orderly transition into this Chapter 11 Case, to allow the Debtor to work with other

⁹ [As discussed in the Committee Letter, the Committee disagrees with this assertion.](#)

1 stakeholders to achieve a plan of reorganization that will fairly and equitably compensate abuse survivors
2 and will also enable the Debtor to continue its mission to serve the needs of the faithful within the diocese;
3 preserving the confidentiality of abuse survivors through special noticing procedures; continuing the
4 ministry of the Roman Catholic Church to the nearly 550,000 Catholics in the diocese; maintaining
5 employee compensation; maintaining the good will and morale of the priests, lay employees and others
6 who work on the programs and services provided by the Debtor; preserving and maximizing the Debtor's
7 insurance assets to help provide fair and equitable compensation to abuse survivors; and maintaining
8 services for those Catholics and non-Catholics alike who benefit from the many critical services provided
9 by the charitable, educational and other service organizations affiliated with the Debtor.

6 The First Day Motions included:

- 7 • *Motion for an Order Authorizing and Approving Special Noticing and Confidentiality*
8 *Procedures* [Docket No. 6];
- 9 • *Motion for Interim and Final Orders Authorizing the Debtor to (I) Pay Certain Prepetition*
10 *Invoices for Abuse Survivors' Assistance and Safe Environment Programs, and (II)*
11 *Continue its Prepetition Practice of Paying for Abuse Survivors' Assistance and Safe*
12 *Environment Programs* [Docket No. 8];
- 13 • *Motion for Interim and Final Orders Authorizing the Debtor to (I) Pay Prepetition*
14 *Employee Wages, Salaries, Benefits and Other Related Items; (II) Reimburse Prepetition*
15 *Employee Business Expenses; (III) Continue Employee Benefit Programs; and (IV) Pay*
16 *All Costs and Expenses Incident to the Foregoing* [Docket No. 13];
- 17 • *Motion for an Order Establishing Adequate Assurance Procedures with Respect to*
18 *Debtor's Utility Providers* [Docket No. 14];
- 19 • *Motion for Interim and Final Orders Authorizing the Debtor to (I) Continue Existing*
20 *Insurance Coverage and Satisfy Obligations Related Thereto, and (II) Renew, Amend,*
21 *Supplement, Extend or Purchase Insurance Policies in the Ordinary Course of Business*
22 [Docket No. 15]; and
- 23 • *Motion for Interim and Final Orders Authorizing the Debtor to (I)(A) Continue Existing*
24 *Cash Management System, (B) Honor Certain Prepetition Obligations Related to the Use*
25 *Thereof, (C) Continue Intercompany Arrangements, (D) Maintain Existing Bank Accounts*
26 *and Business Forms, and (E) Continue Use of Existing Credit Card Accounts; and (II)*
27 *Waive Certain Requirements of 11 U.S.C. 345(b)* [Docket No. 16].

21 The First Day Motions were granted, with certain adjustments or modifications to accommodate
22 points identified by the Bankruptcy Court, United States Trustee for Region 17 (the "U.S. Trustee") and
23 other parties in interest.

23 **D. Retention of Advisors for the Debtor**

24 Soon after the commencement of the Chapter 11 Case, the Debtor obtained Bankruptcy Court
25 approval of the retention of:

- 25 (1) Foley & Lardner LLP as the Debtor's general bankruptcy counsel (*see* [Docket No. 145]);
- 26 (2) Alvarez & Marsal North America, LLC as the Debtor's restructuring advisor and expert
27 consultants regarding Abuse Claims (*see* [Docket No. 191]);

1 (3) Kurtzman Carson Consultants LLC as the Debtor's claims and noticing agent (*see* [Docket
2 No. 40]) and administrative advisor (*see* [Docket No. 146]); and

3 (4) Breall & Breall LLP as the Debtor's special insurance counsel (*see* [Docket No. 434]).

4 Subsequently, the Debtor also obtained Bankruptcy Court approval of the retention of VeraCruz
5 Advisory, LLC as financial consultant to the Debtor (*see* [Docket No. 1167]). The Debtor has also retained
6 ordinary course professionals pursuant to the *Order (I) Authorizing the Retention and Payment, Effective
7 as of the Petition Date, of Professionals Utilized by the Diocese in the Ordinary Course of Business and
8 (II) Granting Related Relief* [Docket No. 263].

9 **E. The Committee**

10 On May 23, 2023, the U.S. Trustee appointed the Committee in this Chapter 11 Case pursuant to
11 section 1102 of the Bankruptcy Code.

12 The Committee consists of the following members: (1) John-Norman Kalama Houo Ka Ikaika
13 Cobb; (2) Scott Brian Drescher; (3) Jason Jaye; (4) Jenna McCarthy; (5) Kelly O'Lague; (6) David
14 Sheltraw; (7) Judy Roberts; (8) Sherry Waterworth; and (9) Steven Woodall.

15 Since its appointment, the Committee has been actively involved with the Debtor in overseeing
16 the administration of the Chapter 11 Case as a fiduciary for all unsecured creditors of the Debtor in this
17 Chapter 11 Case, and has consulted with the Debtor on various matters relevant to the Chapter 11 Case.
18 The Debtor has also discussed its business operations with the Committee and their advisors and has
19 negotiated with the Committee regarding actions and transactions outside of the ordinary course of
20 business. The Committee has participated actively in reviewing the Debtor's business operations,
21 operating performance and business plan.

22 The Committee has obtained Bankruptcy Court approval of the retention of:

23 (1) Lowenstein Sandler LLP as lead counsel to the Committee (*see* [Docket No. 205]);

24 (2) Keller Benvenuti Kim LLP as local counsel to the Committee (*see* [Docket No. 204]);

25 (3) Berkeley Research Group, LLC for the Committee (*see* [Docket No. 330]);

26 (4) Burns Bair LLP as special insurance counsel to the Committee (*see* [Docket No. 372]);

27 (5) Stout Risius Ross, LLC as expert consultant on valuation of Abuse Claims (*see* [Docket
28 No. 510]); and

(6) Douglas Wilson Companies as real estate consultant to the Committee (*see* [Docket No.
1332]).

F. Further Motions in the Chapter 11 Case

1. **Exclusivity**

During the first 120 days of a chapter 11 reorganization, a debtor retains the exclusive right to submit a plan of reorganization and solicit votes for the plan. The exclusive period may be extended by the bankruptcy court for periods not to exceed eighteen months in total. The Debtor has sought and been granted four such extensions [Docket Nos. 388, 702, 1088 and 1306]. Presently, The last such extension extended the period during which the Debtor has had the exclusive right to file a chapter 11 plan, as provided in 11 U.S.C. § 1121(b) and (c)(2), ~~is extended~~ through and including November 8, 2024, and the

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1 period during which the Debtor has the exclusive right to solicit acceptance of a chapter 11 plan, as
2 provided in 11 U.S.C. § 1121(c)(3), ~~is hereby extended to~~ through and including January 8, 2025 (the
3 "Exclusive Solicitation Period"). During the Exclusive Solicitation Period, no competing plan may be
4 filed.

2. Removal

5 On August 1, 2023, the Debtor filed *Debtor's Motion for Entry of an Order, Pursuant to*
6 *Bankruptcy Rules 9006 and 9027, Enlarging the Period Within Which the Debtor May Remove Actions*
7 *Pursuant to 28 U.S.C. § 1452* [Docket No. 318] (the "First Motion"). Section 1452 permits the removal
8 of civil action claims that are related to a bankruptcy case and Rule 9027 creates the time period within
9 which notices of removal must be filed. The Debtor requested an extension of this period to provide it
10 with additional time to determine whether to remove certain pending civil actions related to this Chapter
11 11 Case. The Bankruptcy Court entered an order approving the Debtor's requested extension on August
12 22, 2023 [Docket No. 387], and entered orders approving the Debtor's subsequent requested extensions
13 on February 2, 2024 [Docket No. 840] and August 23, 2024 [Docket No. 1305]. Presently, the removal
14 period during which the Debtor may file notices of removal of claims or causes of action in a civil
15 proceeding ~~— including the State Court Actions —~~ is extended through and including February 3, 2025.

3. Unexpired Leases of Nonresidential Real Property

12 A debtor must assume or reject unexpired leases of nonresidential real property by the earlier of
13 (a) 120 days from the date of the petition, or (b) the date on which the bankruptcy court confirms the plan
14 of reorganization, at which time a debtor will be considered to have rejected the leases. A debtor, upon a
15 showing of cause, may request that the bankruptcy court extend the time period in which the debtor must
16 make the decision by a period of 90 days. 11 U.S.C. § 365(d)(4)(B). In this Chapter 11 Case, the Debtor
17 has sought and been granted four such extensions with respect to certain leases, including the unexpired
18 lease for the Debtor's use of the Cathedral Center (See Docket Nos. 367, 421, 640, 703, 883, 925, 1011,
19 1328, and 1345.) Presently, the time period within which the Debtor may assume or reject the Cathedral
20 Lease is extended through and including April 1, 2025, in accordance with section 365(d)(4) of the
21 Bankruptcy Code.

G. Mediation

22 On December 19, 2023, the Debtor and the Committee jointly filed the *Joint Motion for Entry of*
23 *an Order Referring Parties to Mediation, Appointing Mediators and Granting Related Relief* [Docket No.
24 705] (the "Mediation Motion"). On January 22, 2024, the Court entered an order referring the parties to
25 mediation, appointing the mediators agreed by the parties, and identifying the matters for mediation, both
26 as between the Debtor and the Committee, and between the Debtor and its insurers [Docket No. 810] (the
27 "Mediation Order"). The matters for mediation and the specifics of the mediation process are more fully
28 set forth in the Mediation Order.

29 The Committee and the Debtor each met individually with mediators Judge Christopher Sontchi
30 and Jeff Krivis, exchanged initial proposals, and participated in the first round of mediation on March 18
31 and 19, 2024. Additional in-person mediation sessions were held on April 15-16, May 13-14, and June
32 18-19. Counsel for the Debtor and Committee held virtual one-hour meetings approximately each week
33 in July. Further in-person mediation sessions with the Committee were held on August 13, September 10-
34 11 and 30, October 1 and 16-17, 2024. These sessions resulted in multiple proposals from each side
35 culminating in multiple written term sheets and/or proposals submitted by the Debtor and responses from
36 the Committee.

37 The Debtor commenced mediation with the Insurers in June 2024. Debtor's counsel met
38 independently with mediators Judge Randall Newsome and Tim Gallagher in March to prepare for the
39 mediation related to the Insurance Coverage Litigation (as defined below). Mediation sessions with both

1 the Committee and insurers were held in-person on June 18-19 and October 22. A virtual mediation was
2 held on October 31. The Debtor and the Insurers held a virtual mediation session on November 6. All
3 Insurers were represented at each mediation session. Throughout this process, the parties have expressed
4 their respective positions and expectations and have submitted information and mediation statements to
5 the insurance mediators.

6 Following the conclusion of the virtual mediation session on November 6, and immediately prior
7 to the filing of the Original Plan, the Debtor and Insurers reached agreement on the terms of the Insurance
8 Assignment, the creation of the Survivors' Trust, and the Litigation Option, all as embodied in the Plan.
9 This agreement was no small feat. The Debtor and Insurers have been adversaries throughout this Chapter
10 11 Case on numerous important issues. As set forth in the Committee Letter, the Committee did not join
11 in that agreement. The Debtor has not reached agreement with the Committee on any Plan terms, although
12 multiple aspects of the Plan align with the Committee's stated requests.

8 **H. Bar Dates and Claims Process**

9 1. **Bar Dates**

10 On May 22, 2023, the Debtor filed its schedules of assets and liabilities, identifying the assets and
11 liabilities of its Estate [Docket No. 54] (as amended, restated or modified from time to time, the
12 "Schedules"), and also a statement of financial affairs [Docket No. 54] (as amended, restated or modified
13 from time to time, the "Statement"). The Debtor updated the Schedules with amendments on June 8, 2023
14 [Docket No. 102], June 21, 2023 [Docket No. 161] and December 22, 2023 [Docket No. 720]. The Debtor
15 updated the Statement with amendments on June 8, 2023 [Docket No. 103] and December 14, 2023
16 [Docket No. 693].

17 In addition, pursuant to an order dated July 25, 2023 [Docket No. 293] (the "Bar Date Order"), the
18 Bankruptcy Court established the following bar dates for the filing of Proofs of Claim in this Chapter 11
19 Case:

- 20 i. the general bar date (the "General Bar Date") for all Claims, except as noted below,
21 of September 11, 2023 at 5:00 p.m. (prevailing Pacific Time);
- 22 ii. a governmental bar date (the "Governmental Bar Date") for all Governmental Units
23 (as defined in section 101(27) of the Bankruptcy Code) of November 6, 2023 at
24 5:00 p.m. (prevailing Pacific Time);
- 25 iii. a bar date for Claims amended or supplemented by the Debtor's amended
26 Schedules of on or before the later of (a) the General Bar Date or the Governmental
27 Bar Date (as applicable); and (b) 5:00 p.m. (prevailing Pacific Time) on the date
28 that is thirty (30) days after the date on which the Debtor provides notice of
previously unfiled schedules or an amendment or supplement to the schedules (the
"Amended Schedules Bar Date"); and
- iv. a bar date for any Claims arising from or relating to the rejection of executory
contracts or unexpired leases (the "Rejection Damages Bar Date" and, together with
the General Bar Date, Governmental Bar Date, and Amended Schedules Bar Date,
the "Bar Dates") of on or before the later of (a) the General Bar Date or the
Governmental Bar Date (as applicable) and (b) 5:00 PM (prevailing Pacific Time)
on the date that is thirty (30) days after the entry of the order authorizing the
rejection of such executory contract or unexpired lease.

The Debtor provided notice of the Bar Dates as required by the Bar Date Order as reflected in
various Certificates and Supplemental Certificates of Service, *see, e.g.* Docket Nos. 333, 360, 385, and

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1 419, and the *Certificate of Counsel Regarding Compliance with Certain Provisions in the Bar Date Order*
2 [Docket No. 334].

3 The Bar Date Order contemplated the submission by Claimants asserting Abuse Claims of an
4 optional supplement providing additional facts and background information regarding their abuse,
5 including the alleged perpetrator, location, frequency, and other circumstances. Claimants were also asked
6 to submit any filed state-court pleadings, if any. All of the information submitted in any proofs of claim
7 alleging an Abuse Claim or the optional supplement attached thereto was (and remains) subject to strict
8 confidentiality procedures and protections. The Debtor has taken every step within its power to protect
9 this information.

10 **2. The Claims Review Process**

11 The vast majority of non-duplicate Abuse Claims (approximately 91%) included the optional
12 supplement in one form or another alongside the proof of claim form itself. As part of the Chapter 11
13 Case, the Debtors, with the assistance of its advisors, conducted a thorough review of the Abuse Claims
14 and optional supplements filed by Claimants asserting such claims. This review included the identification
15 of duplicate claims (most of which were either filed by multiple sets of counsel for a given claimant and
16 are identical or amend a previously filed claim to provide the optional supplement); claims that predate
17 the formation of the Debtor in 1962; claims that assert liability of a third party, such a religious order;
18 claims that lack sufficient information for the Debtor to ascertain its own liability; claims that were
19 previously settled, such as in connection with the First Legislation; or claims that did not correspond to a
20 filed state-court complaint. The Debtor's review was intended to identify objective facts or circumstances
21 asserted in the Abuse Claims, as well as any gaps in same, and allowed the Debtor, in many cases, to use
22 its own records to fill those gaps.

23 As of October 11, 2024, 422 Abuse Claims were filed pursuant to the Bar Date Order. Of that
24 number, 31 filed Abuse Claims are duplicative of other, timely filed claims. An additional 5 Abuse Claims
25 were filed after the Bar Date, no motion to deem such claims as timely has been filed, and accordingly,
26 such claims are untimely. After accounting for duplicative, untimely claims, 386 "unique" (non-
27 duplicative, timely) claims remain. Of these 386 unique claims, the Debtor believes, based on various
28 factors identified in its review of the Abuse Claims, approximately ~~320~~345 Abuse Claims exist that
will may ultimately be entitled to distributions from the Survivors' Trust. However, the Debtor has not
filed any objections to claims as of the filing of the Plan and understands that the provisions of the
Survivors' Trust Distribution Plan will ultimately control which Claimants receive distributions and in
what amount. Nothing in the Plan or this Disclosure Statement attempts to disallow any Allowed Claims
or seeks a determination regarding allowance.

Many of the Abuse Claims are asserted to be of six-figure or seven-figure amounts, and many are
listed as having an unknown amount. The Abuse Claims present unique complexities of confidentiality,
valuation, procedure, and appropriate and equitable treatment of Claims. After the Debtor's careful
evaluation of all filed Claims with the assistance of the Debtor's advisors, the Debtor is confident that the
Plan establishes protocols to ensure that Allowed Abuse Claims are compensated through an expedited,
uniform claims process.

29 **I. Litigation Regarding Insurance Coverage for Abuse Claims**

The portfolio of insurance policies providing coverage for sexual abuse claims, maintained by the
Debtor over a period of several decades, is an essential asset of the Estate. This insurance coverage is a
critical part of the Debtor's Plan. Prior to the Petition Date, the Debtor tendered through its broker both
the Debtor's defense and indemnity of the claims asserted against the Debtor under the applicable
insurance policies to the associated carriers that issued those policies (the "Defendant Carriers").

1 Those Defendant Carriers that issued primary insurance policies received tender on behalf of the
2 Debtor and have agreed to provide a defense to the claims falling within the coverage period of each
3 primary insurance Defendant Carrier's insurance policy. However, the primary insurance Defendant
4 Carriers have failed to confirm they have any obligation to indemnify the Debtor for these claims. Those
5 Defendants Carriers that issued excess or umbrella policies received the tender on behalf of the Debtor
6 but improperly denied or failed to confirm coverage (including, without limitation, failure to provide both
7 defense and/or indemnity), or otherwise reserved rights to deny coverage based on various defenses and
8 exclusions, including failure by failing to recognize the exhaustion or substantial likelihood of exhaustion
9 of underlying insurance through payment, liquidation or other means and thereby requiring the excess
10 insurance to drop down and provide defense and/or indemnity to the Debtor.

11 As of the filing of this Chapter 11 Case, despite the Debtor's continuing efforts to obtain coverage
12 from the Defendant Carriers, the Defendant Carriers have reserved their rights to deny coverage and have
13 not agreed to indemnify the Debtor for any liability determinations. Some of the Defendant Carriers
14 agreed to reimburse the Debtor's defense costs for claims falling within the coverage periods of those
15 Defendant Carriers' insurance policies, but have not confirmed, and have reserved rights regarding, any
16 an indemnity obligation for those claims.

17 Because the Debtor and the Defendant Carriers were unable to reach a resolution regarding
18 coverage, on June 22, 2023, the Debtor initiated an adversary proceeding, captioned *The Roman Catholic*
19 *Bishop of Oakland v. Pacific Indemnity, et al.*, Adv. Pro. 23-04028 (the "Pacific Adversary"), and filed a
20 complaint for declaratory relief and breach of contract, seeking to liquidate the Debtor's claims against
21 numerous of its historical insurers [Docket No. 2]. On August 30, 2023, the Debtor initiated an additional
22 adversary proceeding, captioned *The Roman Catholic Bishop of Oakland v. Am. Home Assurance Co., et*
23 *al.*, Adv. Pro. 23-04037, and filed a complaint seeking declaratory relief and alleging breach of contract
24 against two additional insurers [Docket No. 1] (the "American Home Adversary" and, together with the
25 Pacific Adversary, the "Insurance Coverage Litigation").

26 Following an initial round of motions to dismiss in the Pacific Adversary, the Debtor filed its
27 second amended complaint in the Pacific Adversary on December 18, 2023 (Adv. Pro. 23-04028, [Docket
28 No. 161]), and its first amended complaint in the American Home Adversary on December 19, 2023 (Adv.
29 Pro. 23-04037, [Docket No. 13]). On January 12, 2024, the Debtor filed its third amended complaint in
30 Adv. Pro. 23-04028 [Docket No. 163] (the "Third Amended Complaint"). In response to the Third
31 Amended Complaint, the defendant insurers variously filed two motions to dismiss [Adv. Pro. 23-04028,
32 Docket Nos. 173, 175], a motion to dismiss and/or for more definite statement [*id.*, Docket No. 171]
33 (collectively, the "Motions to Dismiss"), and two answers [*id.*, Docket Nos. 164, 165].

34 The defendant insurers filed motions to withdraw the reference as to the Pacific Adversary on
35 February 2, 2024 (Adv. Pro. 23-04028 [Docket Nos. 188, 189]) and the American Home Adversary on
36 March 21, 2024 (Adv. Pro. 23-04037 [Docket No. 26]). The two adversary proceedings are now
37 consolidated before Judge Corley in the District Court, under District Court Case No. 3:24-cv-00709-JSC
38 (the "District Court Insurance Case Coverage Litigation").

39 The Motions to Dismiss were heard by the District Court on July 11, 2024. The District Court
40 granted the Motions to Dismiss with leave to amend, but in doing so made it clear that the action would
41 be moving forward. In fact, the District Court ordered that discovery in the cases continue even
42 while the Debtor prepared the amendment directed by the District Court, emphasizing that "discovery is
43 open now." District Court Insurance Case Coverage Litigation, Transcript of July 11, 2024, Hearing
44 [Docket No. 103], at 36:22.) In response to a request from certain insurer defendants that discovery not
45 go forward pending an amended complaint, the District Court stated: "You know what your reservation
46 of rights are, what your potential defenses are, so you know what discovery you need to do. I don't --
47 we're not slowing this down for the pleading. Not going to do that." *Id.*, at 37:17 – 38:8.

1 The Debtor filed further amended complaints on September 12, 2024 (*id.*, [Docket Nos. 111, 112])
2 and October 7, 2024 (*id.*, [Docket No. 125]) (~~District Court Insurance Case~~ Coverage Litigation Docket
3 Nos. 111 and 125, collectively, the “Current Amended Complaints”) following a court-ordered meet and
4 confer regarding the sufficiency of allegations. A further case management conference in the District
5 Court ~~is scheduled to take place~~ occurred on November 14, 2024.

6 ~~The Debtor is optimistic the District Court Insurance Case will proceed swiftly. At the case~~
7 ~~management conference held April 18, 2024, the District Court allowed discovery to commence, directed~~
8 ~~the parties to complete initial disclosures, and authorized the Debtor to proceed with a motion for partial~~
9 ~~summary judgment regarding the implications of the prior settlements from the First Legislation~~ Written
10 discovery proceeded while the Motions to Dismiss the Third Amended Complaint were pending, and is
11 ongoing. The Debtor issued written discovery requests to the insurer defendants on May 24, 2024.
12 ~~The~~ Thereafter, the Debtor ~~has~~ met and conferred with the Defendant Carriers and exchanged letters
13 regarding the Debtor’s written discovery and the Defendant Carriers’ responses and objections thereto.
14 Some Defendant Carriers claim to have produced all responsive documents, while the Debtor still awaits
15 document productions from some Defendant Carriers. The Debtor continues to review these responses
16 and pursue documents. The Debtor has also responded to written discovery requests served by certain
17 Defendant Carriers and is working to respond to written discovery requests from other Defendant Carriers.

18 On May 29, 2024, the Debtor sent separate supplemental tender letters to the insurer defendants in
19 the ~~District Court Insurance Case~~ Coverage Litigation, demanding they provide a defense for certain
20 additional claims covered by various policies issued to RCBO. Additionally, on May 30, 2024, the Debtor
21 served separate policy limits demand letters on behalf of RCBO to all the insurer defendants (except the
22 California Insurance Guarantee Association (“CIGA”). These letters demanded that each insurer
23 indemnify RCBO in the amount of the policy limits for each applicable insurance policy, and that each
24 Insurer respond within 30 days confirming it would do so. The Debtor has received responses, although
25 none included agreement to indemnify the Debtor as requested and as required by the insurance policies.

26 The Debtor believes there is substantial value in the insurance policies that it purchased over many
27 decades. These assets are an important resource to further the Debtor’s goals of compensating Holders of
28 Abuse Claims. Any pre-Confirmation proceeds the Debtor wins in judgments in the Insurance Coverage
Litigation, or obtains through a negotiated resolution, will infuse the Estate with unrestricted cash assets,
which can be used to, among other things, contribute to Survivors’ Trust Assets. If the Insurance Coverage
Litigation is unresolved upon confirmation of the Plan, the Insurance Coverage Litigation will be
transferred to the ~~Liquidating~~ Survivors’ Trust as part of the Assigned Insurance Interests. Subsequently,
~~the Survivors’ Trust will receive any proceeds of the Insurance Coverage~~ Trust Claimants will have the
right to pursue the Litigation Option, if they so elect, further augmenting their own individual recoveries
~~for Holders of Abuse Claims.~~

In light of the terms of the Plan and in order to conserve the resources of all parties involved, on
November 19, 2024, the Debtor filed a motion in the District Court requesting that the Insurance Coverage
Litigation be held in abeyance until such time as the Plan is confirmed or confirmation is denied.
Insurance Coverage Litigation [Docket No. 146] (the “Abeyance Motion”). The Abeyance Motion is set
for hearing in the District Court on January 16, 2025.

J. Original Debtor Plan and Disclosure Statement

On November 8, 2024, the Debtor filed Debtor’s Plan of Reorganization [Docket No. 1444] (the
“Original Plan”) and accompanying Disclosure Statement for the Debtor’s Plan of Reorganization
[Docket No. 1445] (the “Original Disclosure Statement”).

On November 13, 2024, the Debtor filed Motion for Order (I) Approving Disclosure Statement;
and (II) Establishing Procedures for Plan Solicitation, Notice, and Balloting [Docket No. 1453] (the
“Approval Motion”). The Committee objected to approval of the Disclosure Statement on various bases,

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1 arguing that Survivors (and other creditors) should not even get the chance to express their opinion by
2 voting. Among other things, the Committee also requested that, should the Court ultimately approve the
3 Disclosure Statement, the confirmation hearing in this case be delayed significantly to allow certain
4 alternatives that the Committee prefers to proceed.

5 On December 18, 2024, the Court conducted an initial hearing on the Approval Motion and related
6 matters, which has been continued to January 16, 2025.

7 **K. The Committee's Alternate Vision of Case Resolution**

8 Following the filing of the Original Disclosure Statement, on November 14, 2024, the Committee
9 sent a "Demand Letter" to the Debtor's professionals, notifying the Debtor that the Committee intended
10 to pursue certain avoidance action claims against OPF and the Churches if the Debtor declined to do so.
11 In an effort to discern the Committee's intent, the Debtor's counsel called Committee's counsel to confer
12 on the Demand Letter and the purported claims alleged therein. However, after one conference call, and
13 without receiving the Debtor's refusal to pursue any derivative claims, the Committee filed its first
14 derivative standing motion on November 20, 2024, seeking standing to pursue avoidance actions against
15 OPF and the Churches (the "First Standing Motion").

16 The First Standing Motion was just the first of a bevy of filings by the Committee has made in an
17 attempt to derail the Debtor's Plan and bend the Debtor to its will. Also on November 20, the Committee
18 filed its first adversary proceeding complaint against the Debtor, OPF, and various Churches seeking (for
19 now) (i) declaratory relief that the real property Churches and funds are property of the estate and (ii)
20 substantive consolidation of the Debtor and the named Church defendants [Adv. No. 24-04051] (the "First
21 Adversary Proceeding"). The Committee represents that if the First Standing Motion is granted, it will
22 amend the complaint in the First Adversary Proceeding to add additional claims described in its First
23 Standing Motion.

24 That same day, the Committee filed a motion to lift the automatic stay [Docket No. 1460] (the
25 "Lift Stay Motion") to allow six unspecified state court actions to proceed to trial or individual settlements
26 in order to (a) allegedly help establish benchmark values for all sexual abuse claims in this Chapter 11
27 Case, (b) "unlock" available insurance (meaning the Committee wants to assert leverage over the Insurers)
28 and (c) allow claims against non-debtors named as defendants in the state court actions to proceed.

29 Moreover, less than a week before the Disclosure Statement hearing, on December 11, the
30 Committee filed a second adversary proceeding against the Debtor, Adventus, RCWC, and RCC seeking
31 (i) declaratory relief that all property of Adventus, RCWC, and RCC is property of the estate and (ii)
32 substantive consolidation of Adventus, RCWC, and RCC into the Debtor's Chapter 11 bankruptcy [Adv.
33 No. 24-04053] (the "Second Adversary Proceeding," together with the First Adversary Proceeding, the
34 "Adversary Proceedings").

35 Finally, on the eve of the Disclosure Statement hearing, the Committee filed a third motion,
36 seeking (a) authority to pursue all claims the Debtor holds against its Insurers in the Insurance Coverage
37 Litigation that the Debtor filed and has been prosecuting for more than eighteen months, (b) authorization
38 to substitute the Committee as plaintiff in the already pending Insurance Coverage Litigation, and (c) (in
39 a footnote) to be given full control of the Debtor's attorney-client and attorney work product privilege
40 related to the Insurance Coverage Litigation and coverage issues (the "Second Standing Motion"). The
41 Demand Letter did not make any demand that the Debtor pursue, and did not otherwise address, the claims
42 in the Insurance Coverage Litigation that are the subject of the Second Standing Motion.

43 On December 30, 2024, the Debtor filed objections and/or responses to the First Standing Motion,
44 Lift Stay Motion, and Second Standing Motions [Docket Nos. 1586, 1581, and 1580, respectively] and
45 supporting declarations and evidence. Generally:

- 1 • The First Standing Motion should be denied because: 1) the alleged claims against the
2 Churches are moot—the Debtor has acknowledged that Church real property is property of
3 the Debtor’s estate—and 2) the alleged fraudulent-transfer claims against OPF and the
4 Churches are not colorable. The Debtor did not fraudulently transfer any assets, and all
5 property that would have been available to satisfy creditor claims prior to the transfers
6 remains equally available now. Specifically, OPF merely acts as a deposit and investment
7 manager, and all funds deposited with OPF by the Churches are fully accounted for an
8 remain equally as much a part of the bankruptcy estate as if they had been directly deposited
9 with a bank or other investment manager. In other words, transfer of funds to OPF was not
10 intended to, and did not, take any assets out of the reach of creditors that otherwise would
11 have been available to pay claims.

- 7 • The Lift-Stay Motion should be denied because: 1) stay relief is unnecessary in light of the
8 Litigation Option that, as described herein, will provide Survivors the chance to have their
9 day in court, should they elect to pursue it, 2) the Committee failed to present a *prima facie*
10 case supporting stay relief, instead relying on rank speculation and unsupported theories
11 about future behavior, and 3) the few diocesan cases cited by the Committee where stay
12 relief was granted are factually and legally distinguishable. Further, it is inequitable to
13 allow a select few cases to proceed to trial while asking the remaining claimants and the
14 Debtor to simply wait, potentially for years, until these select few cases complete trial or
15 are settled. Allowing stay relief will only result in delay and will not result in a better
16 outcome for claimants, with the possible exception of the select few whose cases are
17 allowed to proceed in advance of the rest. No requirement for stay relief exists to
18 successfully conclude this Chapter 11 Case pursuant to a confirmed plan of
19 reorganization—*this* Plan.

- 14 • The Second Standing Motion should be denied because: 1) it seeks relief completely
15 unsupported by the law in terms of the Committee asking for derivative standing for a
16 lawsuit the Debtor has already brought, 2) the Abeyance Motion does not constitute an
17 unjustified refusal to prosecute the Insurance Coverage Litigation; rather, it is the most
18 appropriate course of action to reduce litigation costs for a limited period of time while the
19 Plan is pending, and 3) the request to be granted control of the Debtor’s attorney-client
20 privilege is wildly inappropriate. Also, again, the individualized Litigation Option resolves
21 the Insurance Coverage Litigation for the benefit of Trust Claimants.

19 [NOTE: THE MOTIONS DESCRIBED ABOVE ARE SET FOR HEARING ON JANUARY 8,
20 2024, PRIOR TO THE HEARING ON THIS AMENDED DISCLOSURE STATEMENT. THE
21 DEBTOR WILL PROVIDE FURTHER DISCLOSURE REGARDING THE RESULTS OF THE
22 HEARING ON THE MOTIONS PRIOR TO THIS DISCLOSURE STATEMENT BEING FINALIZED.]

21 The Debtor will answer the Adversary Proceedings in the coming weeks and strongly disputes the
22 factual and legal contentions contained therein.

23 The First Adversary Proceeding asks for relief that is almost entirely meaningless and cannot
24 achieve any real benefit for creditors. The Committee’s causes of action to consolidate Churches into the
25 Debtor’s bankruptcy estate, or for declaratory relief holding that Church property is property of the
26 bankruptcy estate are meaningless, because, as the Debtor acknowledges, the Churches are not separate
27 from the debtor as a matter of applicable civil law, and property of the Churches is already property of the
28 bankruptcy estate, subject to certain funds being held in trust based on donor restrictions. While it is the
Debtor’s position, as set forth herein, that Church real property cannot be involuntarily liquidated, the
First Adversary Proceeding has no bearing on that issue.

27 That Second Adversary Proceeding, seeking similar relief as to Adventus, RCWC, and RCC is
28 likewise meritless and will not result in any benefit to creditors. The Plan already proposes to contribute

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1 the Livermore Property, which is the primary asset of Adventus, directly to the Survivors' Trust. As set
2 forth above, RCWC, and RCC are separately incorporated non-profit organizations under California law,
3 that respectively operate the Schools and cemeteries within the diocese. As a legal matter, the
4 Committee's claims that they are indistinguishable from the Debtor are extremely unlikely to succeed.
5 Further, as a practical matter the Plan provides for a contribution of up to \$14.25 million to the Survivors'
6 Trust by RCWC (depending on the extent of releases received), and a loan of \$55 million from RCC that
7 will be used to fund the Survivors' Trust. Even in the unlikely event the Committee were successful on
8 its legal claims against these entities, it is unlikely that the result would be more than the up to \$69.25
9 million they are already contributing under the Plan. In sum, it is the Debtor's believe that the Adversary
10 Proceedings would accomplish nothing other than delay and wasting estate resources on attorneys' fees.

11 The Debtor is continuing to prepare its responses to the Adversary Proceedings, and the foregoing
12 is just a brief summary of the reasons why the Adversary Proceedings are unlikely to succeed and are a
13 waste of estate resources.

14 As set forth in the Committee Letter, the Committee disputes the Debtor's position regarding
15 the merits of the motions and Adversary Proceedings described above.

16 **ARTICLE VI**

17 **SUMMARY OF THE PLAN**

18 The Debtor submits that the treatment of creditors under the Plan is more favorable than the
19 treatment creditors would receive if the Chapter 11 Case were converted to a case under chapter 7 of the
20 Bankruptcy Code. Therefore, the Debtor submits that the Plan is in the best interests of all creditors and
21 the Debtor recommends acceptance of the Plan by Holders of Claims in Class 3 (General Unsecured
22 Claims), Class 4 (Abuse Claims), Class 5 (Unknown Abuse Claims), Class 6 (Non-Abuse Litigation
23 Claims) and Class 8 (OPF Claim).

24 The summary of significant elements of the Plan below is provided for the convenience of all
25 parties. The summary does not describe every element of the Plan and is not intended as a substitute for
26 a thorough and complete review of the Plan. This summary is subject to, and is qualified in its entirety
27 by reference to, the full text of the Plan. All creditors are encouraged to review the Plan and this Disclosure
28 Statement, including Exhibits, in their entirety for a more complete understanding of the Plan's provisions
and impact upon creditors. To the extent any term or provision in this Disclosure Statement is inconsistent
with a term or provision of the Plan, the term or provision of the Plan shall control.

29 **A. Classification of Claims Generally**

30 Section 1123 of the Bankruptcy Code provides that a plan of reorganization shall designate classes
31 of Claims against a debtor. Section 1122 of the Bankruptcy Code further requires that each class of Claims
32 contain only claims that are "substantially similar" to each other. The Debtor believes that it has classified
33 all Claims in compliance with the requirements of Section 1122 and 1123. However, it is possible that
34 the Holder of a Claim may challenge such classification and that the Bankruptcy Court may find that a
35 different classification is required for the Plan to be confirmed. In such event, the Debtor would, to the
36 extent permitted by the Bankruptcy Court, modify the classifications in the Plan as required and use the
37 acceptances received in this solicitation for the purpose of obtaining the approval of a Class or Classes of
38 which the accepting Holder is ultimately deemed to be a member. Any such reclassification could
adversely affect the Class of which such Holder was initially a member, or any other Class under the Plan,
by changing the composition of such Class and the vote required of that Class for approval of the Plan.
Furthermore, a reclassification of Claims may necessitate a re-solicitation.

1 **B. Classification and Treatment of Claims**

2 All classified Claims have been placed into one of eight separate Classes. The Plan affirmatively
3 states whether each Class of Claims is Impaired or Unimpaired and whether such Class is entitled to vote.
4 Additionally, some Claims are left unclassified. The separate Classes are described in detail within this
Disclosure Statement and in the Plan.

Class	Class Description	Status	Voting Rights
Class 1	RCC Secured Claim	Unimpaired	Non-voting Deemed to accept
Class 2	Priority Unsecured Claims, other than non-classified claims set forth in Article III	Unimpaired	Non-voting Deemed to accept
Class 3	General Unsecured Claims	Impaired	Eligible to vote
Class 4	Abuse Claims	Impaired	Eligible to vote
Class 5	Unknown Abuse Claims	Impaired	Eligible to vote via the Unknown Abuse Claims Representative
Class 6	Non-Abuse Litigation Claims	Impaired	Eligible to vote
Class 7A	Contribution and Indemnification Claims Related to Class 4 Claims	No recovery	Non-voting Deemed to reject
Class 7B	Contribution and Indemnification Claims Related to Class 5 Claims	No recovery	Non-voting Deemed to reject
Class 8	OPF Claim	Impaired	Eligible to vote

17
18 1. **Class 1 – Secured Claim of RCC**

19 Classification: Class 1 shall consist of the Allowed Secured Claim of RCC.

20 Treatment: Except to the extent RCC agrees to less favorable treatment of its Claim, in full
21 and final satisfaction, settlement, release, and discharge of and in exchange for its Allowed Secured Claim,
RCC shall receive reinstatement under § 1124 of the Bankruptcy Code.

22 Voting: Class 1 is Unimpaired under the Plan. Each Holder of a Class 1 Claim is
23 conclusively presumed to have accepted the Plan under § 1126(f) of the Bankruptcy Code and is not
entitled to vote on the Plan.

24 2. **Class 2 – Priority Unsecured Claims**

25 Classification: Class 2 shall consist of all Allowed Priority Unsecured Claims, other than
non-classified claims set forth in Article III of the Plan and described in Section V.C below.

26 Treatment: Except to the extent a Holder of an Allowed Priority Unsecured Claim agrees
27 to less favorable treatment of such Claim, in full and final satisfaction, settlement, release, and discharge
of and in exchange for such Allowed Priority Unsecured Claim, each such Holder shall receive payment
28 in Cash in an amount equal to such Allowed Priority Unsecured Claim, payable on or as soon as reasonably

1 practicable after the later of (a) the Effective Date, (b) the date when such Priority Unsecured Claim
2 becomes an Allowed Priority Unsecured Claim, or (c) the date on which the Holder of such Priority
Unsecured Claim and the Debtor or Reorganized Debtor, as applicable, shall otherwise agree in writing.

3 Voting: Class 2 is Unimpaired under the Plan. Each Holder of a Class 2 Claim is
4 conclusively presumed to have accepted the Plan under § 1126(f) of the Bankruptcy Code and is not
entitled to vote on the Plan.

5 3. **Class 3 – General Unsecured Claims**

6 Classification: Class 3 shall consist of all Allowed General Unsecured Claims. Class 3 does
7 not include Abuse Claims.

8 Treatment: Except to the extent a Holder of an Allowed General Unsecured Claim
9 (including an Allowed Rejection Claim) agrees to less favorable treatment, in full and final satisfaction,
10 settlement, release, and discharge of and in exchange for each Allowed General Unsecured Claim, each
11 such Holder shall receive payment in Cash from the general operating revenues of the Reorganized Debtor
in an amount equal to such Allowed General Unsecured Claim, payable no later than the later of (a) the
12 date that is one year after the Effective Date, (b) the date that is 21 days after the date when such General
Unsecured Claim becomes an Allowed General Unsecured Claim, or (c) the date on which the Holder of
13 such General Unsecured Claim and the Reorganized Debtor shall otherwise agree in writing.

14 Voting: Class 3 is Impaired under the Plan. Each Holder of a Class 3 Claim is entitled to
15 vote to accept or reject the Plan.

16 4. **Class 4 – Abuse Claims**

17 **Classification:** Class 4 shall consist of all Allowed Abuse Claims, other than Unknown
18 Abuse Claims. As stated above, approximately 386 non-duplicative, timely Abuse Claims have been
19 asserted against the Debtor and the Contributing Non-Debtor Catholic Entities through proofs of claim
20 filed in the Chapter 11 Case.

21 **Treatment:** The Plan creates the Survivors' Trust to fund payments to Holders of Allowed
22 Abuse Claims entitled to such payments under the Plan and the Survivors' Trust Documents. Except to
23 the extent a Holder of an Allowed Abuse Claim agrees to less favorable treatment of such Claim, in full
24 and final satisfaction, settlement, release, and discharge of and in exchange for such Allowed Abuse
25 Claim, each such Holder shall receive their allocable share of the Survivors' Trust Assets at the time and
in the manner set forth in [Articles VIII and IX of the Plan and](#) the Survivors' Trust Documents. It is
26 intended that any payment on an Allowed Abuse Claim will constitute payment for damages on account
27 of personal physical injuries or sickness arising from an occurrence, within the meaning of Section
104(a)(2) of the Tax Code.

28 The Plan provides for the establishment of the Survivors' Trust to fund distributions to
Holders of Class 4 and Class 5 Claims. The Survivors' Trust shall be funded as provided in Article IX of
the Plan. Distributions from the Survivors' Trust shall be made to Holders of Class 4 and Class 5 Claims
on a fair and equitable basis, pursuant to and in accordance the Survivors' Trust Agreement and other
Survivors' Trust Documents, including the Survivors' Trust Distribution Plan. Holders of Class 4 and
Class 5 Claims may recover their Claims from the Survivors' Trust and/or through the Litigation Option
as described in Article VII herein and in Article IX of the Plan.

Voting: Class 4 Claims are Impaired under the Plan. Each Holder of a Class 4 Claim is
entitled to vote to accept or reject the Plan.

5. **Class 5 - Unknown Abuse Claims**

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1 **Classification:** Class 5 shall consist of all Allowed Unknown Abuse Claims.

2 **Treatment:** The Unknown Abuse Claims Reserve shall be established on the Effective
3 Date pursuant to the Survivors' Trust Documents. Except to the extent a Holder of an Allowed Unknown
4 Abuse Claim agrees to less favorable treatment of such Claim, in full and final satisfaction, settlement,
5 release, and discharge of and in exchange for such Allowed Abuse Claim, each such Holder shall receive
6 their allocable share of the Unknown Abuse Claims Reserve at the time and in the manner set forth in
7 [Articles VIII and IX of the Plan and](#) the Survivors' Trust Documents. It is intended that any payment on
8 an Allowed Unknown Abuse Claim will constitute payment for damages on account of personal physical
9 injuries or sickness arising from an occurrence, within the meaning of section 104(a)(2) of the Tax Code.

10 **Voting:** Class 5 Claims are Impaired under the Plan. The Unknown Abuse Claims
11 Representative is entitled to vote to accept or reject the Plan on behalf of all Holders of Class 5 Claims
12 and shall submit a single ~~ballot~~[Ballot](#) on behalf of all such Holders.

13 6. **Class 6 – Non-Abuse Litigation Claims**

14 **Classification:** Class 6 shall consist of all Allowed Non-Abuse Litigation Claims.

15 **Treatment:** The Plan creates the Non-Abuse Litigation Reserve to fund payments to
16 Holders of Allowed Non-Abuse Litigation Claims in accordance with Section 12.7 of the Plan. Except to
17 the extent a Holder of an Allowed Non-Abuse Litigation Claim agrees to less favorable treatment of such
18 Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for such Allowed
19 Non-Abuse Litigation Claim, each such Holder shall receive their allocable share of the Non-Abuse
20 Litigation Reserve.

21 **Voting:** Class 6 Claims are Impaired under the Plan. Each Holder of a Class 6 Claim is
22 entitled to vote to accept or reject the Plan.

23 7. **Class 7A – Abuse Related Contribution Claims Related to Class 4 Claims**

24 **Classification:** Class 7A shall consist of all Abuse Related Contribution Claims against
25 the Debtor arising out of a Class 4 Claim.

26 **Treatment:** Any Holder of a Class 7A Claim who is also a Contributing Non-Debtor
27 Catholic Entity shall be deemed to have waived its Class 7A Claim against the Debtor, Reorganized
28 Debtor, the Estate, the Survivors' Trust, and any Settling Insurer in exchange for the Release and
Exculpation provided by the Plan. Any Holder of a Class 7A Claim who is not a Contributing Non-Debtor
Catholic Entity shall have its Class 7A Claim Disallowed.

Voting: Class 7A Claims are Impaired under the Plan. Holders of Class 7A Claims shall
not receive a distribution under the Plan and are therefore deemed to reject the Plan.

 8. **Class 7B – Abuse Related Contribution Claims Related to Class 5 Claims**

Classification: Class 7B shall consist of all Abuse Related Contribution Claims against the
Debtor arising out of a Class 5 Claim.

Treatment: Any Holder of a Class 7B Claim who is also a Contributing Non-Debtor
Catholic Entity shall be deemed to have waived its Class 7B Claim against the Debtor, Reorganized
Debtor, the Estate, the Survivors' Trust, and any Settling Insurer in exchange for the Release and
Exculpation provided by the Plan. Any Holder of a Class 7B Claim who is not a Contributing Non-Debtor
Catholic Entity shall have its Class 7B Claim Disallowed.

1 **Voting:** Class 7B Claims are Impaired under the Plan. Holders of Class 7B Claims shall
2 not receive a distribution under the Plan and are therefore deemed to reject the Plan.

3 9. **Class 8 – OPF Claims**

4 **Classification:** Class 8 shall consist of the Allowed OPF Claim.

5 **Treatment:** Except to the extent OPF agrees to less favorable treatment, in full and final
6 satisfaction, settlement, release, and discharge of and in exchange for the Allowed OPF Claim, the
7 Reorganized Debtor shall pay the Allowed Class 8 Claim in full and in Cash, without interest. Payment
8 on the Allowed OPF Claim shall commence on or before the date that is ten (10) years after the Effective
9 Date. Payments shall be made on a schedule and on such terms as may be agreed by the Reorganized
10 Debtor and OPF, provided, however, the Allowed OPF Claim shall be paid in full no later than the date
11 that is thirty (30) years after the Effective Date.

12 **Voting:** Class 8 Claims are Impaired under the Plan. Each holder of a Class 8 Claim is
13 entitled to vote to accept or reject the Plan.

14 C. **Unclassified Claims.**

15 The following Claims shall not be classified under the Plan but shall be entitled to the treatment
16 set forth in Article III of the Plan.

17 1. **Administrative Claims**

18 a. *Administrative Expense Claims.* Administrative Expense Claims are Claims for
19 costs or expenses incurred in the administration of the Debtor’s Chapter 11 Case, which are Allowed under
20 section 503(b) of the Bankruptcy Code. In accordance with section 1123(a)(1) of the Bankruptcy Code,
21 Administrative Expense Claims have not been classified and are treated as described in Section 3.1 of the
22 Plan.

23 (i) **Treatment.** Except to the extent that a Holder of an Allowed
24 Administrative Expense Claim agrees to less favorable treatment with respect to such Allowed
25 Administrative Expense Claim, each Holder of an Allowed Administrative Expense Claim shall
26 receive, on account of and in full and complete settlement, release and discharge of, and in
27 exchange for, such Claim, payment of cash in an amount equal to such Allowed Administrative
28 Expense Claim on or as soon as reasonably practicable after the later of: (a) the Effective Date; (b)
the first Business Day after the date that is thirty (30) calendar days after the date such
Administrative Expense Claim becomes an Allowed Administrative Expense Claim; (c) such other
date(s) as such holder and the Debtor or the Reorganized Debtor shall have agreed; or (d) such
other date ordered by the Bankruptcy Court; provided, however, Allowed Administrative Expense
Claims arising in the ordinary course of the Debtor’s operations during the Chapter 11 Case may
be paid by the Debtor or the Reorganized Debtor (as applicable) in the ordinary course of business
and in accordance with the terms and conditions of the particular agreements governing such
obligations, course of dealing, course of operations, or customary practice.

 (ii) **Administrative Expense Claims Bar Date.** Except as provided for in the
Plan or in any order of the Bankruptcy Court, and subject to Section 503(b)(1)(D) of the
Bankruptcy Code, Holders of Administrative Expense Claims, other than a Fee Claim or a Claim
for U.S. Trustee Fees, accruing on or before the Confirmation Date must file and serve on the
Debtor requests for the payment of such Claims not previously Allowed by a Final Order in
accordance with the procedures specified in the Confirmation Order, on or before the
Administrative Expense Claims Bar Date, or such Claims shall be automatically Disallowed,
forever barred from assertion, and unenforceable against the Debtor or the Reorganized Debtor,

1 the Estate, or their property without the need for any objection or further notice to, or action, order,
2 or approval of the Bankruptcy Court, and any such Claims shall be deemed fully satisfied, released,
3 and discharged. Administrative Expense Claims representing obligations incurred by the Debtor
4 or Reorganized Debtor (as applicable) after the date and time of the entry of the Confirmation
5 Order shall not be subject to application to the Bankruptcy Court and may be paid by the Debtor
6 or Reorganized Debtor (as applicable) in the ordinary course of business and without Bankruptcy
7 Court approval.

8 b. *Priority Tax Claims.* Priority Tax Claims are Claims of a Governmental Unit for
9 certain types of taxes, duties, or penalties set forth in Section 507(a)(8) of the Bankruptcy Code. In
10 accordance with section 1123(a)(1) of the Bankruptcy Code, Priority Tax Claims have not been classified
11 and are treated as described in Section 3.2 of the Plan.

12 (i) The Debtor does not anticipate any Priority Tax Claims will exist as of the
13 Effective Date. To the extent any do exist, the legal and equitable rights of the Holders of Priority
14 Tax Claims are Unimpaired under the Plan.

15 (ii) The legal and equitable rights of Holders of Priority Tax Claims are
16 Unimpaired under the Plan. Except to the extent a Holder of an Allowed Priority Tax Claim agrees
17 to less favorable treatment, each Holder of an Allowed Priority Tax Claim shall receive on account
18 of and in full and complete settlement, release and discharge of, and in exchange for, such Allowed
19 Priority Tax Claim, cash in an amount equal to such Allowed Priority Tax Claim on, or as soon
20 thereafter as is reasonably practicable, the later of: (a) the Effective Date, to the extent such Claim
21 is an Allowed Priority Tax Claim on the Effective Date; (b) the first Business Day after the date
22 that is 30 days after the date such Priority Tax Claim becomes an Allowed Priority Tax Claim; and
23 (c) the date such Allowed Priority Tax Claim is due and payable in the ordinary course as such
24 obligation becomes due; provided, however, that the Debtor and Reorganized Debtor each reserves
25 the right to prepay all or a portion of any such amounts at any time under this option without
26 penalty or premium.

27 c. *Fee Claims.* Fee Claims are Claims under sections 328, 330, 331, 503, or 1103 of
28 the Bankruptcy Code for compensation of a Professional or other Entity for services provided to the Debtor
or Committee, or expenses incurred in the course of providing services to the Estate, during the Chapter
11 Case. In accordance with section 1123(a)(1) of the Bankruptcy Code, Fee Claims have not been
classified and are treated as described in Section 3.3 of the Plan.

(i) All Professionals or other Entities requesting the final allowance and
payment of a Fee Claim for services rendered during the period from the Petition Date to and
including the Effective Date shall File final applications for allowance and payment of such Fee
Claims no later than the first Business Day that is 45 days after the Effective Date.

(ii) Objections to any Fee Claim must be filed and served on the Reorganized
Debtor and the applicable Professional no later than the first Business Day that is 30 days after the
filing of the final fee application that relates to the Fee Claim (unless otherwise agreed by the
Debtor or the Reorganized Debtor, as applicable, and the Professional requesting allowance and
payment of a Fee Claim).

(iii) An Allowed Fee Claim, including any amounts previously held back by
Order of the Bankruptcy Court, shall be paid in full, in cash, in such amounts as are Allowed by
the Bankruptcy Court no later than the first Business Day that is 21 calendar days after the entry
of a Final Order Allowing the Fee Claim. The Reorganized Debtor can pay compensation for
services rendered or reimbursement of expenses incurred by its own Professionals after the
Effective Date in the ordinary course and without the need for Bankruptcy Court approval.

1 (iv) Unless otherwise directed by the Bankruptcy Court, all Professionals filing
2 final fee applications are required to comply with the *Order Appointing Fee Examiner and*
3 *Establishing Procedures for Review of Interim and Final Fee Applications Filed by Estate*
4 *Professionals* [Docket No. 1122] entered in the Chapter 11 Case, including any subsequent
5 amendments.

6 d. *Cure Claims.* Cure Claims are monetary Claims arising out of the Debtor's
7 default(s) under any Executory Contract or Unexpired Lease that the Debtor has assumed under section
8 365 of the Bankruptcy Code. Cure Claims shall be paid in full in accordance with, and at such times as
9 are set forth in, Section 7.2.2 of the Plan.

10 e. *U.S. Trustee Fees.* U.S. Trustee Fees include all fees and charges assessed against
11 the Debtor under 28 U.S.C. § 1930, together with interest, if any, under 31 U.S.C. § 3717.

12 (i) To the extent any U.S. Trustee Fees have become due before the Effective
13 Date and have not previously been paid, then such fees shall be paid pursuant to 11 U.S.C. §
14 1129(a)(12) and 28 U.S.C. § 1930. Any U.S. Trustee Fees relating to the period from and after
15 the Effective Date shall be paid as provided in Section 12.8.4 of the Plan.

16 (ii) The requirement to pay U.S. Trustee Fees is subject to any amendments to
17 28 U.S.C. § 1930(a)(6) that Congress makes retroactively applicable to confirmed chapter 11
18 cases. The Reorganized Debtor shall have the exclusive right to pursue any cause of action, right
19 to reimbursement for overpayment, or similar interest of the Debtor in amounts paid pursuant to
20 28 U.S.C. § 1930.

21 ARTICLE VII

22 SURVIVORS' TRUST

23 A. Survivors' Trust Liability for Abuse Claims.

24 As provided in Section 9.1 of the Plan, on the Effective Date, the Survivors' Trust shall be
25 established in accordance with the Survivors' Trust Documents. The Survivors' Trust will, upon its
26 creation, and without limitation: (1) assume liability for all Abuse Claims, including without limitation
27 Unknown Abuse Claims, of the Debtor, Contributing Non-Debtor Catholic Entities, and any Settling
28 Insurers; and (2) receive, hold, administer, liquidate, and distribute the Survivors' Trust Assets in
accordance with the Plan and the Survivors' Trust Documents.

29 B. Role of the Survivors' Trust

30 The Survivors' Trust shall administer, process, settle, resolve, liquidate, satisfy, and make Trust
31 Distributions in such a way that Holders of Abuse Claims are treated equitably and in a substantially similar
32 manner, subject to the applicable terms of the Plan Documents and the Survivors' Trust Documents. From
33 and after the Effective Date, (i) the Abuse Claims and Unknown Abuse Claims against the Debtor and (ii)
34 Claims against any Settling Insurer for or relating to insurance coverage in connection with such Claims
35 shall be channeled to the Survivors' Trust pursuant to the Channeling Injunction set forth in Section 13.12
36 of the Plan and may be asserted only and exclusively against the Survivors' Trust.

37 The Survivors' Trust shall have no liability for Non-Abuse Litigation Claims. Holders of Non-
38 Abuse Litigation Claims shall have no recourse to the Survivors' Trust with respect to such Claims.

1 C. **Appointment and Powers of the Survivors' Trustee**

2 On the Confirmation Date, the Bankruptcy Court shall appoint the Survivors' Trustee to serve in
3 accordance with, and who shall have the functions and rights provided in, the Survivors' Trust Documents.
4 Any successor Survivors' Trustee shall be appointed in accordance with the terms of the Survivors' Trust
5 Documents. For purposes of the Survivors' Trustee performing his or her duties and fulfilling his or her
6 obligations under the Survivors' Trust and the Plan, the Survivors' Trust and the Survivors' Trustee shall be
7 deemed to be "parties in interest" within the meaning of Section 1109(b) of the Bankruptcy Code.

8 The Survivors' Trustee shall have such powers and duties as are set forth in the Survivors' Trust
9 Documents, including without limitation the following:

10 1. Survivors' Trustee as Fiduciary. The Survivors' Trustee shall be deemed to be a fiduciary
11 of the Survivors' Trust under the terms of the Survivors' Trust Agreement and shall have all rights,
12 powers, authority, responsibilities, and benefits under California law specified in the Plan and as reflected
13 in the Survivors' Trust Agreement, including commencing, prosecuting or settling causes of action,
14 enforcing contracts, and asserting Claims, defenses, offsets and privileges. If there is any inconsistency or
15 ambiguity between the Confirmation Order and the Survivors' Trust Agreement with respect to Trustee's
16 authority to act, the provisions of the Survivors' Trust Agreement shall control.

17 2. Liquidation of Survivors' Trust Assets. The Survivors' Trustee shall liquidate and convert
18 to Cash the Survivors' Trust Assets, make timely distributions, and not unduly prolong the duration of the
19 Survivors' Trust. The Survivors' Trustee may also abandon any property which the Survivors' Trustee
20 determines in the Survivors' Trustee's reasonable discretion to be of *de minimus* value or of more burden
21 than the value of the Survivors' Trust.

22 3. Protection of Survivors' Trust Assets. The Survivors' Trustee shall protect and enforce the
23 rights in and to the Survivors' Trust Assets under the Survivors' Trust Documents.

24 4. Bank Accounts of the Survivors' Trust. The Survivors' Trustee may open and maintain
25 bank accounts on behalf of the Survivors' Trust to deposit funds in and draw checks on the bank accounts
26 as appropriate under the Survivors' Trust Documents. Notwithstanding anything herein to the contrary,
27 the Survivors' Trustee may open and maintain bank accounts on behalf of the Survivors' Trust after
28 Confirmation but before the Effective Date.

1. Insurance. The Survivors' Trustee shall obtain all reasonably available insurance coverage
with respect to any property that is, or may in the future become, a Survivors' Trust Asset.

6. Taxes. The Survivors' Trustee may request an expedited determination of taxes of the
Survivors' Trust under Section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the
Survivors' Trust for all taxable periods through the dissolution of the Survivors' Trust.

7. Settlements With Non-Settling Insurers. The Survivors' Trustee shall be authorized to enter
into consensual settlements with one or more Non-Settling Insurers on and after the Effective Date,
covering some or all of the Abuse Claims insured thereby, provided that such settlements shall not impair
the rights of any other Non-Settling Insurers, including those rights set forth herein. Approval
requirements, if any, for such settlements shall be as specified in the Survivors' Trust Agreement. No
settlement (whether in the Plan or otherwise) as among any of the Debtor, its Estate, the Survivors' Trust,
and Holder of an Abuse Claim, and the Settling Insurers, including payment obligations, shall bind a Non-
Settling Insurer in any way without its consent.

1 **D. Survivors' Trust Advisory Committee**

2 As set forth in the Survivors' Trust Documents, there shall be established the Survivors' Trust
3 Advisory Committee, which shall be initially comprised of five (5) members selected by the Committee
4 and formed as of the Effective Date. Except with respect to Insurance Settlement Agreements entered
5 into by the Survivors' Trust post-Effective Date and certain other matters, the Survivors' Trust Advisory
6 Committee is intended to be consultative in nature and assist the Survivors' Trustee in the independent
7 exercise of his or her duties.

8 **E. ~~D.~~ Property and Funding of the Survivors' Trust**

9 As stated in the Executive Summary (Article I above), the Survivors' Trust shall be funded with
10 (i) aggregate Cash contributions from the Debtor and Reorganized Debtor (as applicable) of \$103 million,
11 (ii) any Cash contributions from a Contributing Non-Debtor Catholic Entity pursuant to Section 9.3.2 of
12 the Plan, (iii) title to the Livermore Property, on an as-is, where-is basis, (iv) any proceeds held by the
13 Debtor or the Reorganized Debtor on account of Insurance Settlement Agreements as set forth in ~~this Section~~
14 9.3 and subject to the Plan, and (v) the Assigned Insurance Interests. These are the Survivors' Trust Assets.
15 Each is detailed below.

16 The Survivors' Trust Assets may be supplemented from time to time from: (a) any payment by a
17 Settling Insurer pursuant to an Insurance Settlement Agreement; (b) any Assigned Insurance Interest
18 Proceeds; (c) proceeds of Litigation Awards; (d) proceeds of Outbound Contribution Claims; and (e) any
19 other proceeds which the Survivors' Trust may obtain pursuant to the terms of the Plan.

20 On the Effective Date, all Survivors' Trust Assets shall vest in the Survivors' Trust, and the Debtor,
21 Reorganized Debtor, Contributing Non-Debtor Catholic Entities, and Settling Insurers shall be deemed for
22 all purposes to have transferred all of their respective interests in the Survivors' Trust Assets to the
23 Survivors' Trust. On the Effective Date, or as soon as practicable thereafter, the Reorganized Debtor, any
24 other Released Party, and Settling Insurers, as applicable, shall take all actions reasonably necessary to
25 transfer any Survivors' Trust Assets to the Survivors' Trust. Upon the transfer of control of Survivors' Trust
26 Assets in accordance with this paragraph, the Debtor, Reorganized Debtor, Contributing Non-Debtor
27 Catholic Entities, and the Settling Insurers shall have no further interest in the Survivors' Trust Assets except
28 as otherwise explicitly provided in the Plan.

29 The transfer to, vesting in and assumption by the Survivors' Trust of the Survivors' Trust Assets as
30 contemplated by the Plan shall, as of the Effective Date, discharge all obligations and liabilities of and bar
31 any recovery or action against the Released Parties for or in respect of all Abuse Claims (including Unknown
32 Abuse Claims). The Confirmation Order shall provide for such discharge. ~~The~~Subject to Article VIII
33 hereof and the rights of Holders of Abuse Claims who elect the Litigation Option, the Survivors' Trust
34 shall, as of the Effective Date, assume sole and exclusive responsibility and liability for all Abuse Claims
35 against the Released Parties, and such Claims shall be paid by the Survivors' Trust from the Survivors' Trust
36 Assets or as otherwise directed in the Survivors' Trust Documents and Articles VIII and IX of the Plan.
37 From and after the Effective Date, all Abuse Claims against the Released Parties or any Settling Insurer
38 shall be considered Channeled Claims subject to the Channeling Injunction under Section 105(a) of the
39 Bankruptcy Code and the provisions of the Plan and the Confirmation Order. ~~From, except for (a) an~~
40 Abuse Claim against any Person who personally committed an act or acts of Abuse resulting in a Claim
41 against the Debtor or Contributing Non-Debtor Catholic Entity, or (b) any Claim (including any Abuse
42 Claim) held by a Non-Settling Insurer against any Released Party other than the Debtor or the Reorganized
43 Debtor. Subject to the foregoing, from and after the Effective Date, the Released Parties shall not have
44 any obligation with respect to any liability of any nature or description arising out of, relating to, or in
45 connection with any Abuse Claims.

46 The Debtor Cash Contribution and any Non-Debtor Catholic Entity Contributions are not, and shall
47 not be construed as, a discharge and/or release of any Abuse Claim (including any Unknown Abuse Claim)

1 covered or alleged to be covered under any of the Non-Settling Insurer Policies. Notwithstanding the
2 foregoing, the Debtor and any Contributing Non-Debtor Catholic Entity shall have no further financial
3 obligations under the Plan or the Plan Documents to Holders of Allowed Abuse Claims (except, in the case
4 of any Contributing Non-Debtor Catholic Entity, with respect to Holders of Opt-Out Abuse Claims as set
5 forth in Section 6.2 hereof), including Allowed Unknown Abuse Claims, other than the obligations
6 required to be paid to the Survivors' Trust in Section 9.3 of the Plan.

7 1. Debtor Cash Contribution. On the Effective Date of the Plan, the Debtor shall transfer \$63
8 million in good and available funds to the Survivors' Trust using wiring instructions provided by the
9 Survivors' Trustee (the "Initial Debtor Contribution"). The Initial Debtor Contribution will consist of (i)
10 approximately ~~\$53~~63 million in Cash received through the Exit Facility (See Exhibit D), and (ii)
11 approximately \$10 million in non-restricted Cash held by the Debtor. The Survivors' Trust shall also
12 receive Cash from the Debtor as set forth below (collectively, the "Additional Debtor Contributions" and
13 together with the Initial Debtor Contribution, the "Debtor Cash Contribution"):

- 14 a. On the date that is one year after the Effective Date, the Debtor shall transfer \$10
15 million in good and available funds to the Survivors' Trust using wiring instructions
16 provided by the Survivors' Trustee.
- 17 b. On the date that is one year after the Effective Date, the Debtor shall transfer \$10
18 million in good and available funds to the Survivors' Trust using wiring instructions
19 provided by the Survivors' Trustee.
- 20 c. On the date that is three years after the Effective Date, the Debtor shall transfer \$10
21 million in good and available funds to the Survivors' Trust using wiring instructions
22 provided by the Survivors' Trustee.
- 23 d. On the date that is four years after the Effective Date, the Debtor shall transfer \$10
24 million in good and available funds to the Survivors' Trust using wiring instructions
25 provided by the Survivors' Trustee.

26 2. Contributions from Non-Debtor Catholic Entities. Any Non-Debtor Catholic Entity
27 against whom the Holder of a Class 4 Claim has asserted liability in connection with an Abuse Claim may
28 become a Contributing Non-Debtor Catholic Entity by contributing Cash or other assets to the Survivors'
Trust in exchange for Releases by such Holders of Class 4 Claims.

- 19 a. **Roman Catholic Welfare Corporation of Oakland.** RCWC shall contribute
20 Cash to the Survivors' Trust in an aggregate amount that is contingent on the
21 number of Releases it secures from those Holders of Class 4 Claims and Class 5
22 Claims who have asserted liability against RCWC in connection with an Abuse
23 Claim ("RCWC Claimants"). RCWC shall transfer a total of \$14,250,000.00 (the
24 "RCWC Cash Contribution") to the Survivors' Trust, as follows: \$2,000,000.00 on
25 the Effective Date, \$3,000,000.00 on the date that is one year after the Effective
26 Date, \$3,000,000.00 on the date that is two years after the Effective Date,
27 \$3,000,000.00 on the date that is three years after the Effective Date, and
28 \$3,250,000.00 on the date that is four years after the Effective Date; provided,
however, if less than 100% of all RCWC Claimants grant RCWC a release pursuant
to Section 13.9 of the Plan, then the RCWC Cash Contribution, and each of its
installments set forth in this Section 9.3.2.2, shall be reduced by a percentage
proportional to the percentage of RCWC Claimants who opt out of granting RCWC
such release. To illustrate, if 80% of RCWC Claimants grant RCWC a release
pursuant to Section 13.9 of the Plan, RCWC ~~needs~~shall only contribute 80% of the
aggregate RCWC Cash Contribution, or \$11,400,000.00, to the Survivors' Trust,
in installments of \$1,600,000.00 on the Effective Date, \$2,400,000.00 on the first,

1 second, and third anniversaries of the Effective Date, and \$2,600,000.00 on the
2 fourth anniversary of the Effective Date. See Exhibit E, RCWC ~~Courier~~Currier
Letter.

3 b. **Other Contributing Non-Debtor Catholic Entities.** Should any other Non-
4 Debtor Catholic Entity become a Contributing Non-Debtor Catholic Entity between
5 the filing of the Plan and the date of the filing of the Plan Supplement, the Plan
6 Supplement shall set forth the amount of Cash contributed by any such Non-Debtor
7 Catholic Entity (or, if the Contribution is not in Cash, the nature and approximate
8 Cash-value of the contribution by any such Non-Debtor Catholic Entity) and shall
9 set forth the extent to which such Non-Debtor Catholic Entity's contribution is
10 conditioned on the number of Releases it receives from Holders of Class 4 and
11 Class 5 Claims asserting liability against such Non-Debtor Catholic Entity in
12 connection with an Abuse Claim.

13 c. **Release by Holders of Class 5 Claims.** For purposes of calculating the percentage
14 of ~~releases~~Releases under Section 13.9 of the Plan received by a Non-Debtor
15 Catholic Entity ~~receives~~, the Unknown Abuse Claims Representative shall count as
16 a single Holder, and each Holder of a Class 4 Claim shall count as a single Holder.

17 3. Separate Contributions. Any contribution to the Survivors' Trust by a Contributing Non-
18 Debtor Catholic Entity shall be in addition to and separate from the Debtor Cash Contribution

19 4. Livermore Property. The Debtor, through its affiliate Adventus, shall transfer ownership
20 of the Livermore Property to the Survivors' Trust on the Effective Date. Adventus shall be treated as a
21 Contributing Non-Debtor Catholic Entity under the Plan.

22 5. Insurance Settlement Agreements. In addition to the Debtor Cash Contribution, any Cash
23 received by the Debtor on or before the Effective Date in connection with an Insurance Settlement
24 Agreement shall be transferred to the Survivors' Trust on the Effective Date and shall be part of the
25 Survivors' Trust Assets. After the Effective Date, ~~the Survivors' Trust may enter into such Insurance~~
26 ~~Settlement Agreements as in its business judgment and in accordance with the Survivors' Trust~~
27 ~~Documents it deems necessary and beneficial to the Survivors' Trust.~~ see below at Article VII.G.6.

28 6. Assignment of Assigned Insurance Interests. On the Effective Date, the Insurance
Assignment described in Article VIII of the Plan shall become effective. The Assigned Insurance Interests
means all rights, claims, interests, benefits, responsibilities, and obligations of the Debtor in the Non-
Settling Insurer Policies, subject to the terms of the Plan including without limitation Articles VIII and IX
of the Plan and the provisions of the Plan concerning the Litigation Option.

7. Use of Survivors' Trust Assets. The Survivors' Trust Assets shall be used in accordance
with and for the purposes set forth in the Survivors' Trust Documents, including without limitation to pay
Abuse Claims; and reasonable expenses of the Survivors' Trust, and to ~~pursue the Coverage Action or~~
~~other actions to recover from~~ negotiate potential settlements with Non-Settling Insurers. Notwithstanding
anything herein to the contrary, no monies, ~~choses in action,~~ and/or assets comprising the Survivors' Trust
Assets that are transferred, granted, assigned, or otherwise delivered to the Survivors' Trust shall be used
for any purpose other than in accordance with the Plan and the Survivors' Trust Documents.

8. No Insurer Reimbursement Obligation. The Non-Settling Insurers shall not be liable for or
obligated to reimburse any contribution to the Plan made by the Debtor and its Estate, nor shall the
Survivors' Trust be authorized to seek such recovery.

1 **F. ~~E.~~ Unknown Abuse Claims Reserve**

2 The Unknown Abuse Claims Reserve is a Cash reserve maintained by Survivors' Trust established
3 on the Effective Date pursuant to the Survivors' Trust Documents for the benefit of Holders of Class 5
4 Claims, or Unknown Abuse Claims.

5 Upon the Effective Date, the Survivors' Trust shall segregate \$5,000,000.00 (Five Million Dollars
6 and Zero Cents) of the Initial Debtor Contribution into the Unknown Abuse Claims Reserve. The
7 Unknown Abuse Claims Reserve shall be maintained for the greater of (i) four years after the Effective
8 Date, and (ii) resolution of all Unknown Abuse Claims submitted to the Survivors' Trustee within four
9 years after the Effective Date. On that date, the remaining funds in the Unknown Abuse Claims Reserve
10 will be de-segregated and returned to the Survivors' Trust's general accounts, and neither the Debtor,
11 Reorganized Debtor, Survivors' Trust, nor any Settling Insurer shall have any more liability for any
12 Unknown Abuse Claim.

13 **G. ~~F.~~ Treatment of Abuse Claims.**

14 1. Immediate ~~Distribution and Initial Determination~~ Payment Election.

15 ~~Before the Effective Date,~~ Abuse Claimants may elect to receive ~~a one-time immediate distribution~~
16 ~~of \$50,000~~ the Immediate Payment from the Survivors' Trust ~~(as defined in the Plan, the "Immediate~~
17 ~~Distribution")~~ by checking the appropriate box on their respective Ballots. Only Holders of Abuse Claims
18 who return a Ballot and who affirmatively check the box on their Ballot indicating they wish to receive
19 the Immediate Payment shall be entitled to receive the Immediate Payment. If a Holder of an Abuse Claim
20 elects to receive the Immediate ~~Distribution~~ Payment, the payment will be made within thirty (30) days
21 ~~of~~ after the Effective Date. After receipt of the Immediate ~~Distribution~~ Payment, the Holder of an Abuse
22 Claim shall not be entitled to any further distributions from the Survivors' Trust and shall not be entitled
23 to ~~pursue to~~ pursue any Abuse Claim against the Non-Settling Insurers or any other party. If a Person
24 submitted, or is the Holder of, more than one Abuse Claim and such Holder elects to receive the Immediate
25 Payment, such Holder shall only be entitled to one Immediate Payment on account of all of their Abuse
26 Claims, shall not be entitled to any further distributions from the Survivors' Trust, and shall not be entitled
27 to pursue any Abuse Claim against the Non-Settling Insurers or any other party.

28 2. Review and Scoring of Claims.

After the Effective Date, every Abuse Trust Claim held by an Abuse Claimant ~~who has not elected~~
~~to receive an Immediate Distribution (the "Trust Claims")~~ shall be reviewed and ~~scored~~ allocated a
percentage of the recovery pool based on numerical scaling factors (but not based on alleged dollar value
of the Claim) by the Abuse Claims Reviewer in order to determine the distribution to each such Holder in
accordance with the terms of the Survivors' Trust Documents.

The scoring process works as follows:

- First, the Abuse Claims Reviewer applies Initial Criteria to determine whether any incurable defects exist with respect to a Trust Claim;
- Second, the Abuse Claims Reviewer applies General Criteria intended to determine whether the Trust Claim adequately describes the alleged abuse, alleged perpetrator, location of abuse, and legal liability of the Debtor or another party; and,
- Third, the Abuse Claims Reviewer applies Evaluation Factors to actually score the claim on a scale from 1-100. The Evaluation Factors include the nature of the abuse (in terms of duration, frequency, level of severity and degree of intrusiveness, etc.), the impact of the abuse (in terms of mental and physical health, spiritual well-being, interpersonal

relationships, etc.); prior recoveries, if any, from other parties; and the claimant's involvement in bringing the abuse to light for the benefit of all Trust Claimants.

After scoring each Trust Claim, the Abuse Claims Reviewer will calculate the value of an individual "point." The point value will be determined by dividing (a) the total dollars available for distribution to Trust Claims by (b) the total of points among the individual Trust Claims. For example:

- Assume there are 250 claimants holding Trust Claims with an average score of 50 points per claim.
- 50 points per claim multiplied by 250 claims yields 12,500 total points.
- Assuming a total distributable amount of \$150 million, each point would be valued at \$12,000 (\$150 million divided by 12,500).

Accordingly, Trust Claims assigned 25, 50, and 75 points would receive projected recoveries of \$300,000, \$600,000, and \$900,000 from the Survivor's Trust, respectively.

3. Initial Determination.

a. ~~The~~Based on the percentage allocation determined by the Abuse Claims Reviewer, the Survivors' Trustee shall provide a determination of the distribution to which each Holder of each Trust Claim is entitled (the "Initial Determination"), in accordance with the terms of the Survivors' Trust Documents. Each Holder of a Trust Claim will receive a notice containing the Initial Determination, including a projected recovery based on the anticipated available assets of the Survivors' Trust at the time of the Initial Determination.

b. Within thirty (30) days of receipt of the notice of the Initial Determination, each Holder of a Trust Claim shall have the right to request an appeal of the Initial Determination to a neutral decisionmaker (the "Neutral"), who shall provide a subsequent determination (the "Neutral Determination"), as provided for in the Survivors' Trust Documents.

c. ~~The~~If requested, the Neutral Determination shall be the "Final Determination" for purposes of such Holder's distributions from the Survivors' Trust. If the Neutral Determination is not requested, the outcome of the Initial Determination shall be the Final Determination.

d. For the avoidance of doubt, no determination will be made in the Chapter 11 Case concerning the alleged dollar value of an Abuse Claim for purposes of unsettled Insurance. Neither the Abuse Claims Reviewer's or Survivors' Trustee's review of an Abuse Claim and determination of qualification, nor the Survivors' Trust's estimation of ~~elaims~~Claims or payment of distributions, shall constitute a trial, an adjudication on the merits, or evidence of liability or damages in any litigation with the Non-Settling Insurer or any other Person.

4. ~~2.~~ Distributions to Trust Claimants from the Survivors' Trust.

Subject to the Survivors' Trust Documents, the Plan provides that the following procedures will govern distributions to Trust Claimants from the Survivors' Trust:

a. Within 30 days of the Neutral's completion of all Neutral Determinations, the Survivors' Trustee shall make a projection of anticipated distributions to each Holder of a Trust Claim. This amount may differ from the Initial Determination after accounting for Neutral Determinations.

b. The Survivors' Trustee will make an initial distribution (the "Initial Distribution") to each Trust Claimant, except for those Trust Claimants who elect the Litigation Option (defined below

1 and in Section 9.8.4 of the Plan). The Initial Distribution shall be comprised of each such Trust Claimants'
2 *pro rata* share of the Survivors' Trust Assets existing on that date, less reasonable reserves for the
3 Survivors' Trust, to be determined by the Survivors' Trustee in accordance with the Survivors' Trust
Documents (the "Initial Reserve"). The Survivors' Trustee may, but need not, wait until the liquidation
of the Livermore Property to make the Initial Distribution.

4 c. Upon the receipt of additional contributions into the Survivors' Trust, including
5 from sales of real property owned by the Survivors' Trust, the Survivors' Trustee shall make further
6 distributions (the "Additional Distributions") to the ~~Holder~~ Claimants who elected (or
who are deemed to have elected) the Distribution Option in accordance with this Section of the Plan and
the Survivors' Trust Documents, less such appropriate reserves (the "Additional Reserves").

7 d. After the final resolution of all Trust Claims ~~the Holder of which, including with~~
8 respect to the Trust Claimants who selected the Litigation Option, the Survivors' Trustee shall make a
9 final distribution to the ~~Holder~~ Claimants who elected (or who are deemed to have
10 elected) the Distribution Option (the "Final Distribution"), which shall include previously withheld
reserves and any reallocated funds. If, after 180 days from the date of the Final Distribution, there are any
funds which are not claimed by the Holder of a Trust Claim, such unclaimed funds shall be returned to
the Reorganized Debtor.

11 5. ~~3.~~ Election of Distribution Option vs. Litigation Option.

12 Irrespective of whether a Trust Claimant has requested an appeal of the Initial Determination to
13 the Neutral, within 90 days of receiving the notice of the Initial Determination of a Trust Claim, the Holder
14 may, instead of receiving an Initial Distribution, elect to pursue litigation against the Non-Settling Insurers
and/or other parties (excluding the Debtor or Reorganized Debtor as appropriate) (the "Abuse Claim
15 Litigation" and, the election of the Abuse Claim Litigation, the "Litigation Option") by filing the notice
described in Section 8.2.2 of the Plan. **The Holder of an Abuse Claim who elects the Distribution**
16 **Option shall not be entitled to pursue the Litigation Option, meaning they shall not be entitled to**
pursue any additional recovery from the Non-Settling Insurers. If no election to pursue the Litigation
Option is timely made, the Trust Claimant shall be deemed to have chosen the Distribution Option.

17 a. In the event ~~the Holder of~~ a Trust ~~Claim~~ Claimant elects the Litigation Option, the
18 Reserved Amount to be held by the Survivor's Trustee on account of such Trust Claimant shall be the
amount of such Trust Claimant's Final Determination. As the Survivors' Trust receives additional Cash
19 (including, without limitation, on account of the Debtor Cash Contributions, RCWC Cash Contributions,
Insurance Settlement Agreements, other contributions of Cash, or proceeds from the liquidation of any of
20 the Survivors' Trust Assets), the Survivors' Trustee shall ~~reserve the amount of such Claimant's Final~~
Determination pending the resolution of the Abuse Claim Litigation increase the Reserved Amount on
21 account of such Trust Claimant commensurately.

22 b. The liability, if any, of the Survivors' Trust to ~~the Holder of~~ a Trust ~~Claim~~ Claimant
23 who elects the Litigation Option shall be limited to the ~~Final Determination~~ Reserved Amount for such
Trust Claimant, even ~~in~~ if the ~~event that the Holder of a~~ Trust ~~Claim~~ Claimant obtains a judgment by a Final

24 Order through the Abuse Claim Litigation (the "Litigation Judgment") that is higher than the ~~Final~~
Determination Reserved Amount.
25 c. ~~The~~ In the case of a Trust Claimant who obtains a Litigation Judgment that is lower
26 than the Reserved Amount for such Trust Claimant, the distribution from the Survivors' Trust to ~~the~~
~~Holder of a Trust Claim who obtains a judgment through the Abuse Claim Litigation that is lower than~~
27 ~~the Final Determination~~ such Trust Claimant shall be capped at the amount of ~~such judgment~~ (the
28 "Litigation Judgment"); provided, however, that such distribution from the Survivors' Trust shall be
further reduced by the amount of any liability for the Litigation Judgment that is apportioned to (i) one or
more ~~third-party~~ defendants in the Abuse Claim Litigation other than any of the Released Parties, and/or

1 (ii) any Non-Settling Insurer on account of such Non-Settling Insurer's coverage obligations under an
2 Abuse Insurance Policy, if any, subject to such Non-Settling Insurer's rights to Contribution and other
3 rights under ~~the~~this Plan and the applicable Abuse Insurance Policy(ies). The difference between ~~the Final~~
4 ~~Determination~~a Trust Claimant's Reserved Amount and the reduced distribution to such Trust Claimant
5 from the Survivors' Trust shall be reallocated ~~to all of the Survivors' Trust Beneficiaries~~for distribution
6 to Trust Claimants who elected the Distribution Option in their *pro rata* share.

7 d. In the case of a Trust Claimant who obtains a Litigation Judgment that is higher
8 than the Reserved Amount for such Trust Claimant, the distribution from the Survivors' Trust to such
9 Trust Claimant shall be the lower of: (a) the Reserved Amount or (b) the amount of such Litigation
10 Judgment less any liability for the Litigation Judgment apportioned to (i) any defendants in the Abuse
11 Claim Litigation other than any of the Released Parties and/or (ii) any Non-Settling Insurer on account of
12 such Non-Settling Insurer's coverage obligations under an Abuse Insurance Policy, if any, subject to such
13 Non-Settling Insurer's rights to Contribution and other rights under this Plan and the applicable Abuse
14 Insurance Policy(ies). The difference between a Trust Claimant's Reserved Amount and the reduced
15 distribution to such Trust Claimant from the Survivors' Trust shall be reallocated for distribution to Trust
16 Claimants who elected the Distribution Option in their *pro rata* share.

17 e. ~~d.~~ If a ~~Holder of a Trust Claim obtains a judgment against a~~ Trust Claimant obtains
18 a Litigation Judgment for which all liability is assigned in the aggregate to (i) defendants in the Abuse
19 Claim Litigation other than the Released Parties and/or (ii) one or more Non-Settling ~~Insurer or other third~~
20 party ~~Insurers~~, any party found liable for payment to such ~~Holder~~ Trust Claimant shall pay that judgment
21 directly to such ~~Holder~~ Trust Claimant. The ~~Holder~~ Trust Claimant shall have no further claims against the
22 Survivors' Trust ~~and any amount reserved for that Holder's Trust Claim shall be reallocated to all~~
23 Survivors' Trust Beneficiaries. The Survivors' Trustee shall reallocate the Reserved Amount on account
24 of such Trust Claimant's Trust Claim for distribution to Trust Claimants who elected the Distribution
25 Option in their *pro rata* share.

26 ~~e. Following final resolution of each Abuse Claim Litigation, the Survivors' Trustee will~~
27 ~~make an initial distribution (the "Initial Litigation Distribution") to each Trust Claimant who selected the~~
28 ~~Litigation Option, in accordance with the terms of Article IX of the Plan and the Survivors' Trust~~
~~Documents and subject to reasonable reserves.~~

f. If, pursuant to this Section 9.8.4, a Trust Claimant who received a Litigation
Judgment is entitled to a distribution from the Survivors' Trust, the Survivors' Trustee shall make any
such distribution from the Survivors' Trust Assets to such Trust Claimant not later than thirty (30) days
after the Survivors' Trustee receives notice of entry of the Trust Claimant's Litigation Judgment in the
Abuse Claim Litigation. If the Survivors' Trust is not a formal notice party in the Abuse Claim Litigation
filed by such Trust Claimant, it shall be the burden of the Trust Claimant to serve the Survivors' Trustee
with notice of entry of the Trust Claimant's Litigation Judgment in the Abuse Claim Litigation.

g. ~~f.~~ Upon written notice to the Survivors' Trustee, subject to the Survivors' Trustee's
sole and absolute discretion, a Trust Claimant who selected the Litigation Option may rescind that election
in favor of the Distribution Option. Notwithstanding the foregoing, the Survivors' Trustee shall consent
to such rescission if such written notice of rescission is given prior to entry of an order of dismissal or a
final judgment by a Final Order in the Abuse Claim Litigation in favor of a Released Party.

h. ~~g.~~ Following final resolution of the last Abuse Claim Litigation, the Survivors'
Trustee will make his Final Distribution to Trust Claimants that elected the Distribution Option as set
forth in Section 9.8.3.4 of the Plan.

The Survivors' Trustee shall report to the Reorganized Debtor, on a quarterly basis, or upon
reasonable request, (i) the date on which each Holder of an Abuse Claim is notified of their award under
the Survivors' Trust Distribution Plan, (ii) whether each Holder of an Abuse Claim has elected the

1 Immediate ~~Distribution~~Payment, the Distribution Option, or the Litigation Option, and (iii) any
2 modification made by any Holder of an Abuse Claim to their treatment status.

3 6. Post-Effective Date Insurance Settlement Agreements.

4 To the extent the Survivors' Trust enters into an Insurance Settlement Agreement that covers the
5 Abuse Claim of a Trust Claimant who elected the Litigation Option and commenced an Abuse Claim
6 Litigation (a "Settling Trust Claimant"), (i) such Abuse Claim Litigation shall be promptly dismissed to
7 the extent the Settling Trust Claimant is seeking a determination of, and the availability of Insurance
8 Recoveries for, the liability of a Released Party on account of the Settling Trust Claimant's Abuse Claim,
9 (ii) within thirty (30) days of receipt of the Cash consideration of such Insurance Settlement Agreement,
10 the Survivors' Trust shall pay the Settling Trust Claimant an amount equivalent to 50% of the Settling
11 Trust Claimant's then-existing Reserved Amount, calculated based on the value of the Survivors' Trust
12 Assets immediately before receipt of such Cash consideration from the Insurance Settlement Agreement,
13 (iii) the Settling Trust Claimant shall be deemed to have rescinded their election of the Litigation Option
14 in favor of the Distribution Option and the Survivors' Trustee shall be deemed to have consented to such
15 rescission, each in accordance with Section 9.8.4.7 of the Plan, and (iv) the remaining Cash realized by
16 the Survivors' Trust on account of the Insurance Settlement Agreement shall be added to the Survivors'
17 Trust Assets. Thereafter, Settling Trust Claimants shall be entitled to receive pro rata distributions from
18 the Survivors' Trust Assets in accordance with the terms of this Plan and the Survivors' Trust Documents.

19 **H. ~~G.~~ Compensation and Reimbursement of Expenses to Survivors' Trustee and Survivors'**
20 **Trust Professionals.**

21 The Survivors' Trustee shall be entitled to compensation as provided for in the Survivors' Trust
22 Documents. The Survivors' Trustee may retain and reasonably compensate, without Bankruptcy Court
23 approval and without the consent of the Reorganized Debtor, counsel and other Professionals as
24 reasonably necessary to assist in the duties of the Survivors' Trustee subject to the terms of the Survivors'
25 Trust Documents. All fees and expenses incurred in connection with the foregoing shall be payable from
26 the Survivors' Trust, as provided for in the Survivors' Trust Documents.

27 **I. ~~H.~~ Excess Survivors' Trust Assets.**

28 After the payment of all Abuse Claims that are entitled to a distribution from the Survivors' Trust
and all expenses of the Survivors' Trust ~~Expenses~~, all remaining Assets in the Survivors' Trust shall be
transferred to the Reorganized Debtor concurrent with the termination of the Survivors' Trust pursuant to
the Survivors' Trust Documents.

J. ~~I.~~ Indemnification of Debtor, Reorganized Debtor, and Contributing Non-Debtor Catholic
Entities.

The Survivors' Trust shall indemnify and hold harmless the Debtor, Reorganized Debtor, and the
Contributing Non-Debtor Catholic Entities from and against any and all Abuse Claims, as well as
indemnify and reimburse such parties for all fees, costs and expenses related to Abuse Claims (including
such fees, costs and expenses incurred in connection with discovery), to the extent set forth in the Plan
and the Survivors' Trust Documents. The Survivors' Trust shall not have any obligation to indemnify any
Person accused of committing a physical act of Abuse against a Holder of an Abuse Claim or such
Holder's predecessor(s)-in-interest.

K. ~~J.~~ Modification of Survivors' Trust Documents.

~~J.~~The Survivors' Trust Documents may not be amended or modified without the consent of the
Reorganized Debtor. The Reorganized Debtor shall also have consent rights with respect to the
appointment of any successor Survivors' Trustee and Survivors' Trust Advisory Committee members,

1 which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the indemnification
2 obligations of the Survivors' Trust described in the Plan as to any Released Party may not be amended or
3 modified without the consent of such Released Party [and no such amendment shall affect the rights of any
4 remaining Non-Settling Insurers.](#)

5 **ARTICLE VIII**

6 **SETTLING INSURERS**

7 **A. No Insurance Settlement Agreements to Date**

8 As of the date of the filing of this Disclosure Statement, there are no Settling Insurers and no
9 Insurance Settlement Agreements executed. Any discussion of a Settling Insurer or Insurance Settlement
10 Agreement herein refers to the identification of Settling Insurers under future Insurance Settlement
11 Agreements.

12 **B. Insurance Settlement Agreements**

13 If, before Confirmation, an Insurer enters into an Insurance Settlement Agreement with the Debtor
14 under which the Insurer would become a Settling Insurer under the Plan upon entry of the Confirmation Order,
15 the Debtor shall file with the Plan Supplement providing for any provisions required by the proposed Settling
16 Insurer, and agreed to by the Debtor, to be made a part of the Plan. Any such provisions set forth in the Plan
17 Supplement shall be deemed incorporated into this Section as part of the Plan. Any Insurer that becomes a
18 Settling Insurer shall receive the treatment as may be provided in any Insurer Settlement Agreement
19 approved by a Final Order.

20 Each Insurance Settlement Agreement is effective and binding upon all Persons who have notice,
21 and any of their successors and assigns, upon the entry of a Final Order approving the Insurance Settlement
22 Agreement and satisfaction of all conditions precedent, [provided such settlement shall not affect the rights
23 of any remaining Non-Settling Insurers.](#) Payments by each Settling Insurer to the Survivors' Trust, and
24 the releases by the Debtor and/or the Contributing Non-Debtor Catholic Entities of each Settling Insurer,
25 pursuant to the Insurance Settlement Agreements shall occur and/or be effective according to the terms of
26 each such agreement.

27 **C. Sale Free and Clear of Interests of Settling Insurer Policies**

28 Each Settling Insurer Policy shall be sold to the issuing Settling Insurer, pursuant to sections 105,
363, and 1123 of the Bankruptcy Code, free and clear of all liens and Claims of all Persons, to the extent
provided for in each applicable Insurance Settlement Agreement, [provided such sale shall not affect the
rights of any remaining Non-Settling Insurers.](#)

D. Rights Under Insurance Settlement Agreements

The Insurance Settlement Agreements shall survive the confirmation, effectiveness, and
consummation of the Plan. The rights of the parties under any Insurance Settlement Agreement shall be
determined exclusively under the applicable Insurance Settlement Agreement, the Final Order approving
such Insurance Settlement Agreement, the Plan, and the Confirmation Order.

E. Contribution Claims of Settling Insurers

Each Settling Insurer agrees that it will not pursue any Abuse Related Contribution Claim that it
might have against any other Insurer (a) whose Contribution Claim against Settling Insurers is satisfied
and extinguished entirely; or (b) that does not make an Abuse Related Contribution Claim against the

1 Settling Insurers, or any of them. If, in the future, a Non-Settling Insurer releases its Abuse Related
2 Contribution Claims, if any such exist, that it may have against the Settling Insurers, then such released
Settling Insurer shall release its Abuse Related Contribution Claims against such releasing Insurer.

3 If any Non-Settling Insurer asserts a Claim directly against the Survivors' Trust arising from or
4 concerning the one or more Settling Insurers' Abuse Insurance Policies, any Abuse Related Contribution
Claim of the Settling Insurers shall be transferred to the Survivors' Trust, and the Survivors' Trust shall
5 be authorized to assert the Contribution Claims of such Settling Insurer against such Non-Settling Insurer.

6 **F. Timing**

7 The injunctions, releases, and discharges to which any Settling Insurer is entitled pursuant to such
Insurance Settlement Agreement, the Plan, the Confirmation Order, the Final Order approving the
8 Insurance Settlement Agreement, and the Bankruptcy Code shall become effective pursuant to the terms
of such Insurance Settlement Agreement.

9 **ARTICLE IX**

10 **MATTERS RELATING TO NON-SETTLING INSURERS**

11 **A. Preservation of the Rights of Non-Settling Insurers**

12 The Plan is intended to ensure preservation of the rights of Insurers and Holders of Abuse Claims
13 who wish to pursue recovery from applicable, available insurance coverage, and of the obligations of the
parties to each of the Abuse Insurance Policies. The Plan seeks to achieve this "insurance neutral" result
14 through the following terms, among others.

15 With respect to Non-Settling Insurers, nothing in the Plan, the Plan Documents, the Confirmation
Order, or the Survivors' Trust Documents, including any provision that purports to be preemptory or
16 supervening, shall in any way operate to, or have the effect of, impairing, altering, supplementing,
changing, expanding, decreasing, or modifying (i) the terms and conditions of any Abuse Insurance
17 Policy, (ii) the rights and obligations of the Debtor (or its Estate) and any Non-Settling Insurers (and third-
party claims administrators) under any of the Abuse Insurance Policies, or (iii) the coverage or benefits
18 provided under the Abuse Insurance Policies; provided, however, that because the Non-Settling Insurers
would solely be potentially financially responsible for payment of Abuse Claims (and the Debtor would
19 have no such potential financial responsibility), the provisions of Cal. Civil Code § 2860 entitling an
insured to appointment of independent counsel in certain circumstances shall not apply to any claims
20 pursued by Holders of Abuse Claims against the Debtor (as a nominal party only) or the Survivors' Trust
in the non-bankruptcy court system for the purpose of recovering from Non-Settling Insurers.

21 With respect to the Non-Settling Insurers, notwithstanding any provision in the Plan, the Plan
22 Documents, the Confirmation Order, or the Survivors' Trust Documents, nothing contained in any such
documents or in this paragraph shall impose, or shall be deemed or construed to impose, any obligation
23 on any Non-Settling Insurer to provide a defense for, settle, or pay any judgment with respect to, any
Abuse Claim. Rather, a Non-Settling Insurer's obligations, if any, with respect to an Abuse Claim shall
24 be determined solely by and in accordance with the applicable Abuse Insurance Policy or Abuse Insurance
Policies issued by that Non-Settling Insurer subject to applicable non-bankruptcy law. Nothing in the Plan,
25 the Plan Documents, the Confirmation Order, or the Survivors' Trust Documents shall diminish or impair,
or be deemed to diminish or impair, the rights of any Non-Settling Insurer to defend any Abuse Claim or
26 to assert any claim, defense, right, or counterclaim in connection with any Abuse Claim or Abuse
Insurance Policy in accordance with applicable law; provided, however, that any claim or counterclaim
27 for Contribution (as defined ~~below~~ in Section 8.4 of the Plan) against a Settling Insurer shall be addressed
as provided herein.

1 For all issues relating to insurance coverage concerning Non-Settling Insurers, the provisions,
2 terms, conditions, and limitations of the applicable Abuse Insurance Policies shall control, subject to
3 applicable non-bankruptcy law.

4 A Non-Settling Insurer's obligation, if any, with respect to an Abuse Claim shall be determined
5 solely by and in accordance with the applicable Abuse Insurance Policy or Abuse Insurance Policies issued
6 by that Non-Settling Insurer subject to applicable non-bankruptcy law. Liability with respect to any Abuse
7 Claim for purposes of any recovery against an Abuse Insurance Policy will be determined pursuant to
8 applicable non-bankruptcy law.

9 With respect to the Non-Settling Insurers, for purposes of establishing the value of any Abuse
10 Claim for purposes of recovery from, or coverage under, any Abuse Insurance Policy issued by a Non-
11 Settling Insurer, no determination made in the Chapter 11 Case, nor any determinations made by the Abuse
12 Claims Reviewer or Survivors' Trustee concerning any Abuse Claim at any time, shall be binding on or
13 against a Non-Settling Insurer, nor shall any party (including any Holder of an Abuse Claim against the
14 Debtor) offer into evidence, or seek to admit into evidence, any such alleged determination in any tort
15 actions pursued by Holders of Abuse Claims against the Debtor (as a nominal party only) or the Survivors'
16 Trust in the non-bankruptcy court system for the purpose of recovering from Non-Settling Insurers, except
17 for the limited purpose of establishing the amount of any credit to which Debtor (as a nominal party) may
18 be entitled to offset any verdict in favor of a holder of an Abuse Claim.

19 The determination of, qualification, and estimation of ~~claims~~ Claims, and the payment of
20 ~~trust~~ Survivors' Trust distributions is not an admission of liability by the Debtor or Reorganized Debtor
21 (as applicable), any Non-Settling Insurer, the Survivors' Trust, or any other Person with respect to any
22 Abuse Claims and has no *res judicata* or collateral estoppel effect on any Non-Settling Insurer, the Debtor,
23 the Survivors' Trust, or any other Person, except that such determination may be introduced for the limited
24 purpose of establishing the amount of any credit to which the Debtor (as a nominal party) or the Survivors'
25 Trust may be entitled to offset any verdict in favor of a Holder of an Abuse Claim.

26 Neither the Abuse Claims Reviewer's nor Survivors' Trustee's review of an Abuse Claim and
27 determination of qualification, nor anything in the Survivors' Trust Documents (including any action or
28 decision pursuant to the Survivors' Trust Documents, including any estimation of claims or payment of
distributions), shall constitute a trial or an adjudication on the merits, or evidence of liability or damages,
in any litigation with the Non-Settling Insurer or any other Person.

With respect to Non-Settling Insurers, nothing in the Plan, the Plan Documents, the Confirmation
Order, or the Survivors' Trust Documents shall, under any theory, (a) constitute a trial, a judgment, an
adjudication on the merits, or evidence establishing the liability (in the aggregate or otherwise) or
obligation of the Debtor or the Survivors' Trust with respect to any Abuse Claim, (b) constitute a trial, a
judgment, an adjudication on the merits, or evidence (or be introduced as evidence) establishing the
liability of any Non-Settling Insurer in current or subsequent litigation for any Claim, including, without
limitation, any Abuse Claim, or under any Abuse Insurance Policy, (c) constitute, or be deemed to
constitute (or be introduced to support a determination) of the reasonableness of the amount of any Claim,
including any Abuse Claim, either individually or in the aggregate with other Claims, (d) be deemed to
grant to any Person or Entity any right to sue any Non-Settling Insurer directly, in connection with a
Claim, including any Abuse Claim, or any Abuse Insurance Policy, that such Person or Entity did not
otherwise have under applicable non-bankruptcy law, (e) constitute a finding or determination (or be
introduced to support a finding or determination) that the Debtor is a named insured, additional insured,
or insured in any other way under any Abuse Insurance Policy, (f) constitute a finding or determination
(or be introduced to support a finding or determination) that any Insurer in fact issued any alleged Abuse
Insurance Policy or that any alleged Abuse Insurance Policy has any particular terms or conditions, (g)
constitute a finding or determination (or be introduced to support a finding or determination) that any
Insurer has any defense or indemnity obligation with respect to any Claim or Abuse Claim, or (h)
constitute a finding or determination (or be introduced to support a finding or determination) on any matter

1 at issue or which may be raised as an issue in any action, including the Insurance Coverage
2 Action Litigation. In addition, no payment made in accordance with the Plan shall be, or be deemed to be,
3 a waiver of any rights of any Non-Settling Insurer under any Abuse Insurance Policy.

4 Other than with respect to the effectiveness of the Insurance Assignment contemplated by the Plan
5 (if necessary) and the findings necessary to confirm the Plan under Section 1129 of the Bankruptcy Code
6 for such purpose only, no Non-Settling Insurer shall be bound in any current or future litigation concerning
7 an Abuse Claim or an Abuse Insurance Policy by any factual findings or conclusions of law issued in
8 connection with Confirmation of the Plan, and no such findings of fact or conclusions of law shall have
9 any *res judicata* or collateral estoppel effect on any Claim, defense, right, offset, or counterclaim that has
10 been asserted or that may be asserted in any current or subsequent litigation concerning an Abuse Claim
11 or an Abuse Insurance Policy. Non-Settling Insurers shall retain, and be permitted to assert, (i) all of their
12 insurance coverage defenses subject to applicable non-bankruptcy law in connection with Abuse Claims
13 notwithstanding any provision of the Plan, the Plan Documents, or the Confirmation Order, provided,
14 however, no Non-Settling Insurer may assert the Insurance Assignment as a defense to any Coverage
15 Claim nor challenge the efficacy or validity of the Insurance Assignment, and (ii) all of the Debtor's
16 defenses to liability, both legal and equitable, in connection with any asserted Abuse Claim, and the Non-
17 Settling Insurers' rights to assert all such underlying defenses and insurance coverage defenses in
18 connection with Abuse Claims will not be impaired in any way by the Plan, the Plan Documents, the
19 Confirmation Order, or the Survivors' Trust Documents, but shall be subject to applicable non-bankruptcy
20 law.

21 Any disputes regarding a Non-Settling Insurer's liability for Abuse Claims and/or coverage
22 therefor under any Abuse Insurance Policy shall be resolved under applicable non-bankruptcy law in the
23 District Court overseeing the Insurance Coverage Action Litigation or such other venue as the affected
24 parties (including the Non-Settling Insurer(s)) may agree.

25 Nothing in the Plan shall limit the ability of any Non-Settling Insurer to agree to different terms or
26 treatment of its Abuse Insurance Policies as part of a consensual settlement with the Debtor, Survivors'
27 Trust, and/or Holders of Abuse Claims.

28 Any Non-Settling Insurer's legal, equitable, or contractual rights and obligations relating to the
Abuse Insurance Policies issued by such Non-Settling Insurer shall be determined under applicable non-
bankruptcy law. Nothing in the Plan shall be construed to impair or diminish the Debtor's or any Non-
Settling Insurer's legal, equitable, or contractual rights or obligations under any Abuse Insurance Policy
including, but not limited to, the ability to negotiate resolution of any dispute; provided, however, (a) that
because Non-Settling Insurers would solely be potentially financially responsible for payment of Abuse
Claims (and the Debtor would have no such potential financial responsibility), the provisions of Cal. Civil
Code § 2860 entitling an insured to appointment of independent counsel in certain circumstances shall not
apply to any claims pursued by Holders of Abuse Claims against the Debtor (as a nominal party only) in
the non-bankruptcy court system for the purpose of recovering from Debtor (as a nominal party) and (b)
neither the Debtor (including the Estate and the Reorganized Debtor) nor the Survivors' Trust shall have
~~no~~the right to (i) direct or interfere with a Non-Settling Insurer's defense of a tort action asserting an
Abuse Claim, or (ii) settle an Abuse Claim without the consent of all affected Non-Settling Insurers;
provided, however, that at the Reorganized Debtor's election and at its sole expense, the Reorganized
Debtor may appoint its own counsel ("Reorganized Debtor Counsel") to represent the Bishop in the
defense of any action by a Holder of an Abuse Claim against the Debtor (as a nominal party only). Any
such Reorganized Debtor Counsel shall cooperate and coordinate with defense counsel appointed by the
Non-Settling Insurers to represent the Debtor in such action, and the Reorganized Debtor's election to
appoint Reorganized Debtor Counsel shall not constitute direction of or interference with a Non-Settling
Insurer's defense of a tort action asserting an Abuse Claim. The Non-Settling Insurers reserve all policy
defenses and claims, including without limitation all rights, claims, and defenses concerning cooperation,
offsets, recoupments, deductions, deductibles, self-insured retentions, and all rights, claims, and defenses
provided in their policies.

1 Except as expressly stated herein, any coverage issues involving the Non-Settling Insurers or the
2 Abuse Insurance Policies issued by the Non-Settling Insurers shall be determined in accordance with
3 applicable non-bankruptcy law. All positions and arguments with respect to available coverage under such
4 Abuse Insurance Policies shall be fully preserved for assertion by the Non-Settling Insurers and Abuse
5 Claimants in any litigation of coverage issues. Subject to the terms of the Plan, the Non-Settling Insurers
6 and Holders of Abuse Claims reserve their rights, if any, to (i) bring proceedings concerning the
7 application and interpretation of the terms of the Abuse Insurance Policies and rights thereunder, as well
8 as whether defense and/or indemnity are owed under the Abuse Insurance Policies, and (ii) oppose any
9 such proceeding commenced by any other person or entity in any court of appropriate jurisdiction as
10 determined under applicable non-bankruptcy law; ~~provided, however, except as provided below,~~ because
11 the Debtor will have received a discharge under the Plan, any effort to collect from Abuse Insurance
12 Policies issued by the Non-Settling Insurers to satisfy an Abuse Claim after Confirmation of the Plan shall
13 be sought individually by the applicable Holder of an Abuse Claim after such Holder's Claim has been
14 liquidated as provided herein. Any disputes regarding a Non-Settling Insurer's liability for Abuse Claims
15 (after such Abuse Claim has been liquidated under the provisions set forth above) and/or coverage therefor
16 under Abuse Insurance Policies shall be resolved under applicable non-bankruptcy law in the District
17 Court or such other venue as the affected parties (including the Non-Settling Insurer(s)) may agree.

18 The limitations in Section 8.3 of the Plan are for the benefit of the Non-Settling Insurers to preserve
19 their ability to assert the Debtor's defenses to Abuse Claims as well as Non-Settling Insurers' own
20 coverage defenses. For the avoidance of doubt, the Debtor (and the Reorganized Debtor, as applicable)
21 reserves its right to enforce the Plan, including without limitation its discharge, and to the benefits of any
22 settlements reached with Settling Insurers, provided that the foregoing will not limit the protections
23 afforded to the Non-Settling Insurers herein. All parties in interest in this Chapter 11 Case shall retain the
24 right to enforce the Claims Bar Date Order (as amended) and all confidentiality orders issued in the
25 Bankruptcy Case.

26 The provisions of Section 8.3 of the Plan shall be incorporated into the Confirmation Order.

27 **B. Scope of Plan Injunctions With Respect to Non-Settling Insurers**

28 The injunctions under the Plan and Confirmation Order shall not prohibit a Non-Settling Insurer
from asserting Claims against the Survivors' Trust for contribution, subrogation, indemnification,
reimbursement, or other similar Cause of Action (collectively, "Contribution") for any Settling Insurer's
alleged share or equitable share relating to the defense and/or indemnity obligation for any Abuse Claim,
or for any Cause of Action released in any Insurance Settlement Agreements.

If a Non-Settling Insurer asserts it has (a) Contribution Claims directly or indirectly arising out of
or in any way relating to such Non-Settling Insurer's payment of loss on behalf of the Debtor or defense
expenses incurred in any action that should have been paid by or are otherwise attributable to a Settling
Insurer related to any Abuse Claim or (b) rights to recover any self-insured retentions/obligations and/or
deductibles (collectively, "Payment Obligations") in connection with its payment of defense and/or
indemnity related to an Abuse Claim, then (i) such Contribution Claims or Payment Obligations may be
asserted as a setoff, defense, or counterclaim against any Abuse Claimant and/or the Survivors' Trust in
any insurance action or insurance recovery action (under Cal. Ins. Code § 11580 or otherwise) involving
such Non-Settling Insurer and (ii) to the extent such Contribution Claims or Payment Obligations are
determined to be valid, the liability (if any) of such Non-Settling Insurer to the holder of the Abuse Claim
or the Survivors' Trust shall be reduced by the amount of such Contribution Claims or Payment
Obligations, provided that if any such Contribution Claim exceeds the liability of such Non-Settling
Insurer to the Survivors' Trust, the Non-Settling Insurer does not waive any excess claim and may seek
affirmative recovery from the Survivors' Trust.

To the extent payment of a self-insured retention is a condition to a Non-Settling Insurer's
obligation to provide defense or indemnity under applicable non-bankruptcy law and the Non-Settling

1 Insurer's applicable insurance policies, the failure of the Survivors' Trust to pay such self-insured
2 retention to the Non-Settling Insurer shall result in the Non-Settling Insurer having the right to argue that
3 such failure of payment is a complete defense to any claim for coverage by the Non-Settling Insurer to, or
4 related to, any claim for recovery of insurance from the Non-Settling Insurer.

5 **C. Non-Settling Insurers' Contribution Claims Against Settling Insurers**

6 In any Action, including the Insurance Coverage Action Litigation, involving the Holder of an
7 Abuse Claim and one or more Non-Settling Insurers, where a Non-Settling Insurer has asserted, asserts, or
8 could assert any Contribution Claim against any of the Settling Insurers or the Survivors' Trust, and such
9 Contribution Claims are determined by the court presiding over such Claims to be valid, then any
10 judgment or award obtained against such Non-Settling Insurer by such Holder of an Abuse Claim shall be
11 automatically reduced by the amount, if any, that the Survivors' Trust or any of the Settling Insurers is
12 liable to pay such Non-Settling Insurer as a result of the Non-Settling Insurer's Contribution Claim, so
13 that the Contribution Claim is thereby satisfied and extinguished; provided, however, that, as against the
14 Survivors' Trust (as successor to the Debtor), a Non-Settling Insurer may only assert any such
15 Contribution Claim for the payment of deductible or self-insured retention. The Settling Insurers shall be
16 required to cooperate in good faith with the Debtor, the Reorganized Debtor, and/or the Survivors' Trust
17 to take commercially reasonable steps to defend against any Contribution Claim by a Non-Settling Insurer.

18 **D. Cooperation with Non-Settling Insurers**

19 The Survivors' Trust and the Debtor (including the Estate and the Reorganized Debtor) shall have
20 the obligation as provided in the Abuse Insurance Policies to cooperate with the Non-Settling Insurers
21 with respect to the investigation and defense of Abuse Claims pursuant to the terms of the Non-Settling
22 Insurers' respective Abuse Insurance Policies, including with respect to preserving any documents
23 relevant to liability or coverage disputes, making documents and witnesses available to the Non-Settling
24 Insurers concerning such disputes, and maintaining privilege with regard to the defense.

25 The Reorganized Debtor and its agents will not voluntarily waive any privilege under applicable
26 non-bankruptcy law applicable to documents or communications related to alleged Abuse Claims
27 (collectively, "Privileged Communications"). Without limiting the generality of the foregoing, neither the
28 Reorganized Debtor nor its agents shall provide the Survivors' Trust or any Holder of an Abuse Claim
with any Privileged Communications, absent the express consent of all affected Non-Settling Insurers or
a court order compelling such a production. The Reorganized Debtor shall provide prompt notice of any
requests and/or motions to compel disclosure of Privileged Communications and cooperate with affected
Insurers with respect to the same.

The Non-Settling Insurers shall reserve all coverage defenses with respect to any current or future
failure to cooperate. The Debtor and the Survivors' Trust reserve all rights under the applicable Abuse
Insurance Policies of the Non-Settling Insurers. The terms of the Plan (including Articles VIII and IX of
the Plan) constitute a voluntary agreement by the Non-Settling Insurers to the Insurance Assignment ~~does
not violate~~, and such terms shall not be deemed to ~~violate any cooperation requirements in any Abuse
Insurance Policy~~ be an involuntary order to that effect.

E. Reductions In Non-Settling Insurers' Liability

~~If a Holder of an Abuse Claim is seeking both (a) a recovery from the Survivors' Trust and (b) a
non-bankruptcy court action against the Debtor (as a nominal party only) for the purpose of seeking
coverage and recovery under an Abuse Insurance Policy, and obtains both a distribution from the
Survivors' Trust and a judgment against a Non-Settling Insurer from a court of competent jurisdiction,
then the Non-Settling Insurer's liability shall be reduced on a dollar for dollar basis by the amount
distributed to the Holder of such Abuse Claim from the Survivors' Trust.~~

1 ~~To the extent a Non-Settling Insurer pays an Abuse Claim as so determined without a credit for~~
2 ~~any recovery provided by the Survivors' Trust to the Holder of such Abuse Claim under the Plan, such~~
3 ~~No-Settling Insurer shall be entitled to recover from the Survivors' Trust on account of its payment to~~
4 ~~such Holder an amount equal to the amount paid to such Holder by the Survivors' Trust.~~

5 No Holder of an Abuse Claim who elects the Litigation Option shall recover in the aggregate from
6 the Survivors' Trust and ~~the~~any Non-Settling Insurer an amount greater than the total amount of the
7 judgment issued entered by the applicable court of competent jurisdiction in connection with such Holder's
8 underlying Abuse Claim. A Non-Settling Insurer shall have all rights available under non-bankruptcy law
9 to assert, seek, and enforce any right to offset, recoup, or otherwise reduce its liability in connection with
10 any such entered judgment, including without limitation all rights available under non-bankruptcy law to
11 assert, seek, and recover on such claims against the Survivors' Trust.

12 ARTICLE X

13 MEANS FOR IMPLEMENTATION OF THE PLAN

14 The Plan provides for means of implementation as set forth in Article XII thereof, and described
15 below.

16 A. Revesting.

17 The Plan provides that property of the bankruptcy estate will revest in the Reorganized Debtor on
18 the Effective Date, as follows:

- 19 a. *Revesting of Property in the Reorganized Debtor.* On the Effective Date, all
20 property of the Estate as defined in Section 541 of the Bankruptcy Code, including
21 any Causes of Action, shall revest in the Reorganized Debtor, free and clear of all
22 liens and encumbrances and all Claims, rights, interests, and entitlements.
23 Thereafter, the Reorganized Debtor may use, sell, transfer or exchange such
24 property in its discretion, subject to any restriction or limitation set forth in the Plan.
- 25 b. *Obtaining Credit.* At any time after the Effective Date the Reorganized Debtor may
26 obtain credit in its sole discretion without approval of the Bankruptcy Court.
- 27 c. *No Waiver.* No claim, right, Cause of Action, or other property of the Estate shall
28 be deemed waived or otherwise forfeited by the Debtor's failure to identify such
property in the Schedules or the Disclosure Statement accompanying the Plan.

29 B. Child Protection Measures.

30 In order to further promote healing and reconciliation, and in order to continue efforts to prevent
31 Abuse from occurring in the future, the Reorganized Debtor agrees that, as of the Effective Date (unless
32 a different date is provided in the Confirmation Order), it will use continue the non-monetary measures
33 outlined in Article IV(G) above entitled "Debtor's Mission to Effect Reconciliation and Compensation."

34 C. CCCEB Settlement

35 ~~The~~Through the CCCEB Settlement, the Plan contemplates that, in full and complete satisfaction
36 of all obligations under the CCCEB Note, on the Effective Date, CCCEB shall transfer fee simple title to
37 the Cathedral Center to the Reorganized Debtor, together with all improvements thereon and all tangible
38 personal property owned by CCCEB and located on or used in connection with operation of the Cathedral
Center. ~~In connection with this transaction:~~

AMENDED DISCLOSURE STATEMENT FOR AMENDED PLAN OF REORGANIZATION

1 In connection with the CCCEB Settlement:

- 2 a. CCCEB shall assign to the Reorganized Debtor, and the Reorganized Debtor shall
3 assume all obligations of CCCEB under, all current contracts related to
4 maintenance and operation of the Cathedral Center, provided that the Reorganized
5 Debtor may decline to assume any such contract following reasonable diligence
6 review, and further provided that to the extent any such contracts are not assignable
7 under their terms or applicable law or assignment would constitute a breach under
8 the terms of such contract, Reorganized Debtor may instead, at its election, fund
9 CCCEB's obligations for payment under any such contracts.
- 10 b. Funds in deposit accounts in the name of or controlled by CCCEB for operation of
11 the Cathedral Center shall, at the Reorganized Debtor's election, be transferred to
12 the Reorganized Debtor, or otherwise used for operating expenses related to the
13 Cathedral Center or otherwise to pay the debts of CCCEB.
- 14 c. CCCEB shall assign to RCBO, and RCBO shall assume all obligations under the
15 existing ~~leases and user agreements with tenants and other users of the Cathedral
16 Property, including (i) that certain License and Services Agreement dated as of
17 January 1, 2020, with RCC regarding the mausoleum on the Cathedral Property;
18 (ii) that certain Commercial Office Lease Agreement with RCC dated as of April
19 3, 2024; (iii) that certain Lease Agreement with the Order of Malta Clinic of
20 Northern California dated January 25, 2008, and amended February 10, 2023; and
21 (iv) agreements for use of Cathedral Property space with RCWC, and the Cathedral
22 of Christ the Light parish Church.~~ User Agreements.
- 23 d. Following effectuation of the CCCEB Settlement as set forth in the Plan, CCCEB
24 shall have no further obligation or liability of any kind for the debt evidenced by
25 the CCCEB Note, or in connection with the CCCEB Note. The Plan provides that
26 the Debtor will reject the existing lease with CCCEB as it will no longer be
27 necessary.

17 The CCCEB Settlement provides a straightforward, practical resolution of CCCEB's unpaid debt
18 to the Debtor under the CCCEB Note. CCCEB has no material assets other than the Cathedral Center. It
19 also has no income other than lease payments and user fees paid by the Debtor and other users of the
20 Cathedral Center, substantially all of which are devoted to operation and maintenance of the Cathedral
21 Center. CCCEB is therefore unable to service the CCCEB Note and has no foreseeable means to repay
22 the principal balance thereunder. Based on appraisals obtained by the Debtor, the Cathedral Center has a
23 value in excess of the balance due under the CCCEB Note. Sale of the Cathedral Center in order to repay
24 the CCCEB Note is not a viable option for either CCCEB or the Debtor for reasons, including (i) the
25 Cathedral is essential to the Debtor's religious mission and serves as home to the Cathedral of Christ the
26 Light parish Church; (ii) the Debtor relies on use of the administrative offices and rectory in the Cathedral
27 Center; and (iii) the Cathedral Center includes a mausoleum licensed to RCC requiring maintenance in
28 perpetuity. The CCCEB Settlement therefore reflects a practical means for the Debtor to collect under the
CCCEB Note through transfer of CCCEB's sole material asset to the Debtor.

24 In evaluating settlements, bankruptcy courts in the Ninth Circuit consider the following factors:
25 (a) The probability of success in the litigation; (b) the difficulties, if any, to be encountered in the matter
26 of collection; (c) the complexity of the litigation involved, and the expense, inconvenience and delay
27 necessarily attending it; and (d) the paramount interest of the creditors. See *In re A & C Properties*, 784
28 F.2d 1377, 1381 (9th Cir. 1986). The obligation of CCCEB to the Debtor is clear, so there is a high
probability that the Debtor would prevail in litigation. Because CCCEB has no material assets other than
title to the Cathedral Center, the only avenue for collection would be through foreclosure of a judgment
lien on the Cathedral Center. If the Debtor were to seek collection of the CCCEB Note by obtaining and

AMENDED DISCLOSURE STATEMENT FOR AMENDED PLAN OF REORGANIZATION

1 executing on a judgment against CCCEB, the end result would be that the Debtor would obtain title to the
2 Cathedral Center real property through foreclosure on a judgment lien. While the litigation would not be
3 particularly complex, it would entail needless expense and delay. The CCCEB Settlement achieves the
4 same result without the need for the expense and delay of litigation. Considering the overall paramount
5 interests of creditors and the interests of the Debtor, the CCCEB Settlement is in the best interests of the
6 estate and creditors because it achieves the same results that would be achieved through litigation and
7 collection in a much more expedient, orderly, and less costly manner.

8 **D. Treatment of Actions and Causes of Action.**

9 On the Effective Date, all Causes of Action held by the Estate or the Debtor other than ~~the Assigned~~
10 ~~Insurance Interests~~ those included in the Survivors' Trust Assets shall be deemed fully vested in the
11 Reorganized Debtor. Pursuant to Section 1123(b)(3) of the Bankruptcy Code, the Reorganized Debtor
12 shall retain and have the exclusive authority and standing to prosecute, enforce, pursue, sue on, settle or
13 compromise any and all Causes of Action (including Avoidance Actions), arising before the Effective
14 Date, including all Causes of Action of a trustee and debtor-in-possession under the Bankruptcy Code, but
15 not including the Insurance Coverage ~~Action~~ Litigation, Assigned Insurance Interests, and any other
16 Causes of Action expressly released or compromised as part of or pursuant to the Plan or by other order
17 of the Bankruptcy Court entered prior to the Effective Date. The Reorganized Debtor shall also retain and
18 may prosecute and enforce all defenses, counterclaims, and rights that have been asserted or could be
19 asserted by the Debtor against or with respect to all Claims asserted against the Debtor or property of the
20 Estate. Failure to specifically identify potential Causes of Action in the Plan shall not be deemed a waiver
21 of any such Cause of Action by the Debtor, Reorganized Debtor, or the Survivors' Trust.

22 **E. Continued Existence.**

23 From and after the Effective Date, the Debtor shall continue in existence as the Reorganized Debtor
24 in accordance with applicable law for all purposes, including, among other things, (a) enforcing and
25 prosecuting claims, interests, rights, and privileges of the Debtor including, without limitation, prosecuting
26 Causes of Action, (b) resolving Disputed Claims, (c) administering the Plan, (d) filing appropriate tax
27 returns and refund requests, and (e) performing all such other acts and conditions required by and
28 consistent with consummation of the Plan.

29 **F. The Survivors' Trust.**

30 On the Effective Date, the Survivors' Trust shall be created, as provided in Article IX of the Plan,
31 and described in Article ~~XIV~~ XVII of this Disclosure Statement.

32 **G. Post-Effective Date Prosecution of Non-Abuse Litigation Claims.**

33 Section 12.7 of the Plan includes the following provisions regarding litigation claims pending
34 against the Debtor that are not Abuse Claims:

- 35 a. *Relief from the Automatic Stay.* Effective upon the Effective Date, Holders of Class
36 6 Claim are granted relief from the automatic stay of Section 362 of the Bankruptcy
37 Code solely for the purpose of continuing to prosecute their Class 6 Claim in a court
38 of competent jurisdiction (each, a "Class 6 Action"), including but not limited to
39 litigating such action through entry of a judgment, prosecution of any appeals
40 and/or settlement of such action, subject to the terms and conditions set forth herein.
41 All Holders of Class 6 Claims shall be permitted, but not required, to liquidate their
42 Class 6 Action in a court of competent jurisdiction in accordance with 28 U.S.C. §
43 157(b)(2)(B).

- 44 b. No less than sixty (60) days after the Effective Date, the Reorganized Debtor shall

45 **AMENDED DISCLOSURE STATEMENT FOR AMENDED PLAN OF REORGANIZATION**

1 [establish the Non-Abuse Litigation Reserve and fund it with \\$750,000.00.](#)

2 c. ~~b.~~ *Sources of Recovery for Non-Abuse Litigation Claims.* Notwithstanding any
3 provision to the contrary in the Plan Documents, Holders of Class 6 Claims shall
4 be entitled to prosecute and/or settle their respective Class 6 Action, provided that
5 [each](#) such Holder shall be limited to recovering from (i) the proceeds of any
6 applicable insurance policy which provides coverage, or could provide coverage,
7 with respect to such Class 6 Claim and (ii) its *pro rata* portion of [the Non-Abuse
Litigation Reserve; provided, however, no Holder of a Class 6 Claim may recover
more than \\$250,000.00 from](#) the Non-Abuse Litigation Reserve. Effective upon
8 the Effective Date, Holders of Class 6 Claims shall be otherwise barred and
enjoined from seeking recovery on any judgment or settlement obtained in their
9 respective Class 6 Action from the assets of the Debtor, Reorganized Debtor,
Contributing Non-Debtor Catholic Entities, Survivors' Trust, and any other party
receiving a release under the Plan.

9 d. ~~e.~~ *Insurance Coverage for Non-Abuse Litigation Claims.* All parties, including, but
10 not limited to, any insurer under any insurance policy alleged to provide coverage
11 of a Class 6 Claim, reserve and expressly do not waive any of their rights, remedies
12 and/or defenses with respect to any Class 6 Claim. If any insurer denies and/or
13 disclaims coverage of a Class 6 Claim, the Debtor or Reorganized Debtor (as
14 applicable) shall reasonably cooperate at the sole cost of the Holder of such Class 6
Claim to assign to that Holder the right to pursue and receive the proceeds of any
applicable coverage under such Insurer's Abuse Insurance Policy or Abuse Insurance
Policies. Nothing contained herein shall be deemed a representation or warranty
concerning the availability, scope or interpretation of any insurance coverages
which may or may not exist [for Class 6 Claims.](#)

15 **H. Bankruptcy Procedure and Transition.**

16 *Notice Required Post-Confirmation.* Except as otherwise specifically provided in the Plan, notice
17 of Filings in the Bankruptcy Court after the Confirmation Date, including fee applications, shall be
18 required to be given only to Persons or Entities on the Post-Confirmation Notice List. Consistent with the
19 Local Rules of the Bankruptcy Court, no other form of service shall be required on parties receiving
20 service through ECF. The Post-Confirmation Notice List consists of: (a) the Reorganized Debtor; (b) the
Survivors' Trustee; (c) the Office of the United States Trustee; (d) Persons against whom relief is sought;
and (e) Persons who request notice of such matters through a written request that is filed with the
Bankruptcy Court and served on the Debtor not earlier than the Confirmation Date.

21 *Dissolution of the Committee.* On the Effective Date, the Committee shall be dissolved and the
22 Committee and its members, as of the Effective Date, shall be discharged of and from all further authority,
duties, responsibilities, and obligations related to, arising from and in connection with the Chapter 11
Case.

23 *Statutory Fees.* Section 12.8.4 of the Plan includes specific provisions regarding payment of
24 statutory fees to the United States Trustee as required by 28. U.S.C. § 1930(a)(6).

25 **I. Post-Petition Deposits.**

26 As of the Effective Date, the Reorganized Debtor shall be authorized to close the Adequate
27 Assurance Account, as defined in the *Final Order Establishing Adequate Assurance Procedures With
Respect to The Debtor's Utility Providers* [Docket No. 114], and retain all funds held therein. From and
28 after the Effective Date, the Reorganized Debtor may, at its election, demand the refund of any deposit
provided to a Person other than a utility after the Petition Date or may offset the amount of such deposit,

AMENDED DISCLOSURE STATEMENT FOR **AMENDED** PLAN OF REORGANIZATION

1 at the Reorganized Debtor's election, against either post-Effective Date billings or against distributions to
2 the holder of such deposit on account of its Allowed Claims, or otherwise take any actions permitted by
3 law to obtain recovery of such deposit; for the avoidance of any doubt, the foregoing supersedes any pre-
4 or post-petition agreement between the holder of such deposit and the Debtor.

5 **J. Cancellation of Liens**

6 Except as otherwise specifically provided herein, upon the payment of an Allowed Secured Claim
7 in accordance with the Plan, or upon any Secured Claim being Disallowed, any lien securing such Secured
8 Claim shall be deemed released, and the holder of such Secured Claim shall be authorized and directed to
9 release any collateral or other property of the Debtor held by such holder and to take such actions as may
10 be reasonably requested by the Reorganized Debtor, to evidence the release of such Lien, including the
11 execution, delivery, and filing or recording of such releases as may be requested by the Reorganized
12 Debtor at the sole cost and expense of the Reorganized Debtor. For clarity, this Section does not modify
13 the terms of assumed Executory Contracts or Unexpired Leases of real property.

14 **K. Other Actions.**

15 On and after the Effective Date, the Reorganized Debtor shall be authorized to take such actions
16 as are reasonably necessary to complete and effectuate the terms of the Plan, subject only to the specific
17 limitations contained in the Plan, the Bankruptcy Code or Bankruptcy Rules, and any order of the Court.

18 **L. General Settlement.**

19 Pursuant to Sections 105 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in
20 consideration for the classification, distributions, releases, and other benefits provided under the Plan, on
21 the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of
22 all Claims and controversies resolved pursuant to the Plan, including without limitation the CCCEB
23 Settlement. On or before the Effective Date, the Bankruptcy Court will have approved, by Final Order,
24 such compromises, and the Bankruptcy Court's findings will constitute its determination that such
25 compromises and settlements are in the best interests of the Debtor, the Estate, Holders of Abuse Claims
26 (including Unknown Abuse Claims), Holders of other Claims, and other parties in interest, and are fair,
27 equitable, and within the range of reasonableness. To the extent a separate Final Order is not entered on
28 or before the Confirmation Date, the entry of the Confirmation Order will constitute the Final Order
approving the compromises and settlements hereunder.

M. Closing of the Case.

As soon as reasonably practicable when the Reorganized Debtor deems appropriate, consistent
with the provisions of the Plan, the Bankruptcy Code including without limitation Section 350 of the
Bankruptcy Code, the Bankruptcy Rules including without limitation Bankruptcy Rule 3022, and the
Local Rules of the Bankruptcy Court, the Reorganized Debtor shall file and serve an application for entry
of a Final Decree closing the Chapter 11 Case, together with a proposed Final Decree. A Final Decree
may be entered before the Survivors' Trust is fully administered, and the expectation that the Survivors'
Trust will make further distributions shall not be a basis for delaying entry of a Final Decree. Entry of a
Final Decree closing the Chapter 11 Case shall, whether or not specified therein, be without prejudice to
the right of the Reorganized Debtor, the United States Trustee, the Survivors' Trustee, or any other party
in interest to reopen the Chapter 11 Case for any matter over which the Bankruptcy Court or the District
Court has retained jurisdiction under the Plan. Any Final Decree or order closing the Chapter 11 Case
will provide that the Bankruptcy Court or the District Court, as appropriate, will retain (a) jurisdiction to
enforce, by injunctive relief or otherwise, the Confirmation Order, any other orders entered in this Chapter
11 Case, and the obligations created by the Plan and the Plan Documents; and (b) all other jurisdiction
and authority granted to it under the Plan and the Plan Documents

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ARTICLE XI

DISPUTED CLAIMS AND CLAIMS DISTRIBUTIONS

A. Single Claim.

Except as otherwise provided by the Plan, a Person that holds multiple Allowed Claims based on the same indebtedness or obligation, shall be deemed to have only one Allowed Claim against the Estate in an amount equal to the largest of similar Claims for the purposes of voting and distribution under the Plan.

B. Objections to Claims

Parties Permitted to Object to Claims

Any party in interest may object to Claims to the extent permitted under Section 502(a) of the Bankruptcy Code and the Holder of any Claim to which an objection is made is entitled to assert their defenses to such objection.

Time Limits for Objections

The Reorganized Debtor and the Survivors' Trust may File an objection to any Claim at any time through the closing of the Chapter 11 Case. For all other parties in interest, ~~objection~~ except Non-Settling Insurers who agree to defend against any Abuse Claim Holder who elects the Litigation Option as set forth in Section 5.2.2, Article VIII, and Article IX of the Plan, objections to a Claim must be Filed on or before the Claims Objection Deadline.

1 *Disputed Claims*

2 Upon the filing of an objection to a Claim, the Claim shall be a Disputed Claim.

3 **C. Treatment of Disputed Claims**

4 Until such time as an unliquidated Claim, contingent Claim, an unliquidated or contingent portion
5 of a Claim, or a Claim which has been objected to becomes Allowed or is Disallowed, such Claim will be
6 treated as a Disputed Claim for all purposes related to Plan Distributions. No distribution shall be made
7 on account of any Disputed Claim unless and until all objections to such Disputed Claim have been settled
8 or withdrawn or have been determined by a non-appealable order, and the Disputed Claim has become an
9 Allowed Claim. In the event that Disputed Claims in Class 2 or Class 3 are pending at the time of a
10 distribution under the Plan, the Reorganized Debtor shall maintain a reasonable reserve for such Disputed
11 Claims. No distribution of such reserved funds for a Disputed Claim shall be made until such Disputed
12 Claim has been resolved by order of the Court or compromise consistent with the terms of the Plan and
13 the Bankruptcy Code. Distributions for Disputed Claims in Class 4 or Class 5 shall be as provided in the
14 Survivors' Trust Distribution Plan and/or other Survivors' Trust Documents.

10 **D. Late Filed Claims.**

11 Claims that are not filed on or before the applicable Claims Bar Date, unless otherwise deemed
12 timely and/or Allowed by order of the Court, shall receive no distribution under the Plan. Instead they
13 shall be deemed Disallowed Claims, and expunged. The submission of a ~~ballot to vote on the Plan~~[Ballot](#)
14 shall not constitute an amendable informal Proof of Claim or an amendment to a previously filed Proof of
15 Claim or scheduled Claim. Any amendment to an otherwise timely filed Proof of Claim must be filed on
16 or before the Confirmation Date, provided that the foregoing shall not waive or modify the right of any
17 party in interest to object to amendment of a Claim before the Confirmation Date.

15 **E. Claims Estimation**

16 To effectuate distributions pursuant to the Plan and avoid undue delay in the administration of the
17 Plan, the Reorganized Debtor or the Survivors' Trustee, as applicable, shall have the right to seek an order
18 of the Court pursuant to Section 502(c) of the Bankruptcy Code as to any Disputed Claim, estimating or
19 limiting: (i) the amount that must be withheld from or reserved for distribution purposes on account of
20 such Disputed Claim(s), (ii) the amount of such Claim for allowance or disallowance purposes, or (iii) the
21 amount of such Claim for any other purpose permitted under the Bankruptcy Code. Whether any such
22 Claim is subject to estimation pursuant to Section 502(c) of the Bankruptcy Code, and the timing and
23 procedures for such estimation proceedings, if any, shall be determined by the Court.

21 **F. No Distribution on Disallowed Claims**

22 Notwithstanding any provision in the Plan to the contrary, no distribution shall be made on account
23 of any Claim which is not an Allowed Claim.

23 **G. Timing of Distributions on Allowed Claims.**

24 *Next Business Day*

25 Whenever any distribution on a Claim to be made pursuant to the Plan would otherwise be due on
26 a day other than a Business Day, such distribution shall be due on the immediately succeeding Business
27 Day.

27 *Timeliness*

1 Any distribution on a Claim to be made by the Reorganized Debtor pursuant to the Plan or
2 agreements entered into pursuant to the Plan, or by the Survivors' Trust pursuant to the Plan or Survivors'
3 Trust Documents or agreements entered into pursuant to either, shall be deemed to have been timely made
4 if made within 15 days after the time therefor specified in the Plan or such other agreements between the
5 Holder of a Claim and the Debtor, Reorganized Debtor, or Survivors' Trust, as applicable. No additional
6 interest shall accrue or be paid with respect to any distribution as a consequence of such distribution not
7 having been made on the date specified therefor herein. For the avoidance of doubt, this section does not
8 modify the terms of assumed Executory Contracts or Unexpired Leases of non-residential real property.

9
10 **H. Transfers of Claims.**

11 As of the close of business on the Confirmation Date, there shall be no further changes in the
12 record holders of the Claims for purposes of distributions under the Plan unless the Reorganized Debtor
13 (as to all Claims other than Class 4 and Class 5 Claims) or the Survivors' Trustee (as to Class 4 and Class
14 5 Claims) otherwise agree. Neither the Reorganized Debtor nor the Survivors' Trustee shall have any
15 obligation to recognize any unapproved transfer of Claims occurring after the Confirmation Date.

16
17 **I. Prepayment of Claims.**

18 Notwithstanding anything to the contrary in the Plan or the Plan Documents, the Reorganized
19 Debtor may prepay all or any portion of an Allowed Claim payable by the Reorganized Debtor or a note
20 issued by the Debtor or Reorganized Debtor in payment of an Allowed Claim at any time without charge
21 or penalty.

22
23 **J. Delivery of Distributions.**

24 Distributions to holders of Allowed Claims, other than Class 4 or Class 5 Claims, will be sent to
25 (i) the addresses set forth in any written notice of address change delivered to the Debtor or the
26 Reorganized Debtor after the date of any related Proof of Claim; (ii) the address set forth on such holder's
27 Proof of Claim filed with the Court; (iii) the address set forth on the schedules, if no Proof of Claim has
28 been filed and no notice of change of address has been received; or (iv) to the last known address reflected
in the Debtor's books and records. Distributions to Abuse Claimants and Unknown Abuse Claimants
from the Survivors' Trust Assets will be made in accordance with the Survivors' Trust Documents.

K. Unclaimed Distributions.

If a holder of an Allowed Claim cannot be located after reasonable effort, or otherwise fails to
accept a distribution within 90 days following the date of such distribution, then the distribution to such
holder shall be canceled and there shall be no further distributions required with respect to such Claim.

L. No Interest on Claims.

Unless otherwise specifically provided for in the Plan, by applicable law (including Section 506(b)
of the Bankruptcy Code), or agreed to by the Debtor or the Reorganized Debtor (as applicable): (i) interest
shall not accrue or be paid on any Claim, and no holder of any Claim shall be entitled to interest accruing
on and after the Petition Date on account of any Claim; and (ii) without limiting the foregoing, interest
shall not accrue on or be paid on any Disputed Claim in respect of the period from the Effective Date to
the date a final distribution is made when and if such Disputed Claim becomes an Allowed Claim.

M. Provisions Governing Unimpaired Claims.

Except as otherwise provided in the Plan, nothing will affect the Debtor's or the Reorganized
Debtor's rights and defenses with respect to any Unimpaired Claims, including, but not limited to, all

1 rights with respect to legal and equitable defenses to, or setoffs or recoupments against, such unimpaired
2 Claims.

3 **N. Additional Terms Regarding Class 4 and Class 5 Claims.**

4 Except as otherwise provided in Article V of the Plan, terms for resolution of and distribution to
5 Abuse Claims in Class 4 or Class 5 shall be as provided in the Survivors' Trust Documents. For the
6 avoidance of doubt, any such Holder of an Abuse Claim shall not recover in the aggregate from the
7 Survivors' Trust and any Non-Settling Insurer an amount greater than the amount of the judgment issued
8 by the applicable court of competent jurisdiction in connection with the underlying Abuse Claim.

9 **ARTICLE XII**

10 **EFFECTIVE DATE**

11 **A. Conditions Precedent to Effective Date**

12 The Effective Date shall not occur, and the Plan shall not go into effect, unless each of the
13 following conditions are satisfied or waived as set forth in Section 10.2 of the Plan:

14 1. The Confirmation Order shall have been entered and shall be a Final Order in a form
15 reasonably acceptable to the Debtor, and there shall be no stay or injunction that would prevent the
16 occurrence of the Effective Date. The Debtor in its sole discretion may waive the requirement that the
17 Confirmation Order be a Final Order.

18 2. There shall have been no material amendments to the Plan or Confirmation Order.

19 3. The Debtor and all other necessary parties shall have executed all documents and entered
20 into all agreements as may be necessary in connection with the Exit Facility described in Article XI of the
21 Plan.

22 4. The Debtor, the Survivors' Trustee, and any other necessary parties shall have executed all
23 documents necessary for formation of the Survivors' Trust, and for the Survivors' Trustee to administer
24 and operate the Survivors' Trust.

25 5. All approvals necessary to effectuate the transfer of the Livermore Property to the
26 Survivors' Trust have been obtained.

27 6. Transfer of funds to the Survivors' Trust for all initial contributions to the Survivors' Trust
28 shall have been made, and the proof thereof provided to the Debtor and the Survivors' Trustee.

7. All other actions, authorizations, filings, consents, and approvals required (if any),
including but not limited to canonical approvals, shall have been obtained, effected, or executed in a
manner acceptable to the Debtor and remain in full force and effect or, if waivable, waived by the Person
or Persons entitled to the benefit thereof.

8. All other actions, documents, and agreements necessary to implement and effectuate the
Plan shall have been effected or executed.

9. The statutory fees owing to the United States Trustee as of the deadline for payment
immediately preceding the Effective Date shall have been paid in full.

1 **B. Waiver of Conditions Precedent to the Effective Date**

2 Any condition to the occurrence of the Effective Date set forth in Section 10.2 of the Plan may be
3 waived, in whole or in part, by the Debtor, subject to approval of the Court, provided that Sections 10.2.3
4 and 10.2.4 are not waivable. The failure to satisfy any material condition to Confirmation or the Effective
5 Date may be asserted by the Debtor in its sole discretion so long as such failure was not primarily caused
6 by any action or inaction by the Debtor. The failure of the Debtor to exercise any of the foregoing rights
7 shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right,
8 which may be asserted at any time.

6 **C. Revocation of the Plan.**

7 As provided in Section 10.4 of the Plan, if Confirmation does not occur, an order denying
8 Confirmation is entered by the Court, or if the Plan does not become effective, then the Plan shall be null
9 and void, and nothing contained in the Plan or Disclosure Statement shall: (a) constitute a waiver or release
10 of any Claims against the Debtor; (b) constitute a waiver or release of any right, claim or cause of action
11 of the Debtors; (c) constitute an admission of any fact or legal conclusion by the Debtor or any other
12 Person; (d) prejudice in any manner the rights of the Debtor or any other party in any related or further
13 proceedings; or (e) constitute a settlement, implicit or otherwise, of any kind whatsoever.

11 **ARTICLE XIII**

12 **EFFECTS OF PLAN CONFIRMATION AND EFFECTIVE DATE**

13 Article XIII of the Plan provides that confirmation and effectiveness of the Plan will have the
14 effects set forth below, as of the Effective Date:

15 **A. Binding Effect of Confirmation.**

16 Section 13.1 of the Plan provides that as of the Confirmation Date, but subject to occurrence of
17 the Effective Date, the provisions of the Plan shall be binding on and inure to the benefit of the Debtor,
18 the Estate, all Holders of Claims against the Debtor, and all other Persons or Entities whether or not such
19 Persons or Entities have accepted the Plan. The rights, benefits, and obligations of any Person or Entity
20 named or referred to in the Plan will be binding on, and will inure to the benefit of, the executors,
21 administrators, successors and assigns of each Person or Entity (as applicable), whether or not they have
22 accepted the Plan.

20 **B. Ratification.**

21 Subject to all of the terms of the Plan, the Confirmation Order shall be deemed to ratify all
22 transactions effectuated by the Debtor during the pendency of the Chapter 11 Case to the extent occurring
23 pursuant to an order of the Court.

23 **C. Discharge of Claims**

24 Under Section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in
25 the Plan or in any agreement or document executed pursuant to the Plan, the distributions, rights, and
26 treatment of Claims and Causes of Action in the Plan shall be in complete satisfaction, discharge, and
27 release, as of the Effective Date, of Claims and Causes of Action that arose prior to the Effective Date,
28 whether known or unknown, against, the Debtor (including for the avoidance of doubt the Churches) or
any of its assets or properties, including without limitation (i) any demands, liabilities, and Causes of
Action that arose before the Effective Date, (ii) any liability to the extent such Claims relate to services
performed by employees of the Debtors before the Effective Date and that arise from a termination of

1 employment, (iii) any contingent or non-contingent liability on account of representations or warranties
2 issued on or before the Effective Date, and (iv) all debts of the kind specified in Sections 502(g), 502(h),
3 or 502(i) of the Bankruptcy Code. Any default by the Debtor with respect to any Claim existing
4 immediately before or on account of the filing of the Chapter 11 Case shall be deemed cured on the
5 Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims
6 subject to the Effective Date occurring.

7 **D. Confirmation Injunction.**

8 Except as expressly provided in the Plan or the Confirmation Order, as of the Effective Date all
9 Holders of Claims of any nature whatsoever against or in the Debtor or any of its assets or properties based
10 upon any act, omission, transaction, occurrence, or other activity of any nature that occurred before the
11 Effective Date shall be precluded and permanently enjoined from prosecuting or asserting any such
12 discharged Claim against the Debtor or the Reorganized Debtor or the property of the Debtor or
13 Reorganized Debtor. In accordance with the foregoing, except as expressly provided in the Plan or the
14 Confirmation Order, the Confirmation Order shall be a judicial determination of discharge or termination
15 of all Claims, and other debts and liabilities against or in the Debtor pursuant to Sections 105, 524 and
16 1141 of the Bankruptcy Code, and such discharge shall void any judgment obtained against the Debtor at
17 any time to the extent such judgment relates to a discharged Claim.

18 **E. Injunction Against Interference with the Plan.**

19 Upon the entry of the Confirmation Order, all Holders of Claims and other parties in interest, along
20 with their respective present or former affiliates, employees, agents, officers, directors, attorneys, or
21 principals, shall be enjoined from taking any actions to interfere with the implementation or consummation
22 of the Plan.

23 **F. Exculpation**

24 **Subject to the occurrence of the Effective Date, to the fullest extent permissible under**
25 **applicable law and without affecting or limiting either the ~~Releases~~ releases by the Debtor or the**
26 **Releases by Holders of Abuse Claims, and except as otherwise specifically provided in the Plan or**
27 **the Confirmation Order, none of the Exculpated Parties shall have or incur any liability to any**
28 **Holder of a Claim or any other Person for any act or omission in connection with, related to, or**
arising out of, the Chapter 11 Case, the Plan, the pursuit of Confirmation of the Plan, the negotiation
and consummation of the Plan, or the administration of the Chapter 11 Case and the Plan, the
property to be distributed under the Plan, the administration of the Survivors' Trust Assets and the
Survivors' Trust by the Survivors' Trustee, or any other related agreement, or any restructuring
transaction, contract, instrument, release, or other agreement or document created or entered into
during the Chapter 11 Case in connection with the Chapter 11 Case, or upon any other act or
omission, transaction, agreement, event, or other occurrence related or relating to the foregoing,
and each Exculpated Party hereby is exculpated from any claim or Cause of Action related to the
foregoing; provided, however, that the foregoing shall not operate as an exculpation, waiver or
release for (i) any express contractual obligation owing by any such Person or Entity, (ii) willful
misconduct or gross negligence, and (iii) with respect to Professionals, liability arising from claims
of professional negligence which shall be governed by the standard of care otherwise applicable to
professional negligence claims under applicable non-bankruptcy law, and, in all respects, the
Exculpated Parties shall be entitled to rely upon the advice of counsel with respect to their duties
and responsibilities under the Plan; provided further that nothing in the Plan shall, or shall be
deemed to, release the Exculpated Parties, or exculpate the Exculpated Parties with respect to, their
respective obligations or covenants arising pursuant to the Plan.

1 **G. Injunction Related to Exculpation.**

2 As of the Effective Date, all Holders of Claims that are the subject of Section 13.6 are, and shall
3 be, expressly, conclusively, absolutely, unconditionally, irrevocably, and forever stayed, restrained,
4 prohibited, barred and enjoined from taking any of the following actions against any Exculpated Party
5 and, solely to the extent provided by Section 1125(e) of the Bankruptcy Code, any Entity described in
6 Section 1125(e) or its or their property or successors or assigns on account of or based on the subject
7 matter of such Claims, whether directly or indirectly, derivatively or otherwise: (a) commencing,
8 conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding
(including any judicial, arbitral, administrative or other proceeding) in any forum; (b) enforcing, attaching
(including any prejudgment attachment), collecting, or in any way seeking to recover any judgment,
award, decree, or other order; (c) creating, perfecting or in any way enforcing in any matter, directly or
indirectly, any lien or encumbrance; and/or (d) setting off, seeking reimbursement or contributions from,
or subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount against
any liability or obligation that is discharged under Section 13.3 or exculpated under Section 13.6.

9 **H. Releases by the Debtor.**

10 As of the Effective Date, except for the rights that remain in effect from and after the
11 Effective Date to enforce the Plan and the Confirmation Order, pursuant to Section 1123(b) of the
12 Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed,
13 including the service of the Released Parties and Settling Insurers, and each of them, to facilitate
14 and implement the reorganization of the Debtor, as an integral component of the Plan, the Debtor,
15 the Reorganized Debtor, and the Estate shall, and shall be deemed to, expressly, conclusively,
16 absolutely, unconditionally, irrevocably, and forever release and discharge each and all of the
17 Released Parties and Settling Insurers of and from any and all Causes of Action (including
18 Avoidance Actions), any and all other Claims, obligations, rights, demands, suits, judgments,
19 damages, debts, remedies, losses and liabilities of any nature whatsoever (including any derivative
20 claims or Causes of Action asserted or that may be asserted on behalf of the Debtor, the Reorganized
21 Debtor, or the Estate), whether liquidated or unliquidated, fixed or contingent, matured or
22 unmatured, known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law,
23 equity, contract, tort or otherwise, based on or relating to, or in any manner arising from, in whole
24 or in part, any act, omission, transaction, event, or other circumstance taking place or existing on
25 or before the Effective Date (including before the Petition Date) in connection with or related to the
26 Debtor, the Reorganized Debtor, the Estate, their respective assets and properties, the Chapter 11
27 Case, the Plan Documents, and any related agreements, instruments, and other documents created
28 or entered into before or during the Chapter 11 Case, the pursuit of entry of the Confirmation
Order, the administration and implementation of the Plan, including the distribution of property
under the Plan, or any other related agreement, or upon any other act or omission, transaction,
agreement, event, or other occurrence taking place on or before the Effective Date related or
relating to the foregoing. Notwithstanding anything to the contrary in the foregoing, the releases set
forth in this Section 13.8 shall not be construed as releasing any post-Effective Date obligations of
any Person or Entity under the Plan or any document, instrument, or agreement executed to
implement the Plan or reinstated under the Plan.

24 **I. Releases by Holders of Abuse Claims.**

25 As of the Effective Date, except for the rights that remain in effect from and after the
26 Effective Date to enforce the Plan and the Confirmation Order, pursuant to Section 1123(b) of the
27 Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed,
28 including the service of the Released Parties to facilitate and implement the reorganization of the
Debtor, as an integral component of the Plan, and except as otherwise expressly provided in the
Plan or the Confirmation Order, to the maximum extent permitted under applicable law, as such
law may be extended subsequent to the Effective Date, all Holders of Abuse Claims (including

1 without limitation Unknown Abuse Claims and any Abuse Claims that are Disputed Claims) that
2 ~~havet~~timely return a ballot but do not affirmatively ~~opted~~opt out of the Releases pursuant to Section
3 6.2 of the Plan, shall, and shall be deemed to, expressly, conclusively, absolutely, unconditionally,
4 irrevocably, and forever discharge and release each and all of the Released Parties and their
5 respective property and successors and assigns of and from all Abuse Claims and any and all Claims
6 and Causes of Action whatsoever, whether known or unknown, asserted or unasserted, derivative
7 or direct, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise,
8 whether for tort, fraud, contract, veil piercing or alter-ego theories of liability, successor liability,
9 contribution, indemnification, joint liability, or otherwise, arising from or related in any way to
10 such Abuse Claims.

11 **J. Injunction Related to Releases.**

12 As of the Effective Date, and except as set forth in Articles VIII and IX hereof for Holders of
13 Abuse Claims who elect the Litigation Option to sue the Debtor (as a nominal party only), all Holders
14 of Abuse Claims that are the subject of Section 13.9 of the Plan are, and shall be, expressly,
15 conclusively, absolutely, unconditionally, irrevocably, and forever stayed, restrained, prohibited,
16 barred and enjoined from taking any of the following actions against any Released Party or its
17 property or successors or assigns on account of or based on the subject matter of such Claims, whether
18 directly or indirectly, derivatively or otherwise: (a) commencing, conducting or continuing in any
19 manner, directly or indirectly, any suit, action or other proceeding (including any judicial, arbitral,
20 administrative or other proceeding) in any forum; (b) enforcing, attaching (including, without
21 limitation, any prejudgment attachment), collecting, or in any way seeking to recover any judgment,
22 award, decree, or other order; (c) creating, perfecting or in any way enforcing in any matter, directly
23 or indirectly, any lien or encumbrance; and/or (d) setting off, seeking reimbursement or contributions
24 from, or subrogation against, or otherwise recouping in any manner, directly or indirectly, any
25 amount against any liability or obligation that is discharged under Section 13.3 of the Plan or released
26 under Section 13.9 of the Plan.

27 **K. Channeling Injunction Preventing Prosecution of Channeled Claims Against Released**
28 **Parties**

1. IN CONSIDERATION OF THE UNDERTAKINGS OF THE RELEASED
PARTIES HEREIN, THEIR CONTRIBUTIONS TO THE SURVIVORS' TRUST, AND OTHER
CONSIDERATION GIVEN, AND, WHERE APPLICABLE, PURSUANT TO THEIR
RESPECTIVE SETTLEMENTS WITH THE DIOCESE AND TO FURTHER PRESERVE AND
PROMOTE THE AGREEMENTS BETWEEN AND AMONG THE RELEASED PARTIES, AND
TO SUPPLEMENT WHERE NECESSARY THE INJUNCTIVE EFFECT OF THE DISCHARGE
AS PROVIDED IN SECTIONS 524 AND 1141 OF THE BANKRUPTCY CODE, AND
PURSUANT TO SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE:

a. ANY AND ALL CHANNELED CLAIMS ARE CHANNELED INTO THE
SURVIVORS' TRUST AND SHALL BE TREATED, ADMINISTERED, DETERMINED, AND
RESOLVED UNDER THE PROCEDURES AND PROTOCOLS AND IN THE AMOUNTS
ESTABLISHED UNDER THE PLAN, THE ALLOCATION PROTOCOL, AND THE
SURVIVORS' TRUST AGREEMENT AS THE SOLE AND EXCLUSIVE REMEDY FOR ALL
HOLDERS OF CHANNELED CLAIMS.

b. EXCEPT AS SET FORTH IN ARTICLES VIII AND IX HEREOF FOR
HOLDERS OF ABUSE CLAIMS WHO ELECT THE LITIGATION OPTION TO SUE THE
DEBTOR (AS A NOMINAL PARTY ONLY), ALL PERSONS WHO HAVE HELD OR
ASSERTED, HOLD OR ASSERT, OR MAY IN THE FUTURE HOLD OR ASSERT, ANY
CHANNELED CLAIMS, ARE HEREBY PERMANENTLY STAYED, ENJOINED, BARRED,
AND RESTRAINED FROM TAKING ANY ACTION, DIRECTLY OR INDIRECTLY, FOR THE

AMENDED DISCLOSURE STATEMENT FOR AMENDED PLAN OF REORGANIZATION

1 **PURPOSES OF ASSERTING, ENFORCING OR ATTEMPTING TO ASSERT OR ENFORCE**
2 **ANY CHanneled CLAIMS AGAINST THE RELEASED PARTIES, INCLUDING:**

3 (i) **COMMENCING OR CONTINUING IN ANY MANNER ANY**
4 **ACTION OR OTHER PROCEEDING OF ANY KIND WITH RESPECT TO ANY**
5 **CHANNELED CLAIM AGAINST ANY OF THE RELEASED PARTIES OR SETTling**
6 **INSURERS OR AGAINST THE PROPERTY OF ANY OF THE RELEASED PARTIES Or**
7 **SETTLING INSURERS;**

8 (ii) **ENFORCING, ATTACHING, COLLECTING, OR RECOVERING,**
9 **OR SEEKING TO ACCOMPLISH ANY OF THE PRECEDING, BY ANY MANNER OR**
10 **MEANS, ANY JUDGMENT, AWARD, DECREE, OR ORDER WITH RESPECT TO ANY**
11 **CHANNELED CLAIM AGAINST ANY OF THE RELEASED PARTIES OR SETTling**
12 **INSURERS, OR THE PROPERTY OF ANY OF THE RELEASED PARTIES OR**
13 **SETTLING INSURERS;**

14 (iii) **CREATING, PERFECTING, OR ENFORCING, OR SEEKING TO**
15 **ACCOMPLISH ANY OF THE PRECEDING, ANY LIEN OF ANY KIND RELATING TO**
16 **ANY CHanneled CLAIM AGAINST ANY OF THE RELEASED PARTIES OR**
17 **SETTLING INSURERS, OR THE PROPERTY OF THE RELEASED PARTIES OR**
18 **SETTLING INSURERS;**

19 (iv) **ASSERTING, IMPLEMENTING, OR EFFECTUATING ANY**
20 **CHANNELED CLAIM OF ANY KIND AGAINST:**

21 (a) **ANY OBLIGATION DUE ANY OF THE RELEASED**
22 **PARTIES;**

23 (b) **ANY OF THE RELEASED PARTIES OR SETTling**
24 **INSURERS; OR**

25 (c) **THE PROPERTY OF ANY OF THE RELEASED PARTIES**
26 **OR SETTling INSURERS.**

27 (v) **TAKING ANY ACT, IN ANY MANNER, IN ANY PLACE**
28 **WHATSOEVER, THAT DOES NOT CONFORM TO, OR COMPLY WITH, THE**
29 **PROVISIONS OF THE PLAN OR THE SURVIVORS' TRUST DOCUMENTS; AND**

30 (vi) **ASSERTING OR ACCOMPLISHING ANY SETOFF, RIGHT OF**
31 **INDEMNITY, SUBROGATION, CONTRIBUTION, OR RECOUPMENT OF ANY KIND**
32 **AGAINST AN OBLIGATION DUE TO ANY OF THE RELEASED PARTIES, OR THE**
33 **PROPERTY OF ANY OF THE RELEASED PARTIES OR SETTling INSURERS.**

34 **L. Provisions Relating to the Channeling Injunction.**

35 Pursuant to Section 13.13 of the Plan, the Channeling Injunction set forth above is subject to the
36 following provisions:

37 a. *Modifications.* The Channeling Injunction is a permanent injunction. It shall not
38 be modified, dissolved, or terminated.

39 b. *Non-Limitation.* Nothing in the Plan or the Survivors' Trust Documents shall or
40 shall be construed in any way to limit the scope, enforceability, or effectiveness of the Channeling
41 Injunction or the assumption by the Survivors' Trust of all liability with respect to the Abuse Claims.

1 c. *Bankruptcy Rule 3016 Compliance.* The Debtor's compliance with the
2 requirements of Bankruptcy Rule 3016 shall not constitute or be deemed to constitute an admission that
the Plan provides for an injunction against conduct not otherwise enjoined under the Bankruptcy Code.

3 d. *No Duplicative Recovery.* In no event shall any Holder of an Abuse Claim be
4 entitled to receive any payment, reimbursement, or restitution from any Released Party under any theory
of liability for the same loss, damage, or other Abuse Claim that is reimbursed by the Survivors' Trust or
5 is otherwise based on the same events, facts, matters, or circumstances that gave rise to the applicable
Abuse Claim. This provision does not prohibit ~~the Survivors' Trust a Holder of an Abuse Claim~~ from
6 pursuing recovery from Non-Settling Insurers for coverage of an Abuse Claim ~~for which the Holder of~~
~~such Abuse Claim has received a recovery from the Survivors' Trust~~, subject to Articles VIII and IX of
7 the Plan.

8 **M. Effective Effect of Channeling Injunction.**

The Channeling Injunction is an integral part of the Plan and is essential to the Plan's
9 consummation and implementation. It is intended that the channeling of the Channeled Claims as
provided in Section 13.12 of the Plan shall inure to the benefit of the Released Parties and the Settling
10 Insurers. In any action to enforce the injunctive provisions of Section 13.12 of the Plan against a Holder
of a Claim whereby it is held by a Final Order that such Holder willfully violated the terms of Section
11 13.12 of the Plan, the moving party may seek an award of costs including reasonable attorneys' fees
against such Holder, and such other legal or equitable remedies as are just and proper, after notice and a
12 hearing. The Channeling Injunction does not bar claims against any Non-Settling Insurer except to the
extent a Non-Settling Insurer becomes a Settling Insurer.

13 **N. Effect of Channeling Injunction.**

14 **NOTWITHSTANDING THE FOREGOING, AND FOR THE AVOIDANCE OF DOUBT,**
15 **NOTHING IN THIS ARTICLE XIII (INCLUDING THE RELEASES, INJUNCTIONS, AND**
16 **EXCULPATIONS) LIMITS THE RIGHTS OF A NON-SETTLING INSURER AS SET FORTH**
17 **IN, OR PRESERVED BY, THE PLAN, INCLUDING (I) ARTICLES VIII AND IX AND (II) THE**
18 **RIGHTS OF ANY INSURER (INCLUDING NON-SETTLING INSURERS) TO ASSERT ANY**
19 **CLAIMS FOR REINSURANCE UNDER REINSURANCE CONTRACTS OR CLAIMS UNDER**
20 **RETROCESSIONAL CONTRACTS AGAINST THE SETTLING INSURERS AND OTHER**
21 **INSURANCE COMPANIES. FURTHERMORE, THE NON-SETTLING INSURERS ARE NOT**
22 **GRANTING (NOR SHALL THEY BE SUBJECT TO) ANY THIRD-PARTY RELEASE,**
23 **INJUNCTION, OR EXCULPATION COVERING ANY NON-DEBTOR PERSON OR ENTITY**
24 **AND THEY SHALL BE DEEMED TO HAVE OPTED OUT OF ANY SUCH RELEASE,**
25 **INJUNCTION, OR EXCULPATION.**

26 **ARTICLE XIV**

27 **RETENTION OF JURISDICTION**

28 Section 15.1 of the Plan provides that the Bankruptcy Court will retain jurisdiction over the
Chapter 11 Case after the Effective Date for all purposes provided by the Bankruptcy Code, including the
specific purposes set forth in more detail therein.

If the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction or is otherwise
without jurisdiction over any matter arising out of the Chapter 11 Case, including matters set forth in
Section 15.1 of the Plan, such lack of jurisdiction will not diminish, control, prohibit, or limit the exercise
of jurisdiction by any other court having competent jurisdiction with respect to such matter.

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ARTICLE XV

TAX CONSEQUENCES OF THE PLAN

The following is a summary of certain U.S. federal income tax consequences of the Plan to certain holders of Claims. This summary is based on the Internal Revenue Code (the “Tax Code”), Treasury Regulations promulgated thereunder (the “Treasury Regulations”), and administrative and judicial interpretations and practice, all as in effect on the date of the Disclosure Statement and all of which are subject to change, with possible retroactive effect. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No opinion of counsel has been obtained and the Debtor does not intend to seek a ruling from the Internal Revenue Service as to any of the tax consequences of the Plan discussed below. There can be no assurance that the Internal Revenue Service will not challenge one or more of the tax consequences of the Plan described below.

This summary does not apply to holders of Claims that are not U.S. Persons (as such term is defined in the Tax Code) or that are otherwise subject to special treatment under U.S. federal income tax law (including, without limitation, banks, governmental authorities or agencies, financial institutions, insurance companies, pass-through entities, tax-exempt organizations, brokers and dealers in securities, mutual funds, small business investment companies, and regulated investment companies). The following discussion assumes that holders of Allowed Claims hold such Claims as “capital assets” within the meaning of section 1221 of the Tax Code. Moreover, this summary does not purport to cover all aspects of U.S. federal income taxation that may apply to holders of Allowed Claims based upon their particular circumstances. Additionally, this summary does not discuss any tax consequences that may arise under any laws other than U.S. federal income tax law, including under state, local or foreign tax law.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

A. Federal Income Tax Consequences to Holders of Unsecured Claims

In accordance with the Plan, all holders of General Unsecured Claims and Abuse Claims will receive Distributions on their Allowed Claims. Holders of General Unsecured Claims and Abuse Claims will realize a loss, if any, in an amount equal to that Claim, minus any recovery, on an adjusted tax basis.

The tax consequences to holders of General Unsecured Claims and Abuse Claims will differ and will depend on factors specific to the holder, including but not limited to: (i) whether the Claim, or a portion of the Claim, constitutes a Claim for interest or principal, (ii) the origin of the Claim, (iii) the type of consideration received in exchange for the Claim, (iv) whether the holder is a United States person or a foreign person for tax purposes, (v) whether the holder reports income on the accrual or cash basis method, and (vi) whether the holder has taken a bad debt deduction or otherwise recognized a loss with respect to the Claim.

The Debtor anticipate that Distributions to Abuse Claimants will, in all instances, constitute damages, other than punitive damages, on account of personal physical injuries and physical sickness, within the meaning of section 104(a)(2) of the Internal Revenue Code of 1986, as amended. The Debtor has not, however, fully analyzed such tax issues and cannot (and do not hereby) make any assurances or representations regarding the anticipated tax treatment of Abuse Claims.

1 **B. Dismissal of the Chapter 11 Case**

2 If the Plan is not confirmed, the Debtor or another party in interest may seek to dismiss the Chapter
3 11 Case. After appropriate notice and a hearing, the Bankruptcy Court may grant the request and dismiss
4 the Chapter 11 Case. Dismissal of the Chapter 11 Case would have the effect of restoring, or attempting
5 to restore, all parties to the position they were in immediately prior to the Petition Date.

6 Upon dismissal of the Chapter 11 Case, the protection of the Bankruptcy Code would be lost,
7 resulting in the expensive and time-consuming process of negotiation and protracted litigation between
8 the Debtor and individual Abuse Claimants and between the Debtor and its Insurers. In addition to the
9 expense and delay, the Debtor believes that these actions would lead to an inequitable recovery for Abuse
10 Claimants, with the first Abuse Claimants to obtain and enforce judgments against the Debtor depleting
11 the Debtor's assets and resulting in insufficient assets to satisfy later judgments. Therefore, the Debtor
12 believes that dismissal of the Debtor's Chapter 11 Case is not a preferable alternative to confirming the
13 Plan.

14 **C. Chapter 7 Liquidation Not a Viable Alternative**

15 Pursuant to 11 U.S.C. § 1112(c), if a debtor is "not a moneyed corporation", a debtor's chapter 11
16 case cannot be converted to a chapter 7 case without the debtor's consent. The Debtor, as a non-profit
17 entity, is not a moneyed corporation, and may not be forced to convert its Chapter 11 Case to a chapter 7
18 case. Thus, conversion to chapter 7 is not a viable alternative to the Plan.

19 **D. Appointment of a Chapter 11 Trustee is Not a Viable Alternative**

20 It is the position of the Debtor that, as a result of limitations imposed by the First Amendment to
21 the United States Constitution and the Religious Freedom and Restoration Act, a chapter 11 trustee cannot
22 be appointed to replace the Bishop's administration of the Debtor.

23 **ARTICLE XVII**

24 **ACCEPTANCE AND CONFIRMATION OF THE PLAN**

25 **A. General Confirmation Requirements**

26 The Bankruptcy Code requires that, in order to confirm the Plan, the Bankruptcy Court must make
27 a series of findings concerning the Plan and the Debtor, including that (i) the Plan classifies Claims in a
28 permissible manner; (ii) the Plan complies with applicable provisions of the Bankruptcy Code; (iii) the
Debtor has complied with applicable provisions of the Bankruptcy Code; (iv) the Debtor propose the Plan
in good faith and not by any means forbidden by law; (v) the disclosures required by section 1125 of the
Bankruptcy Code have been made; (vi) the Plan has been accepted by the requisite votes of Creditors
(except to the extent that cramdown is available under section 1129(b) of the Bankruptcy Code); (vii) the
Plan is feasible and confirmation is not likely to be followed by the liquidation or the need for further
financial reorganization of the Debtor; (viii) the Plan is in the "best interests" of all holders of Claims in
an Impaired Class by providing to such holders on account of their Claims property of a value, as of the
Effective Date, that is not less than the amount that such holder would receive or retain in a chapter 7
liquidation, unless each holder of a Claim in such Class has accepted the Plan; and (ix) all U.S. Trustee
Fees and expenses payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the
Confirmation Hearing, have been paid or the Plan provides for the payment of such fees on the Effective
Date.

1. **Parties in Interest Entitled to Vote.**

1 Pursuant to the Bankruptcy Code, only Classes of Claims that are “Impaired” (as defined in section
2 1124 of the Bankruptcy Code) under the Plan are entitled to vote to accept or reject the Plan. A Class is
3 Impaired if the legal, equitable or contractual rights to which the Claims of that Class entitled the holders
4 of such Claims are modified, other than by curing defaults and reinstating the debt. Classes of Claims that
5 are not Impaired are not entitled to vote on the Plan and are conclusively presumed to have accepted the
6 Plan. In addition, Classes of Claims that receive no Distributions under the Plan are not entitled to vote
7 on the Plan and are deemed to have rejected the Plan.

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2. **Classes Impaired Under the Plan.**

Class 3 (General Unsecured Claims), Class 4 (Abuse Claims), Class 5 (Unknown Abuse Claims),
Class 6 (Non-Abuse Litigation Claims) and Class 8 (OPF Claim) are the only Classes that are Impaired
and entitled to vote under the Plan.

Acceptances of the Plan are being solicited only from those holders of Claims in Impaired Classes
that will or may receive a Distribution under the Plan. Accordingly, the Debtor is soliciting acceptances
only from holders of Claims in Class 3 (General Unsecured Claims), Class 4 (Abuse Claims), Class 5
(Unknown Abuse Claims), Class 6 (Non-Abuse Litigation Claims) and Class 8 (OPF Claim).

3. **Voting Procedures and Requirements.**

**VOTING ON THE PLAN BY EACH HOLDER OF AN IMPAIRED CLAIM ENTITLED
TO VOTE ON THE PLAN IS IMPORTANT. YOU SHOULD COMPLETE, SIGN, AND RETURN
THE BALLOT YOU RECEIVE IN ACCORDANCE WITH THE PROVISIONS SET FORTH IN
ARTICLE I(B) ABOVE.**

4. **Ballots.**

In voting for or against the Plan, please use only the Ballot or Ballots sent to you with this
Disclosure Statement. If you are a Holder of Class 3 General Unsecured Claims, Class 4 Abuse Claims,
Class 6 Non-Abuse Litigation Claims, or the Unknown Abuse Claims Representative entitled to vote in
Class 5, and you did not receive a Ballot, if your Ballot is damaged or lost, or if you have any questions
concerning voting procedures, please contact the Debtor’s counsel, Foley & Lardner LLP, 555 California
Street, Suite 1700, San Francisco, CA 94104-1520, Attention: Shane J. Moses, or the Debtor’s Claims and
Noticing Agent, Verita, by email at RCBOInfo@veritaglobal.com or by calling (888)-733-1425
(U.S./Canada) or (310)-751-2631 (International) and requesting to speak with a member of the solicitation
team.

**PLEASE FOLLOW THE DIRECTIONS CONTAINED ON THE ENCLOSED BALLOT
CAREFULLY, COMPLETE AND SIGN THE BALLOT AND RETURN IT TO THE DIOCESE’S
SOLICITATION AND CLAIMS AGENT. TO BE COUNTED, SIGNED BALLOTS MUST BE
RECEIVED ON OR BEFORE ____, ~~2024~~2025, AT 5:00 P.M., PREVAILING ~~EASTERN~~PACIFIC
TIME.**

B. Confirmation Hearing

The Bankruptcy Code requires the Bankruptcy Court, after notice, to conduct a hearing regarding
whether the Debtor and the Plan have fulfilled the confirmation requirements of section 1129 of the
Bankruptcy Code. The Confirmation Hearing has been scheduled for ____, ~~2024~~2025 at ____ .m.
(prevailing Pacific Time), before the Honorable William J. Lafferty III, United States Bankruptcy Judge,
at the United States Bankruptcy Court for the Northern District of California, United States Courthouse,
1300 Clay Street, Courtroom 220, Oakland, CA 94612. The Confirmation Hearing may be adjourned

AMENDED DISCLOSURE STATEMENT FOR AMENDED PLAN OF REORGANIZATION

1 from time to time by the Bankruptcy Court without further notice except for an announcement in open
2 court at the Confirmation Hearing of the date to which the Confirmation Hearing has been adjourned.

3 **C. Confirmation**

4 At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan only if the requirements
5 of section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation are that the
6 Plan (i) be accepted by the requisite holders of Claims or, if not so accepted, that it be “fair and equitable”
7 and “not discriminate unfairly” as to each non-accepting Class of Claims, (ii) be in the “best interests” of
8 each holder of a Claim that does not vote to accept the Plan in each Impaired Class under the Plan, (iii) be
9 feasible, and (iv) comply with the applicable provisions of the Bankruptcy Code.

10 **D. Acceptance of Plan**

11 As a condition to confirmation, the Bankruptcy Code requires that each class of impaired claims
12 votes to accept the plan, except under certain circumstances. A plan is accepted by an impaired class of
13 claims if holders of at least two-thirds in dollar amount and more than one-half in number of claims of
14 that class vote to accept the plan. Only those holders of claims who actually vote count in these tabulations.
15 Holders of claims who fail to vote, or whose votes are designated pursuant to section 1126(e) of the
16 Bankruptcy Code, are not counted as either accepting or rejecting a plan.

17 In addition to this voting requirement, section 1129 of the Bankruptcy Code requires that a plan
18 be accepted by each holder of a claim or interest in an impaired class or that the plan otherwise be found
19 by the bankruptcy court to be in the best interests of each holder of a claim or interest in such class. In
20 addition, each impaired class must accept the plan for the plan to be confirmed without application of the
21 “fair and equitable” and “unfair discrimination” tests in section 1129(b) of the Bankruptcy Code discussed
22 below.

23 **E. Confirmation Without Acceptance of All Impaired Classes**

24 The Bankruptcy Code contains provisions for confirming a plan even if the plan is not accepted
25 by all impaired classes, as long as at least one impaired class of claims has accepted the plan. These so-
26 called “cramdown” provisions are set forth in section 1129(b) of the Bankruptcy Code.

27 A plan may be confirmed under the cramdown provisions if, in addition to satisfying other
28 requirements of section 1129(a) of the Bankruptcy Code, it (a) “does not discriminate unfairly” and (b) is
29 “fair and equitable,” with respect to each class of claims that is impaired under, and has not accepted, the
30 Plan. As used by the Bankruptcy Code, the phrases “discriminate unfairly” and “fair and equitable” have
31 specific meanings unique to bankruptcy law.

32 In general, the “fair and equitable” standard, also known as the “absolute priority rule,” requires
33 that a dissenting class receive full compensation for its allowed claims before any junior class receives
34 any distribution. More specifically, section 1129(b) of the Bankruptcy Code provides that a plan can be
35 confirmed under that section if: (a) with respect to a secured class (i) the holders of such claims retain the
36 liens securing such claims to the extent of the allowed amount of such claims and that each holder of a
37 claim of such class receive deferred cash payments equaling the allowed amount of such claim as of the
38 plan’s effective date, or (ii) such holders realize the indubitable equivalent of such claims; (b) with respect
39 to an unsecured claim, either (i) the impaired unsecured creditor must receive property of a value equal to
40 the amount of its allowed claim, or (ii) the holders of claims and interests that are junior to the claims of
41 the dissenting class may not receive any property under the plan on account of such junior claim or interest;
42 and (c) with respect to a class of interests, either (i) each holder of an interest of such class must receive
43 or retain on account of such interest property of a value, equal to the greater of the allowed amount of any
44 fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such

1 holder is entitled or the value of such interest, or (ii) the holder of any interest that is junior to the interest
2 of such class may not receive or retain any property on account of such junior interest.

3 The requirement that a plan not “discriminate unfairly” means, among other things, that a
4 dissenting class must be treated substantially equally with respect to other classes of equal priority.

5 **IF A CLASS OF CLAIMS VOTING ON THE PLAN VOTES TO REJECT THE PLAN,
6 THE DEBTOR RESERVES THE RIGHT TO SEEK CONFIRMATION OF THE PLAN UNDER
7 THE CRAMDOWN PROVISIONS OF THE BANKRUPTCY CODE WITH RESPECT TO SUCH
8 CLASS.**

9 **F. Best Interests Test**

10 In order to confirm a plan, the Bankruptcy Court must independently determine that the plan is in
11 the best interests of each holder of a claim in any impaired class who has not voted to accept the plan.
12 Accordingly, if an impaired class does not unanimously accept the plan, the best interests test requires the
13 Bankruptcy Court to find that the plan provides to each member of such impaired class a recovery on
14 account of the class member’s claim that has a value, as of the effective date of the plan, at least equal to
15 the value of the distribution that each such member would receive if the debtor were liquidated under
16 chapter 7 of the Bankruptcy Code on such date.

17 To calculate what holders of Claims would receive if the Debtor were liquidated under a
18 hypothetical chapter 7 case under the Bankruptcy Code, the Bankruptcy Court must first determine the
19 dollar amount that would be realized from such liquidation (the “Liquidation Fund”). The Liquidation
20 Fund would consist of the net proceeds from the disposition of the Debtor’s assets (after satisfaction of all
21 valid liens) and the recoveries on causes of action, if any, held by the Estate. The Liquidation Fund would
22 not include (i) the portion of the Contributing Entities’ Cash Contribution coming from Entities other than
23 the Debtor, (ii) the assignment of Assigned Insurance Interests, (iii) any contributions by Setting Insurers,
24 or (iv) restricted funds, which would be subject to a *cy pres* action involving the California Attorney
25 General. The Liquidation Fund would be reduced by the cost of the liquidation. The costs of a hypothetical
26 liquidation under chapter 7 would include the fees and expenses of the chapter 7 trustee, as well as those
27 of counsel and other professionals that might be retained by the chapter 7 trustee, selling expenses and
28 wind-down costs, any unpaid expenses incurred by the Debtor during its Chapter 11 Case (such as fees
for attorneys, financial advisors and accountants) which would be Allowed in the chapter 7 proceedings,
interest expense on secured debt and claims incurred by the Debtor during the pendency of the cases.
These Claims would be paid in full out of the Liquidation Fund before the balance of the Liquidation
Fund, if any, would be made available to holders of General Unsecured Claims and Abuse Claims. In
addition, other Claims that would arise upon conversion to a chapter 7 case would dilute the balance of
the Liquidation Fund available to holders of Claims. Moreover, additional Claims against the Estate
would arise as a result of the establishment of a new Bar Date for the filing of Claims in the chapter 7
case. The present value of the Distributions from the Liquidation Fund (after deducting the amounts
described above) must then be compared with the present value of the property offered to each of the
Classes of Claims under the Plan, to determine if the Plan is in the best interests of Claim holders.

23 The Debtor believes that a chapter 7 liquidation of its remaining Assets would result in a
24 diminution of the value realized by holders of Claims. That belief is based upon, among other factors: (a)
25 the reduced value of Debtor’s remaining Assets in a chapter 7 case; (b) the additional administrative
26 expenses involved in the appointment of a chapter 7 trustee, attorneys, accountants, and other chapter 7
27 professionals; (c) the substantial time that would elapse before Creditors would receive any Distribution
28 in respect of their Claims, due to a chapter 7 trustee’s need to become familiar with the Debtor’s books
and records and the chapter 7 trustee’s administration of the case; and (d) the additional Claims that may
be asserted against the Debtor.

1 **G. Feasibility**

2 In connection with confirmation of the Plan, the Bankruptcy Court must determine that the Plan is
3 feasible pursuant to section 1129(a)(11) of the Bankruptcy Code, which means that the confirmation of
4 the Plan is not likely to be followed by the need for liquidation or further financial reorganization of the
5 Debtor, except as proposed in the Plan.

6 In this case, the Debtor has prepared cash flow projections demonstrating that the Debtor, together
7 with the Contributing Non-Debtor Catholic Entities, will be able to fund the Contributing Entities' Cash
8 Contribution, that the Debtor and the Reorganized Debtor will be able to meet their other respective
9 obligations under the Plan, and that the Reorganized Debtor will have sufficient resources to support
10 ongoing ministries and operations. A copy of the financial projections is attached hereto as **Exhibit C**.
11 The cash flow projections demonstrate that the Debtor will be able to fund the Plan on the Effective Date
12 and that the Reorganized Debtor will be able to make all payments required pursuant to the Plan so that
13 no further financial restructuring will be necessary. Accordingly, the Debtor believes that the Plan satisfies
14 the feasibility test.

15 **H. Compliance with the Applicable Provisions of the Bankruptcy Code**

16 Section 1129(a)(1) of the Bankruptcy Code requires that the Plan comply with the applicable
17 provisions of the Bankruptcy Code. The Debtor has considered each of these provisions in the
18 development of the Plan and believe that the Plan complies with all applicable provisions of the
19 Bankruptcy Code.

20 **ARTICLE XVIII**

21 **RISK FACTORS TO BE CONSIDERED**

22 **HOLDERS OF CLAIMS AGAINST THE DEBTOR SHOULD READ AND CONSIDER
23 CAREFULLY THE INFORMATION SET FORTH BELOW, AS WELL AS THE OTHER
24 INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT, PRIOR TO VOTING TO
25 ACCEPT OR REJECT THE PLAN. THIS INFORMATION, HOWEVER, SHOULD NOT BE
26 REGARDED AS THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN
27 AND/OR ITS IMPLEMENTATION.**

28 **A. Objection to Classifications of Claims**

Section 1122 of the Bankruptcy Code provides that a plan may place a claim in a particular class,
only if such claim is substantially similar to the other claims in such class. The Debtor believes that the
classification of Claims under the Plan complies with the requirements set forth in the Bankruptcy Code.
However, there can be no assurance that the Bankruptcy Court will reach the same conclusion. To the
extent that the Bankruptcy Court finds that a different classification is required for the Plan to be confirmed
and the reclassification adversely affects the treatment of the Claim of any Creditor, the Debtor could be
required to re-solicit votes for or against the Plan.

The Bankruptcy Code also requires that the Plan provide the same treatment for each Claim of a
particular Class unless the holder of a particular Claim agrees to a less favorable treatment of its Claim.
The Debtor believes that the Plan complies with the requirement of equal treatment. To the extent that the
Court finds that the Plan does not satisfy the equal treatment requirement, the Court could deny
confirmation of the Plan.

Issues or disputes relating to classification or treatment could result in a delay of the confirmation
or consummation of the Plan and could increase the risk that the Plan will not be consummated.

1 **B. Failure to Satisfy Voting Requirements**

2 If the Debtor obtain the requisite votes to accept the Plan in accordance with the requirements of
3 the Bankruptcy Code, the Debtor intend, as promptly as practicable thereafter, to seek confirmation of the
4 Plan. In the event that sufficient votes are not received, the Debtor may be forced to pursue an alternative
5 plan of reorganization or the Debtor may dismiss the Chapter 11 Case.

6 **C. The Plan May Not Be Accepted or Confirmed**

7 The Plan may not be confirmed without the affirmative acceptance of at least one Impaired Class.
8 Even if all voting Classes accept the Plan, the Plan may not be confirmed if the Bankruptcy Court
9 determines that the Plan does not meet the requirements for confirmation set forth in section 1129 of the
10 Bankruptcy Code. The Debtor believes that the Plan satisfies all of the relevant section 1129 requirements.
11 There can be no assurance, however, that the requisite Creditor consent will be obtained or that the
12 Bankruptcy Court will also conclude that all such requirements have been satisfied.

13 **D. The Debtor's Assumptions and Estimates May Prove Incorrect**

14 The Debtor has made certain assumptions regarding, and have attempted to estimate in good faith
15 and to the best of ~~their~~its ability, the aggregate number and amount of Claims in each Class, the projected
16 expenses incurred to date or to be incurred in connection with the confirmation and administration of the
17 Plan, and the assets which may be available for liquidation and Distribution under the Plan. There can be
18 no guarantee, however, that the Debtor's assumptions and estimates regarding these amounts will prove
19 to be accurate.

20 Adventus is a nonprofit, public benefit corporation with no members. Pursuant to Cal. Corp. Code
21 § 5911(a), a nonprofit, public benefit corporation with no members may transfer all or substantially all its
22 assets if approved by its board. Cal. Corp. Code § 5911(a). There is no risk Adventus will not approve
23 the transfer of the Livermore Property to the Survivors' Trust.

24 Under Cal. Corp. Code § 5913 the corporation must give notice to the California Attorney General
25 twenty (20) days before the transfer, if the transaction is not in its usual course of business, which transfer
26 of the Livermore Property to the Survivors' Trust is not. Cal. Corp. Code § 5913. This is a notice only
27 requirement. Attorney General approval is not required to move forward with the transfer of the
28 Livermore Property to the Survivors' Trust.

As stated previously, the Debtor's estimated valuation of the Livermore Property assumes the
property is entitled for the construction of ~~single family~~single-family homes. The Debtor is optimistic
that not only will the City approve a change to residential use, but that the property will realize the value
the Debtor has placed on it. There is no guarantee either will happen.

In the event the Debtor's assumptions and estimates prove incorrect, Creditor recoveries under the
Plan may be materially less than projected.

E. Non-Confirmation or Delay in Confirmation of the Plan

In the event a party objects to the Plan, it is possible that the Bankruptcy Court may not approve
confirmation of the Plan.

Specifically, as outlined in the Committee Letter, the Committee does not support this Plan and
contests many of the legal positions taken by the Debtor and/or factual statements made herein.
Ultimately, the Bankruptcy Court will decide any contested legal or factual issues, and there is no
guarantee that those issues will be decided in the Debtor's favor. Confirmation is not assured in light of
the Committee's opposition, however strongly the Debtor believes the Plan can and should be confirmed.

1 **F. Non-Consensual Confirmation**

2 In the event the Impaired Class of Claims does not accept the Plan, the Bankruptcy Court may
3 nevertheless confirm the Plan at the Debtor’s request if the cramdown requirements described above are
4 satisfied. The Debtor believes that the Plan satisfies these requirements.

4 **G. Consent to Third-Party Releases**

5 On June 27, 2024, the Supreme Court issued its decision in *Harrington v. Purdue Pharma L.P.*,
6 No. 23-124, 144 S. Ct. 2071 (2024) (the “Purdue Decision”). In the Purdue Decision, the Supreme Court
7 ruled that a bankruptcy court does not have the authority to issue nonconsensual releases discharging
8 creditors’ claims against non-debtor entities.

8 The Debtor and Contributing Non-Debtor Catholic Entities worked to address the Purdue Decision
9 and believe that the releases granted by Abuse Claimants to Contributing Non-Debtor Catholic Entities in
10 the Plan will be deemed consensual.

10 The third-party releases and Channeling Injunction contained in the Plan are an integral part of the
11 Debtor’s overall restructuring efforts and are an essential element in obtaining the Contributing Non-
12 Debtor Catholic Entities’ support for the Plan. Failure of Abuse Claimants to consent to the third- party
13 releases and channeling injunctions may jeopardize Abuse Claimants from receiving any payment under
14 the Plan. If Abuse Claimants withhold consent to the releases and Channeling Injunction contemplated
15 under the Plan, there may not be adequate funding available for distribution to Abuse Claimants under the
16 Plan because the contributions from the Contributing Non-Debtor Catholic Entities are contingent on the
17 Contributing Non-Debtor Catholic Entities receiving the benefit of such releases. Should this scenario
18 occur, the Contributing Non-Debtor Catholic Entities may not approve the confirmation order, which is a
19 condition of confirmation under the plan, and the Plan may fail, which will significantly delay any
20 recovery for Abuse Claimants.

16 **H. Risk of Non-Occurrence of the Effective Date**

17 Although the Debtor believes that the Effective Date will occur reasonably soon after the
18 Confirmation Date, there can be no assurance as to the timing or as to whether the Effective Date will in
19 fact occur.

19 **I. Non-Settling Insurers May Raise Objections to Confirmation**

20 Certain Non-Settling Insurers may object to confirmation of the Plan by asserting that the Plan
21 impermissibly alters their contractual rights, duties and obligations under their Insurance Policies. For
22 example, certain insurers raise concerns regarding, among other things, the Plan’s treatment of applicable
23 self-insured retentions required under any Non-Settling Insurer Policy.

22 Although the Debtor ~~do~~does not believe there is any merit to such objections or assertions, if any,
23 because the Plan incorporates the settlement the Debtor reached with its Insurers (as discussed above), if
24 the Non-Settling Insurers were to raise and prevail on such contentions, the Bankruptcy Court might find
25 that the Plan is not feasible or otherwise not confirmable.

25 **J. Post-Confirmation Litigation May Not Result in Additional Recovery**

26 The Plan provides for the assignment to the Survivors’ Trust of Assigned Insurance Interests
27 against Non-Settling Insurers. The Non-Settling Insurers are likely to assert factual and legal defenses to
28 both their coverage obligations and to the underlying liability of the Debtor and other Contributing Non-
29 Debtor Catholic Entities for Abuse Claims. Litigation of ~~the Assigned Insurance Interests~~such issues
30 against Non-Settling Insurers through the Litigation Option could be protracted and expensive. There is

1 no guarantee that the Survivors' Trust will prevail in its prosecution of the Assigned Insurance Interests
2 against Non-Settling Insurers.

3 In the event the Non-Settling Insurers successfully defend against the Assigned Insurance Interests,
4 the Contributing Entities' Cash Contribution and the settlement payments from Settling Insurers would be
5 the sole source of recovery for Abuse Claims.

6 **K. Confirmation of the Plan may be Delayed or Denied by the District Court**

7 The Debtor's position is that the Bankruptcy Court has constitutional authority to confirm the Plan.
8 If it is determined that the Bankruptcy Court lacks the authority to approve such provisions, the Debtor
9 ~~anticipate~~ anticipates that the Bankruptcy Court will issue proposed findings of fact and conclusions of
10 law with respect to the confirmation of the Plan. The Bankruptcy ~~Courts~~ Court's findings and conclusions
11 would then be subject to *de novo* review by the District Court for the Northern District of California before
12 the Plan can be confirmed, which may result in a delay in the occurrence of the Effective Date. It is
13 difficult to estimate how long the District Court would take to render a decision with respect to
14 confirmation of the Plan, however, in the recent BSA Bankruptcy Case which included similar plan
15 concepts, the District Court for the District of Delaware took approximately six months to review and
16 affirm the bankruptcy court's findings and conclusions and to issue a confirmation order.

17 **ARTICLE XIX**

18 **BANKRUPTCY RULE 9019 REQUEST**

19 Pursuant to Bankruptcy Rule 9019 and through the Plan, the Debtor ~~jointly request~~ requests
20 approval of all compromises and settlements included in the Plan or contemplated.

21 **ARTICLE XX**

22 **RECOMMENDATION AND CONCLUSION**

23 The Debtor believes that the Plan is in the best interests of all Creditors. The Plan as structured
24 allows Creditors to participate in Distributions believed to be in excess of those which would otherwise
25 be available were the Chapter 11 Case dismissed and provides an opportunity to maximize insurance
26 recoveries through settlements with the Settling Insurers and post-confirmation litigation of Assigned
27 Insurance Interests against Non-Settling Insurers.

28 FOR ALL OF THE REASONS SET FORTH IN THIS DISCLOSURE STATEMENT, THE
DEBTOR BELIEVES THAT THE CONFIRMATION AND CONSUMMATION OF THE PLAN IS
PREFERABLE TO ALL OTHER ALTERNATIVES. THE ~~PLAN~~ ~~PROONENTS~~ ~~DEBTOR~~
STRONGLY ~~RECOMMEND~~ RECOMMENDS THAT ALL CREDITORS ENTITLED TO VOTE
ACCEPT THE PLAN AND TO EVIDENCE SUCH ACCEPTANCE BY RETURNING THEIR
BALLOTS SO THAT THEY ARE RECEIVED BY THE DIOCESE'S SOLICITATION AND CLAIMS
AGENT NO LATER THAN 5:00 P.M. PREVAILING ~~EASTERN~~ PACIFIC TIME ON __, 20_.

[Signature Page Follows]

1 DATED: ~~November 8~~ January 3, 2024 ~~2025~~. Respectfully submitted,

2
3 **THE ROMAN CATHOLIC BISHOP**
4 **OF OAKLAND**

5
6 By: /s/Attila Bardos
7 Attila Bardos
8 Chief Financial Officer

9 Presented by:

10 **FOLEY & LARDNER LLP**

11 Thomas F. Carlucci

12 Shane J. Moses

13 Ann Marie Uetz

14 Matthew D. Lee

15 Geoffrey S. Goodman

16 Mark C. Moore

17 /s/Shane J. Moses

18 Shane J. Moses

19 *Counsel for the Debtor*
20 *and Debtor in Possession*

Summary report:	
Litera Compare for Word 11.7.0.54 Document comparison done on 1/3/2025 7:32:51 PM	
Style name: New	
Intelligent Table Comparison: Inactive	
Original filename: RCBO Disclosure Statement.docx	
Modified DMS: nd://4913-4432-8715/7/RCBO – Amended Disclosure Statement.docx	
Changes:	
<u>Add</u>	734
Delete	465
Move From	15
<u>Move To</u>	15
<u>Table Insert</u>	10
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	1239

EXHIBIT B
LIQUIDATION ANALYSIS

Exhibit B

Liquidation Analysis¹

Section 1112(c) of the Bankruptcy Code provides that non-profit Entities such as the ~~Debtor's, Debtor~~ cannot have their chapter 11 cases involuntarily converted into chapter 7 cases ~~involuntarily~~.² A liquidation under chapter 7 of the Bankruptcy Code is—unlike in the context of for-profit debtors—a path that which can only be chosen only by the non-profit debtor. ~~Because this Chapter 11 Case could not be involuntarily converted to a chapter 7 liquidation, the Debtor submits it is not required to satisfy the requirements of section 1129(a)(7) in connection with Confirmation of the Plan. Although the Debtor does not believe it is required to satisfy the~~ “ itself. The Debtor's Liquidation Analysis is predicated on the premise that a “hypothetical liquidation” must be a possible liquidation. Here, assets of the Debtor's estate which cannot be legally made available for distribution to creditors are not included in a hypothetical liquidation. Because: 1) the Debtor cannot be forced into a chapter 7 liquidation proceeding under the Bankruptcy Code and 2) the Debtor cannot be forced to sell real estate on which it operates one of the Churches, the Liquidation Analysis does not contemplate such sales. The Debtor believes this presents a more accurate view of potential recoveries in a hypothetical liquidation scenario and provides appropriate context to whether the Plan is in the best interests of ~~creditors” test embodied in section 1129(a)(7), the Debtor does believe a liquidation analysis~~ Abuse Claimants, in particular. The Debtor believes its Liquidation Analysis will be helpful to holders of Claims as they evaluate their proposed treatment under the Plan. Accordingly and accordingly, the Debtor is providing the Liquidation Analysis herein. The Debtor's submission of the Liquidation Analysis shall not be construed as or deemed to constitute a waiver or admission of any kind. The and the Debtor reserves all rights to oppose the applicability of with respect to the best interests test in this Chapter 11 Case.

This hypothetical liquidation analysis (this “Liquidation Analysis”) is based on certain estimates and assumptions that the Debtor has developed, with the assistance of its advisors, and which the Debtor considers to be reasonable under the circumstances of the Chapter 11 Case. These estimates and assumptions are inherently subject to significant economic, operational, legal, and other uncertainties and contingencies that are outside of the Debtor's control. Accordingly, the Debtor cannot provide any assurance that the values reflected in this Liquidation Analysis would be realized if the Debtor were, in fact, to undergo the liquidation discussed herein, and actual results in the event of a liquidation could vary materially from this Liquidation Analysis.

In summary, the Liquidation Analysis estimates that a maximum of approximately \$57 million would be available to general unsecured creditors of which approximately \$9 million to \$46 million would be available to Abuse Claims based on the range of estimated asset proceeds. The value of the Debtor's Plan for the purposes of this Liquidation Analysis is approximately \$160 million based on contributions from the Debtor only. As described below, this Liquidation Analysis does not account for any recovery from insurance proceeds under either a plan of reorganization or under a chapter 7 liquidation.

¹ All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan or Disclosure Statement, as applicable.

² 11 U.S.C. § 1112(c) (“The court may not convert a case under [chapter 11] to a case under chapter 7 of this title if the debtor is a farmer or a corporation that is not a moneyed, business, or commercial corporation, unless the debtor requests such conversion.”).

Class	Claims / Equity Interests	Projected Midpoint Amount of Claims	Projected Amount of Recovery Under the Plan	Projected Midpoint Recovery % Under the Plan	Projected Midpoint Recovery % Under Liquidation	Pass / Fail
1	Secured Claims	\$ 25,872,322	\$ 25,872,322	100.0%	100.0%	PASS
2	Priority Unsecured Claims	6,200,606	6,200,606	100.0%	100.0%	PASS
3	General Unsecured Claims ⁽¹⁾	16,601,251	16,601,251	100.0%	28.1%	PASS
4	Abuse Claims	98,000,000	98,000,000	100.0%	28.1%	PASS
5	Unknown Abuse Claims	5,000,000	5,000,000	100.0%	28.1%	PASS
6	Non-Abuse Litigation Claims	350,000	NA	NA	28.1%	PASS
7	Contribution and Indemnification Claims Related to Class 4/5 Claims	-	NA	NA	28.1%	PASS
8	OPF Claims ⁽²⁾	35,019,178	8,217,820	23.5%	0.0%	PASS
TOTAL		\$ 187,043,357	\$ 159,891,999	85.5%	35.2%	

⁽¹⁾ General Unsecured Claims recovery under the Plan does not contemplate the payment of interest.

⁽²⁾ Recovery under the Plan for OPF Claims is the present value of future cash flows to OPF starting in 2035 to pay off the loan (excluding interest).

1) Introduction

The Debtor, with the assistance of its legal and financial advisors, has prepared this Liquidation Analysis in connection with the Plan and the Disclosure Statement.

The Debtor submits this Liquidation Analysis in connection with the Disclosure Statement. The Debtor believes it will be helpful to holders of Claims as they evaluate their proposed treatment under the Plan. This Liquidation Analysis shall not be construed as or deemed to constitute a waiver or admission of any kind.

The Liquidation Analysis permits holders of Impaired Claims to evaluate whether they will receive or retain value under the Plan on account of their Claims as of the Effective Date, which is assumed to be May 31, 2025, that is not less than the amount that such holder would receive if the Debtor were liquidated under chapter 7 of the Bankruptcy Code. To calculate the probable distribution to holders of Claims in each Impaired Class if the Debtor was liquidated under chapter 7, the Liquidation Analysis:

- i) estimates the cash proceeds (the “Liquidation Proceeds”) that a chapter 7 trustee (the “Trustee”) would generate if the Chapter 11 Case were converted to a case under chapter 7 on the Effective Date and the assets of the Debtor’s Estate were liquidated;
- ii) determines the distribution each holder of a Claim would receive from the Liquidation Proceeds under the statutory priority scheme that applies in a case under chapter 7; and
- iii) compares each holder’s distribution from the Liquidation Proceeds to the distribution such creditor would receive under the Plan if it were confirmed and consummated.

As noted above, this Liquidation Analysis shall not be construed as or deemed to constitute a waiver or admission of any kind. The Debtor reserves all rights to oppose the applicability of the best interests test in this Chapter 11 Case.

2) Liquidation Analysis of Debtor

i) Process and Assumption Overview

All of the assets of the Debtor were identified, including tangible assets such as property,

plant, and equipment, as well as other assets such as accounts receivable and loan and loan interest receivable. The value of each asset was then adjusted for (i) expected changes in the balance of the asset between June 30, 2024 (the date of the most recent financial statements available) and May 31, 2025 (the “Liquidation Date”) and (ii) any impact to the asset that may render it fully or partially unavailable for sale (e.g., restricted cash is removed from the cash balance used to determine the liquidation value of cash available to pay unsecured creditors in a liquidation). The liquidation value of each asset was estimated using high, medium and low scenarios. The liquidation value is the amount of proceeds that may be generated in the event of a sale or liquidation of the asset. Given the circumstances of a sale in this scenario, the assumption is made that the respective asset values will be less than the market values of the assets if sold in the ordinary course due to timing and constraints on the ability to market or negotiate the sale.

The outstanding amount of any secured debt associated with that asset is then deducted from the liquidation value of each asset. This determines the remaining amount of proceeds that could be utilized from the sale of the asset. Estimated Chapter 11 administrative claims as of the Liquidation Date are then subtracted from the net proceeds available after payment of secured debt. The costs associated with the liquidation process, such as Chapter 7 trustee expenses, wind down expenses, claims processing costs, litigation costs, and broker fees were estimated. The estimated costs are deducted from the total liquidation value to determine the potential net proceeds available for distribution to creditors who are successful in pursuing claims against the Debtor.

The Debtor has assumed that the liquidation would occur over an approximately twelve-month time period. This assumption is consistent with assumptions utilized for hypothetical liquidations analyses in other chapter 11 cases. In the Debtor’s view, twelve months is the minimum time period that would be required to complete the sale of substantially all of the Debtor’s available and unrestricted assets,³ monetize and collect receivables and other unrestricted assets of the Debtor, and administer and wind-down the estate. Except as otherwise noted herein, the Liquidation Analysis is based upon the Debtor’s unaudited projected consolidated balance sheet as of May 31, 2025, and those values are assumed to be representative of the Debtor’s assets and liabilities as of the Liquidation Date unless otherwise noted. Any projected balance sheet amounts presented in this Liquidation Analysis are intended to be a proxy for actual balances on the Liquidation Date (the “Liquidation Balances”). In addition, this Liquidation Analysis incorporates certain adjustments to account for the effects of the chapter 7 liquidation process, including costs of winding down the Debtor’s estate, employee-related costs, and professional and Trustee fees.

It is assumed that, on the Liquidation Date, the Bankruptcy Court would appoint the Trustee, who would sell the unrestricted assets of the Debtor’s bankruptcy estate and distribute the Liquidation Proceeds, net of liquidation-related costs, to creditors in accordance with the statutory priority scheme provided for under section 726 of the Bankruptcy Code. To maximize recoveries in an expedited process, this Liquidation Analysis assumes that the Trustee’s initial step would be to develop a liquidation plan to generate Liquidation Proceeds from the sale of the Debtor’s unrestricted assets for distribution to creditors. This Liquidation Analysis assumes the appointed Trustee will retain legal and financial advisors and real estate and other brokers to assist in the

³ For purposes of this Exhibit B, a “restricted” asset is an asset that is subject to enforceable use restrictions under applicable law or an asset that the Debtor holds in a fiduciary capacity for the sole benefit of donors, their intended beneficiaries, or members of the public who have entrusted the Debtor to carry out its respective charitable missions. The Bankruptcy Code recognizes and enforces these state-law restrictions in bankruptcy cases of charitable non-profit corporations under sections 363(d)(1) and 541(d) of the Bankruptcy Code.

liquidation.

This Liquidation Analysis assumes that a Trustee would immediately begin the wind-down process following a conversion to chapter 7, with limited employee and operating costs continuing during the liquidation process. Certain of the Debtor's unrestricted assets would be marketed on an accelerated timeline, and asset sales would generally occur within the twelve-month wind-down period. Asset values in the liquidation process are assumed to be driven by, among other factors:

- the accelerated time frame in which the assets are marketed and sold;
- the loss of key personnel;
- negative public sentiment and damage to the Debtor's brand; and
- the general forced nature of the sale.

The cessation of operations in a liquidation would likely trigger certain Claims that otherwise would not exist under a Plan absent a liquidation including, without limitation, potential employee Claims. The amounts of these Claims could be material and certain of these Claims could be entitled to administrative or priority payment status under the relevant provisions of the Bankruptcy Code. Administrative and priority Claims would be paid in full from the Liquidation Proceeds before the balance of such proceeds would be made available to holders of allowed general unsecured Claims. Estimates of certain of these potential additional Claims have been included in the Liquidation Analysis.

Except as described below with respect to avoidance actions, no recovery or related litigation costs have been attributed to any potential preference actions. The Debtor believes that the vast majority of the payments made to creditors in the 90 days preceding the chapter 11 proceedings (including one year for insiders) were in the ordinary course of business and when weighed against, among other issues, the cost of such litigation, the uncertainty of the outcome thereof and anticipated disputes regarding these matters, the outcome of such litigation is unlikely to affect materially the outcome of the Liquidation Analysis. Additionally, this analysis does not include estimates for tax consequences, either federal or state, that may be triggered upon the liquidation and sale of assets; these tax consequences could be material. Finally, the Liquidation Analysis assumes that there will not be any proceeds from the Debtor's directors and officers liability insurance available to satisfy creditors generally because the Debtor is unaware of any legally viable causes of action that could be asserted on behalf of the general creditor body that would recover from the Debtor's directors and officers liability insurance. A substantial amount of the Debtor's assets are subject to valid and enforceable donor-imposed restrictions on use or disposition of such assets. Under applicable law, restricted assets do not constitute property of the estate and would not be available to creditors in a chapter 7 liquidation.⁴ The Liquidation Analysis excludes the value of those assets in calculating the gross Liquidation Proceeds unless specifically noted. Moreover,

⁴ "The acceptance of charitable contributions by a charity or any person soliciting on behalf of a charity establishes a charitable trust and a duty on the part of the charity and the person soliciting on behalf of the charity to use those charitable contributions for the declared charitable purposes for which they are sought." Cal. Bus. & Prof. Code § 17510.8. See also *City of Palm Springs v. Living Desert Rsrv.*, 70 Cal. App. 4th 613, 615 (Cal. Ct. App. 1999) ("if the donor clearly manifests an intention to make a conditional gift, that intention will be honored").

certain of the Debtor's properties may be less marketable due to disputes over their classification as being restricted or unrestricted, limitations on their use including requirements to be used in the same manner, or restrictions on commercial development.

In addition, certain other factors could materially diminish the Liquidation Proceeds due to the nature of the Debtor's status as a non-profit entity. The Debtor will be required to comply with the applicable non-bankruptcy law that governs non-profit entities in connection with the disposition of its assets. These obligations vary among jurisdictions, but can require, *inter alia*, consent from a state's attorney general or other governmental authorities. State attorneys general may intervene or, depending upon state law, be compelled to intervene, in a chapter 7 liquidation to ensure that the intent of donors is carried out and that the restricted donations are not distributed to creditors.⁵ The costs that attend these potential disputes and related delays and uncertainty regarding the same are not factored into this Liquidation Analysis and could reasonably be expected to negatively impact the Liquidation Proceeds.

Approximately 345 unique Abuse Claims were filed against the Debtor in the Chapter 11 Case. The Debtor has procured commercial general liability policies from multiple insurers since the 1960s to protect themselves from losses including Abuse Claims. This Liquidation Analysis does not account for any recovery from insurance proceeds (irrespective of whether an insured Claim relates to Abuse) on the basis that recoveries from such proceeds are assumed to be materially the same or greater under a plan of reorganization that provides for a global resolution of Abuse Claims than under a chapter 7 liquidation. In addition, the Liquidation Analysis does not account for any potential recovery from other entities, as potential co-liable parties under the Abuse Claims, on the basis that recoveries from such proceeds are assumed to be materially the same or greater under a plan of reorganization that provides for a global resolution of Abuse Claims as compared to a chapter 7 liquidation.

ii) **Distribution of Net Proceeds to Claimants**

Any available net proceeds would be allocated to holders of Claims in accordance with the priority scheme of section 726 of the Bankruptcy Code:

- Liquidation Adjustments / Super Priority Claims – includes estimated fees paid to the U.S. Trustee and Clerk of the Bankruptcy Court, wind-down costs and certain Professional Fees and broker fees;
- Secured Claims – includes secured loan claims;
- Chapter 11 Administrative and Priority Claims – includes estimated Claims held by creditors for post-petition accounts payable, post-petition accrued expenses including professional fees, employee obligations, Claims arising under section 503(b)(9) of the Bankruptcy Code, and Unsecured Claims entitled to priority under section 507 of the Bankruptcy Code; and
- General Unsecured Claims – includes prepetition trade Claims, other types of

⁵ Cal. Gov't Code § 12598 (California's Attorney General has "primary responsibility for supervising charitable trusts in California, for ensuring compliance with trusts and articles of incorporation, and for protection of assets held by charitable trusts and public benefit corporations").

prepetition liabilities, Abuse Claims, and unsecured loan claims.

Under the absolute priority rule, no junior creditor would receive any distributions until all senior creditors are paid in full. The assumed distributions to creditors as reflected in the Liquidation Analysis are estimated in accordance with the absolute priority rule.

iii) Conclusion

This Liquidation Analysis was prepared before the completion of the reconciliation and allowance process for Claims against the Debtor, and so the Debtor has not had an opportunity to fully evaluate Claims against the Debtor or to adjudicate such Claims before the Bankruptcy Court. Accordingly, the amount of the final Allowed Claims against the Debtor's estate may differ from the estimated Claim amounts used in this Liquidation Analysis. Additionally, asset values discussed herein may be different than amounts referred to in the Plan, which presumes the reorganization of the Debtor's assets and liabilities under chapter 11 of the Bankruptcy Code.

The Debtor determined, as summarized in the following analysis, upon the Effective Date, the Plan will provide all creditors with a recovery (if any) that is not less than what they would otherwise receive pursuant to a liquidation of the Debtor under chapter 7 of the Bankruptcy Code, and thus the Plan satisfies the requirement of 1129(a)(7) of the Bankruptcy Code, if the Bankruptcy Court determines that such requirement is applicable to a non-profit Debtor in chapter 11.

The following Liquidation Analysis should be reviewed with the accompanying notes.

iv) Liquidation Analysis Detail

Liquidation Proceeds

- A. Cash and Cash Equivalents – Represents projected Cash and Cash equivalents of the Debtor as of the Liquidation Date based on the Debtor's most recent financial projections which are included in Exhibit C, segregated between restricted and unrestricted balances. Restricted cash balances generally reflect donor-imposed restrictions on use and disposition and accordingly such amounts are excluded from the Liquidation Proceeds. The Debtor estimates a 100% recovery on the unrestricted cash balances.
- B. Investments – Represents investments of the Debtor as of the Liquidation Date based on the Debtor's most recent financial projections, segregated between restricted and unrestricted. Restricted investment balances reflect donor-imposed restrictions on use and disposition and accordingly such amounts are excluded from the Liquidation Proceeds. Further, unrestricted investments have been adjusted for the amount of investments that have been loaned to other Churches as well as the Oakland Parochial Fund loan to the Debtor, all of which are assumed to be uncollectable. While the unrestricted investments are on the Churches' balance sheets, they are not fully recoverable due the uncollectable loan claims against them. The Debtor estimates a 100% recovery on adjusted unrestricted investments.
- C. Accounts Receivable – Accounts receivable are comprised of invoiced and accrued third party receivables, including receivables from non-debtor entities and other non-trade receivables. Accounts Receivable is presented based on the Debtor's most

recent financial statements and is adjusted for amounts assumed to be uncollectable which include amounts owed to the Diocese by Churches (e.g. assessments and insurance premiums) and the Catholic Cathedral Corporation of the East Bay (“CCCEB”). Certain of the above Accounts Receivable do not have a contractual basis. Estimated recovery percentages for the adjusted balance of accounts receivable are between approximately 25% and 50% based on the estimated amount an arm’s length purchaser or a collections firm would pay for such Accounts Receivable.

- D. Loan and Loan Interest Receivable – Loan and loan interest receivable is comprised of the Debtor’s loan to CCCEB and related interest. Loan and loan interest receivable is presented based on the Debtor’s most recent financial statements and is adjusted for additional accrued interest through the Liquidation Date. The Debtor estimates an 80% to 100% recovery on the loan and loan interest receivable based on assessed value, which assumes that the deed for the Cathedral property that CCCEB owns is brought into the estate and the Cathedral property is sold. The tax assessed value for the land the Cathedral occupies and the improvement value is discounted due to lack of marketability and land use restrictions.
- E. Contributions Receivable – Contributions receivable reflect unconditional donor pledges at face value. As the pledges are both donor-restricted and highly unlikely to be enforceable in a liquidation, they are valued at zero. Additional pledges not reflected in the financial statements are conditional and thus could not be collected in a liquidation.
- F. Property, Plant & Equipment (net) – The Debtor’s land, buildings, and equipment, which primarily includes Church land and buildings, is estimated to be materially consistent with the Debtor’s most recent financial statements. Most recent financial statements balances and pro forma balances are presented net of depreciation and amortization. Because the Debtors cannot have their chapter 11 cases converted into chapter 7 cases involuntarily, the Debtors also cannot be forced to close and sell Churches. However, proceeds from certain vacant land and the properties serving as collateral for the secured RCC loan are included as liquidation proceeds herein. The Debtor’s RCC loan collateral properties are assumed to be valued at the amount of the RCC loan claim. The value of the Debtor’s vacant land is difficult to determine for several reasons, including, but not limited to, that (i) any sale would likely involve a loss of tax exempt status for the subject property; (ii) any sale would likely necessitate a zoning change for the subject property; (iii) any sale would likely be subject to various state and corporate approvals involving nonprofit corporations; and (iv) forcing a nonprofit to liquidate real property used for religious purposes may be challenged in court. For purposes of this analysis, total property, plant & equipment recoveries are estimated to range from 40% to 50% of pro forma values.
- G. Prepaid Expenses – Primarily comprised of insurance premiums, professional fees, and other vendor prepayments. Prepaids are presented based on the Debtor’s most recent financial statements. Prepaid insurance recoveries are estimated to be zero based on (i) most of the Debtor’s insurance policy premiums are financed and any unearned premium refunded would be apply first to outstanding amounts owed to the lender, and (ii) as to non-financed policies, based on minimum earned premiums, the

total amount of premiums, the installment payment nature of certain policies, short-rate penalties applicable to workers' compensation insurance, and the timing of payments, unearned premiums would not be material. Prepaid professional fees are assumed to be recovered 100% and applied against administrative professional fee claims in a liquidation scenario. Other vendor prepayments are recovered at 0% of current financial statement balances given that they will be significantly depleted by the time a liquidation is completed.

- H. Investments in Other Entities – Investments in other entities is comprised of RCBO's ownership interest in Furrer Properties and Western Catholic Insurance Company. Liquidation proceeds from the Debtor's investment in Western Catholic Insurance Company would be zero as it has been in runoff since 2017, is currently in the process of winding down, and there is no expected net equity to be recovered. Liquidation proceeds from Furrer Properties are \$2.7 million to \$3.0 million based on recent appraisals.
- I. Unqualified Pension and Benefit Plans – The Debtor has two unqualified pension and benefit plans: The Priests' Long Term Care Plan ("LTC Plan") and the Priests Supplemental Retirement Plan ("SERP"). Both plans have been frozen and are assumed to be assets of the Debtor's estate. Liquidation proceeds from the LTC Plan are \$8.2 million and from the SERP are \$2.4 million for a total of \$10.6 million of proceeds from the unqualified pension and benefit plans.
- J. Assets Held in Trust for Others – The Debtor's assets held in trust for others related to the James and Ramona Mulvaney Charitable Remainder Unitrust ("Mulvaney CRUT") funds which the Debtor held as trustee for the benefit of Christ the Light Cathedral Corporation ("CCTL"). However, the trust has since been dissolved and the liquidation proceeds would be zero.
- K. Right to Appoint 50% of Directors of CTN – The Debtor has the right to appoint 50% of the Directors of the Roman Catholic Communications Corporation of the Bay Area dba Catholic Telemedia Network ("CTN"). The right to appoint directors of CTN is assumed to be valued at zero in a chapter 7 liquidation.
- L. Insurance Proceeds (related to Abuse Claims) – The value of insurance assets is yet to be determined, and while there may be substantial additional cost to pursue insurance, along with the potential for erosion of limits with respect to defense costs that would not otherwise be incurred, the value of Insurance Proceeds is assumed to be approximately equal in a liquidation to the value realized under a chapter 11 plan of reorganization.

Liquidation Costs

- M. Operational Wind Down Expenses – Represents an estimate of the costs of operations incurred during a liquidation. Wind down costs primarily include payroll and related expenses, costs to maintain facilities, general liability and other insurance policies, and other base operating expenses. Operating expenses are

assumed to reduce significantly during a liquidation to between 10% and 25% of projected monthly costs in a going concern scenario excluding lease fees.

- N. Chapter 7 Trustee Fees – Assumed to be 3% of gross liquidation proceeds or between \$4.6 million to \$5.4 million.
- O. Trustee’s Professional Fees – Assumed to be 3.5% of gross liquidation proceeds or between \$5.4 million to \$6.3 million.
- P. Incremental Litigation Costs – Assumes \$71 million to \$87 million of cost associated with an estimated 12 abuse cases being litigated through the trial process followed by an alternative dispute resolution process undertaken to expedite the review and adjudication of the remaining abuse cases in order to preserve and efficiently distribute estate assets. This does not account for additional litigation, or risk to insurance assets, related to such a process.
- Q. Broker Fees – Include the estimated cost to market and dispose of certain parcels of the Debtor’s land. In the Liquidation Analysis, broker fees are estimated to be approximately 5.0% of gross Liquidation Proceeds from these asset classes.

Claims

A. Secured Claims

- RCC Loan and Interest – Claims related to the RCC loan are secured by certain of the Debtor’s real property. To the extent the Debtor is unable to pay the RCC loan and interest, the Debtor’s real property would serve as a source of recoveries on such claims which are unliquidated.
- Secured Claims are expected to recover 100%.

B. Administrative and Priority Expenses – comprised of expenses incurred during the post-petition period prior to the Liquidation Date.

- The Liquidation Analysis assumes that there are employee-related costs which are estimated to be \$0.3 million as of the Liquidation Date, comprised primarily of accrued employee benefit costs obligations. Full-time salaried employees are assumed to be paid current immediately prior to the Liquidation Date. The Liquidation Analysis assumes that workers’ compensation claims are covered by the Debtor’s workers’ compensation insurance provider.
- Post-Petition Professional Fees as of the Liquidation Date are estimated to be \$3.0 million. Post-Petition Trade Claims are estimated to be \$0.9 million as of the Liquidation Date based on Debtor’s most recent financial projections.
- Funds Held for Others of \$2.0 million relates to second collections.

- Administrative Expenses are expected to recover 100%.

C. General Unsecured Claims

- The below chart reflects the aggregation of Liquidation Analyses of the Debtor.
- The Liquidation Analysis estimates that there will be between \$11 million and \$57 million of proceeds available to satisfy General Unsecured Claims.
- General Unsecured Claims are assumed to include Abuse Claims, pre-petition trade payables and accrued liabilities, pension obligations, and the unsecured Oakland Parochial Fund loan Claim. Certain deferred revenue obligations on the Debtor's balance sheet for items such as parish assessments, insurance, and employee benefits are assumed to be accounting entries for which the Debtor has a corresponding receivable but has not yet received cash and are therefore excluded as claims in this analysis.
- Pension Claims are assumed to result from the Debtor's termination of its liability or withdrawal from the Priests' Pension Plan ("PPP") and the Lay Employees' Money Purchase Pension Plan ("LERP") qualified pension plans. Based on analysis completed by the Debtor's actuarial advisors, the Debtor further assumes that it will be liable for the full termination/withdrawal liability of participants in the PPP (approximately \$15.3 million) and in the LERP (approximately \$0 million). It is assumed that any withdrawal or termination liability associated with the Debtor's pension obligations would share in recoveries with other creditors.
- Abuse Claims are estimated to be valued at the Plan recovery value of \$98 million for purposes of the Liquidation Analysis. All rights to challenge the valuation of Abuse Claims are reserved, and no party shall be found to have made or deemed to have made an admission with respect to the valuation of Abuse Claims as a result of this Liquidation Analysis. As applied to individual Abuse Claims, the Liquidation Analysis provides an estimate of the percent-on-the-dollar recovery that individual claimants would receive in a hypothetical liquidation. However, the value of any particular individual claim that this percentage applies to is highly dependent on the facts and circumstances of the individual claim.
- The Oakland Parochial Fund Claim consists of an unsecured loan to the Debtor and related interest, estimated to be \$35 million as of the Liquidation Date. The Oakland Parochial Fund Claim is assumed to be uncollectable and was adjusted from investments in the liquidation proceeds from assets.
- General Unsecured Claims excluding the Oakland Parochial Fund Claim

are expected to recover 9% to 47%.

Summary Liquidation Analysis

	Assumptions Paragraph	Book Value at 6/30/24	Adj. to Book Value	Pro Forma Value at 5/31/25	Estimated Recovery (%)			Estimated Recovery (\$)		
					Low	Mid	High	Low	Mid	High
Assets										
Cash and Cash Equivalents - Unrestricted	A	\$ 42,184,208	\$ (6,300,276)	\$ 35,883,932	100.0%	100.0%	100.0%	\$ 35,883,932	\$ 35,883,932	\$ 35,883,932
Cash and Cash Equivalents - Restricted	A	18,389,552	(805,807)	17,583,745	-	-	-	-	-	-
Investments - Unrestricted	B	52,250,357	(49,314,956)	2,935,401	100.0%	100.0%	100.0%	2,935,401	2,935,401	2,935,401
Investments - Restricted	B	19,973,213	-	19,973,213	-	-	-	-	-	-
Accounts Receivable	C	15,881,344	(9,950,682)	5,930,662	25.0%	37.5%	50.0%	1,482,665	2,223,998	2,965,331
Loan & Loan Interest Receivable	D	42,767,321	668,489	43,435,810	80.0%	90.0%	100.0%	34,748,648	39,092,229	43,435,810
Contributions Receivable	E	236,590	-	236,590	-	-	-	-	-	-
Property, Plant & Equipment (net)	F	160,947,562	-	160,947,562	40.0%	45.0%	50.0%	64,379,025	72,426,403	80,473,781
Prepaid Expenses	G	1,451,577	(871,621)	579,956	100.0%	100.0%	100.0%	579,956	579,956	579,956
Investments in Other Entities	H	1,349,753	-	1,349,753	200.0%	210.0%	220.0%	2,699,505	2,834,481	2,969,456
Unqualified Pension and Benefit Plans	I	-	10,611,000	10,611,000	100.0%	100.0%	100.0%	10,611,000	10,611,000	10,611,000
Assets Held in Trust for Others	J	1,361,829	(1,361,829)	-	-	-	-	-	-	-
Right to Appoint 50% of Directors of CTN	K	-	-	-	NA	NA	NA	-	-	-
Insurance Proceeds (Abuse Claims)	L	-	-	-	NA	NA	NA	-	-	-
Total Gross Liquidation Proceeds		\$ 356,793,305	\$ (57,325,682)	\$ 299,467,623	51.2%	55.6%	60.1%	\$ 153,320,132	\$ 166,587,400	\$ 179,854,667
(-) Less Liquidation Deductions										
(-) Operational Wind Down Expenses	M	-	-	-	-	-	-	\$ (10,200,000)	\$ (7,140,000)	\$ (4,080,000)
(-) Chapter 7 Trustee Fees	N	-	-	-	-	-	-	(4,599,604)	(4,997,622)	(5,395,640)
(-) Trustee's Professional Fees	O	-	-	-	-	-	-	(5,366,205)	(5,830,559)	(6,294,913)
(-) Incremental Litigation Costs	P	-	-	-	-	-	-	(87,120,000)	(79,200,000)	(71,280,000)
(-) Broker Fees	Q	-	-	-	-	-	-	(3,218,951)	(3,621,320)	(4,023,689)
Total Liquidation Costs								\$ (110,504,760)	\$ (100,789,501)	\$ (91,074,242)
Total Net Liquidation Proceeds ex-Insurance								\$ 42,815,373	\$ 65,797,898	\$ 88,780,424
Class 1: Secured Claims										
RCC Loan & Interest Payable					100%	100%	100%	\$ 25,872,322	\$ 25,872,322	\$ 25,872,322
Total Secured Claims					100%	100%	100%	\$ 25,872,322	\$ 25,872,322	\$ 25,872,322
Proceeds Available After Secured Claims								\$ 16,943,051	\$ 39,925,577	\$ 62,908,103
Class 2: Administrative / Priority Claims										
Employee Related Claims				\$ 349,245	100%	100%	100%	\$ 349,245	\$ 349,245	\$ 349,245
Professional Fees				2,983,364	100%	100%	100%	2,983,364	2,983,364	2,983,364
Post-Petition Trade Claims				850,915	100%	100%	100%	850,915	850,915	850,915
Funds Held for Others				2,017,083	100%	100%	100%	2,017,083	2,017,083	2,017,083
Total Administrative / Priority Claims				\$ 6,200,606	100%	100%	100%	\$ 6,200,606	\$ 6,200,606	\$ 6,200,606
Proceeds Available for General Unsecured Claims								\$ 10,742,444	\$ 33,724,970	\$ 56,707,496
Class 3 - 8: General Unsecured Claims										
Trade Payables and Accrued Expenses				\$ 104,363	9%	28%	47%	\$ 9,346	\$ 29,342	\$ 49,338
Other Claims				1,196,888	9%	28%	47%	107,189	336,512	565,834
Pension Claims				15,300,000	9%	28%	47%	1,370,218	4,301,681	7,233,144
Abuse Claims				98,000,000	9%	28%	47%	8,776,562	27,553,252	46,329,943
Unknown Abuse Claims				5,000,000	9%	28%	47%	447,784	1,405,778	2,363,773
Non-Abuse Litigation Claims				350,000	9%	28%	47%	31,345	98,404	165,464
Contribution and Indemnification Claims Related to Class 4/5 Claims				-	NA	NA	NA	-	-	-
Oakland Parochial Fund Claim				35,019,178	-	-	-	-	-	-
Total General Unsecured Claims				\$ 154,970,429	7%	22%	37%	\$ 10,742,444	\$ 33,724,970	\$ 56,707,496
Proceeds Available After General Unsecured Claims								\$ -	\$ -	\$ -

Note: Asset recovery percentages are based on asset proceeds recovered divided by pro forma asset balances Claims recoveries are based on the low, mid, and high ranges of estimated recoveries.

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Add	12
Delete	9
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	21

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EXHIBIT C

Revised Form of Proposed Order Approving Disclosure Statement

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17 **UNITED STATES BANKRUPTCY COURT**

18 **NORTHERN DISTRICT OF CALIFORNIA**

19 **OAKLAND DIVISION**

20 In re:

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

23 Debtor.

Case No. 23-40523 WJL

Chapter 11

**[PROPOSED] ORDER (I) APPROVING
AMENDED DISCLOSURE STATEMENT;
(II) ESTABLISHING PROCEDURES FOR
PLAN SOLICITATION, NOTICE, AND
BALLOTING**

Judge: Hon. William J. Lafferty

Date: January 16, 2024

Time: 1:30 p.m.

Place: United States Bankruptcy Court
1300 Clay Street
Courtroom 220
Oakland, CA 94612

1 This matter coming before the Court on the *Debtor’s Motion for Order (I) Approving Disclosure*
2 *Statement; and (II) Establishing Procedures for Plan Solicitation, Notice, and Balloting* [Docket No.
3 1453] (the “Motion”); filed by the Roman Catholic Bishop of Oakland, a California corporation sole, and
4 the debtor and debtor in possession (the “Debtor” or “RCBO”) in the above-captioned chapter 11
5 bankruptcy case (the “Chapter 11 Case”); and *Amended Disclosure Statement for Debtor’s Amended Plan*
6 *of Reorganization* dated and filed on January 3, 2025 [Docket No. 1595] (the “Disclosure Statement”).
7 The Court has considered the Motion, the Disclosure Statement, the *Debtor’s Amended Plan of*
8 *Reorganization* dated and filed on January 3, 2025 [Docket No. 1594] (as it may be amended, modified,
9 or supplemented, and including all exhibits thereto, the “Plan”),¹ the *Notice of Filing of (1) Redlines*
10 *Debtor’s Amended Plan of Reorganization and Amended Disclosure Statement For Debtor’s Amended*
11 *Plan of Reorganization, and (2) Revised Forms of Proposed Order and Ballots* [Docket No. ____] (the
12 “Notice of Filing”), all other documents filed in support of or opposition to the Motion and Disclosure
13 Statement, the record in this case, and the representations of counsel. An initial hearing having been held
14 on December 18, 2024, and a continued hearing having been held at the date and time set forth above, to
15 consider the relief requested in the Motion (the “Hearing”) and the adequacy of the Debtor’s Disclosure
16 Statement; upon all of the proceedings before the Court; and the Court having determined that the legal
17 and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing
18 that the relief requested in the Motion is in the best interests of the Debtor, its estate and its creditors; and
19 after due deliberation and sufficient cause appearing therefor;

20 **IT IS HEREBY FOUND AND DETERMINED THAT:**

21 A. This Court has jurisdiction to consider the Motion and the relief requested therein,
22 including approval of the Disclosure Statement, in accordance with 28 U.S.C. §§ 157 and 1334. This
23 matter is a core proceeding pursuant to 28 U.S.C. § 157(b).

24 B. The Disclosure Statement contains adequate information about the Plan within the meaning
25 of section 1125 of the Bankruptcy Code.

26
27
28 ¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion, Disclosure
Statement, or the Plan, as applicable.

1 C. The Disclosure Statement (including all applicable exhibits thereto) provides sufficient
2 notice of the injunction, exculpation, and release provisions contained in the Plan, in accordance with
3 Bankruptcy Rule 3016(c).

4 D. Due and proper notice of the Disclosure Statement, the Motion, the Hearing, and the
5 deadline for filing objections to the Disclosure Statement was provided and no further notice is necessary.

6 E. The forms of Ballots approved herein are consistent with Official Form No. 314, address
7 the particular needs of this Chapter 11 Case, and are appropriate for the Holders of Class 3, Class 4, Class
8 5, Class 6, and Class 8 Claims entitled to vote to accept or reject the Plan. The voting instructions attached
9 to the Ballots contain adequate information to instruct all members of the Voting Classes how to submit
10 their vote.

11 F. Holders of Claims in Class 1 (RCC Secured Claim) are conclusively presumed to accept
12 the Plan, Holders of Claims in Class 2 (Priority Unsecured Claims, other than non-classified claims set
13 forth in Article III of the Plan) are conclusively presumed to accept the Plan, Holders of Claims in Class
14 7A (Contribution Claims Related to Class 4 Claims) are deemed to reject the Plan, and Holders of Claims
15 in Class 7B (Contribution Claims Related to Class 5 Claims) are deemed to reject the Plan (Class 1, Class
16 2, Class 7A, and Class 7B Claims are collectively, the “Non-Voting Classes”). Accordingly, members of
17 the Non-Voting Classes are not entitled to receive a Ballot or to vote to accept or reject the Plan.

18 G. The period, as set forth below, during which the Debtor may solicit acceptances to the Plan
19 is a reasonable period of time for entities entitled to vote on the Plan to make an informed decision whether
20 to accept or reject the Plan.

21 H. The procedures for the solicitation and tabulation of votes to accept or reject the Plan set
22 forth herein provide for a fair and equitable voting process and are consistent with Section 1126 of the
23 Bankruptcy Code.

24 I. The procedures proposed in the Motion for confirming creditors’ consent to the Plan’s
25 releases of third parties and related injunctions, including without limitation a channeling injunction that
26 permanently channels all Class 4 and Class 5 Claims against Contributing Non-Debtor Entities to the
27 extent set forth in the Plan to a Survivors’ Trust (as defined and further described in the Disclosure
28

1 Statement) (collectively, the “Third-Party Releases”) are fair and equitable. The materials to be contained
2 in the Solicitation Packages will provide each creditor with sufficient notice and information to determine
3 whether to consent to the Third-Party Releases.

4 **NOW, THEREFORE, IT IS ORDERED THAT:**

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

6 2. Any and all objections to the Motion, including without limitation any objections to the
7 adequacy of the Disclosure Statement, not otherwise settled, withdrawn, or resolved by the terms of this
8 Order are hereby overruled in their entirety.

9 **Approval of Documents**

10 3. The Disclosure Statement is hereby approved pursuant to 11 U.S.C. § 1125(b) and Fed. R.
11 Bankr. P. 3017(b).

12 4. The Ballots are hereby approved for purposes of solicitation and voting on the Plan in
13 substantially the following forms: for Class 3 Claims (General Unsecured Claims) attached to the Motion
14 as **Exhibit 2**, for Class 4 Claims (Abuse Claims) attached to the Notice of Filing as **Exhibit E**, for Class
15 5 Claims (Unknown Abuse Claims) attached to the Notice of Filing as **Exhibit F**, for Class 6 Claims
16 (Non-Abuse Litigation Claims) attached to the Motion as **Exhibit 5**, and for the Class 8 Claim (OPF
17 Claim) attached to the Motion as **Exhibit 6**.

18 5. The form of Confirmation Hearing Notice is approved in substantially the form attached to
19 the Motion as **Exhibit 8**.

20 6. The form of Notice of Non-Voting Status is approved in substantially the form attached to
21 the Motion as **Exhibit 9**.

22 **The Confirmation Hearing**

23 7. A hearing to consider confirmation of the Plan (the “Confirmation Hearing”) shall
24 commence at [•] (**prevailing Pacific time**) on [•] [•], 2024, and continue thereafter as necessary.

25 8. The Confirmation Hearing may be adjourned or continued from time to time by the Court
26 or the Debtor without further notice except for as announced in open court or as filed on the Court’s
27

1 docket. The Plan may be modified pursuant to Section 1127 of the Bankruptcy Code prior to, during, or
2 as a result of the Confirmation Hearing, in each case without further notice to parties in interest.

3 9. Objections or responses to confirmation of the Plan, if any, must (a) be in writing; (b)
4 conform to the Bankruptcy Rules and the Local Rules; (c) state the basis for the objection, and the specific
5 grounds therefor; and (d) be filed with the Court and served so as to be actually received not later than [
6 •] [•], 2025, by (i) counsel to the Debtor, Foley & Lardner LLP, 555 California Street, Ste. 1700, San
7 Francisco, CA 94104, Attn: Ann Marie Uetz (auetz@foley.com), Matthew Lee (mdlee@foley.com), and
8 Shane Moses (smoses@foley.com); (ii) the Office of the United States Trustee for the Northern District
9 of California, Office of the United States Trustee, 450 Golden Gate Avenue, Room 05-0153, San
10 Francisco, California 94102, Attn: Jason Blumberg (jason.blumberg@usdoj.gov), (iii) counsel to the
11 Official Committee of Unsecured Creditors, Keller Benvenuti Kim LLP, 425 Market Street, 26th Floor
12 San Francisco, California 94105, Attn: Gabrielle L. Albert (galbert@kbbkllp.com) and Lowenstein Sandler
13 LLP, One Lowenstein Drive Roseland, New Jersey 07068, Attn: Jeffrey D. Prol (jprol@lowenstein.com)
14 and Brent Weisenberg (bweisenberg@lowenstein.com); and (iv) those persons who have formally
15 appeared and requested service in this case pursuant to Rule 2002 of the Federal Rules of Bankruptcy
16 Procedure. All objections not timely filed and served in accordance with the provisions of this Order are
17 hereby deemed waived and will not be considered by this Court.

18 10. The Debtor and any other party in interest supporting the Plan shall file any reply to any
19 objections to confirmation no later than [•] [•], 2025.

20 **Solicitation Procedures**

21 11. For the purposes of determining (a) upon whom service must be made following approval
22 of the Disclosure Statement pursuant to Rule 3017(d), and (b) which Holders of Claims are entitled to
23 vote on the Plan pursuant to Rule 3018(a), the Voting Record Date (the “Voting Record Date”) shall be
24 [•] [•], 2024.

25 12. The Voting Record Date shall also be the record date for purposes of determining which
26 Creditors are entitled to receive a Notice of Non-Voting Status.

1 13. No later than [•] [•], 2024 (the “Solicitation Mailing Date”), the Debtor shall
2 complete the mailing of Solicitation Packages to Holders of Claims in Class 3 (General Unsecured
3 Claims), Class 4 (Abuse Claims), Class 6 (Non-Abuse Litigation Claims) and Class 8 (OPF Claim), and
4 to the Unknown Claims Representative on behalf of Holders of Claims in Class 5 (Unknown Abuse
5 Claims) (collectively, the “Voting Classes”), entitled to vote on the Plan as of the Voting Record Date.

6 14. Solicitation Packages distributed to Holders of Claims in Voting Classes and to the
7 Unknown Abuse Claims Representative shall contain a copy of (i) the Confirmation Hearing Notice; (ii)
8 this Order; (iii) the appropriate Ballot to accept or reject the Plan, with detailed voting instructions and a
9 pre-addressed, postage prepaid return envelope; and (iv) the Disclosure Statement and Plan. The Debtor
10 is authorized to make non-substantive changes to the Disclosure Statement, the Plan, and related documents
11 without further order of the Court, including ministerial changes to correct typographical and grammatical
12 errors, and to make conforming changes among the Disclosure Statement, the Plan, and any other materials
13 in the Solicitation Packages, before mailing the Solicitation Packages.

14 15. Solicitation Packages shall be provided to all Holders of Claims in the Voting Classes
15 appearing in the Debtor’s Schedule F (as amended, *see* Docket No. 161 at pp. 40-157) or who filed Proofs
16 of Claim before the applicable Bar Date (or whose Claims were deemed timely by order of this Court)
17 and whose Claims are not the subject of a pending objection as of the Voting Record Date (as defined
18 below). Notwithstanding the foregoing, all persons who filed a Proof of Claim asserting an Abuse Claim
19 shall receive a Solicitation Package containing a Ballot for voting on the Plan, regardless of the contingent,
20 unliquidated, and disputed nature of such Claim, and notwithstanding any pending objections to their
21 Claims.

22 16. Solicitation Packages for Holders of Claims in Classes 3, 6, and 8 shall be sent to the names
23 and addresses reflected in the Proofs of Claim filed by the claimants, or in the Debtor’s schedules if no
24 Proof of Claim was filed by the Voting Record Date.

25 17. Solicitation Packages for Holders of Class 4 Claims shall be served via the noticing address
26 included on their Proof of Claim, if any, based on the information reflected on the claims register
27 maintained by Verita as of the Voting Record Date. If such noticing address is the address of the Holder
28

1 of such Class 4 Claim’s attorney, such Holder shall be served the Solicitation Package through such
2 attorney unless either the Holder or their attorney has notified the Debtor or Verita that the representation
3 has terminated. The Debtor may serve attorneys who represent more than one Holder of a Class 4 Claim
4 with only one copy of the Solicitation Package, provided the Debtor shall provide separate Ballots for
5 each such Holder of a Class 4 Claim.

6 18. The Debtor shall provide the Unknown Abuse Claims Representative, appointed pursuant
7 to this Court’s Order entered on [•] [•], 2024 [Docket No. [•]], with a single Class 5 Ballot for
8 purposes of voting to accept or reject the Plan in their capacity as representative for the Holders of Class
9 5 Claims. Compliance with this paragraph shall constitute sufficient notice and service of the Solicitation
10 Package with regard to Class 5 Claims.

11 19. The Debtor may provide creditors who have more than one Claim with only one
12 Solicitation Package and one Ballot for each Voting Class to which they belong.

13 20. The Debtor is not required to distribute a Solicitation Package to any person who holds a
14 Claim as to which no Proof of Claim has been filed and that either (i) is scheduled as contingent,
15 unliquidated, or disputed, or (ii) is not scheduled in an amount greater than \$0, unless the Holder of such
16 Claim files a motion for temporary allowance of a claim under Bankruptcy Rule 3018.

17 21. Not later than the Solicitation Mailing Date, the Debtor shall serve Holders of Claims in
18 Classes 1, 2, 7A, and 7B (the “Non-Voting Classes”) with (i) the Confirmation Hearing Notice, and (ii)
19 the Notice of Non-Voting Status.

20 22. Not later than the Solicitation Mailing Date, the Debtor shall distribute a copies of the
21 Confirmation Hearing Notice, this Order, and the Disclosure Statement and Plan to: (a) the United States
22 Trustee; (b) counsel for the Committee; (c) the United States Attorney for the Northern District of
23 California; and (d) all other persons that have filed notices of appearances and requests for documents in
24 the Chapter 11 Case, to the extent such persons are not separately receiving a Solicitation Package or
25 Notice of Non-Voting Status.

1 23. Not later than the Solicitation Mailing Date, the Debtor shall distribute a copy of the
2 Confirmation Hearing Notice to any other persons listed on the master mailing matrix maintained for the
3 Chapter 11 Case, to the extent such persons are not previously identified herein to received notice.

4 24. The Debtor is not required to distribute copies of the Plan, Disclosure Statement, or
5 Disclosure Statement Order to any Holder of a Claim in a Non-Voting Class, or any Holder of an
6 Unclassified Claim, unless such party makes a request for copies of such documents by (a) calling the
7 Debtor's toll-free restructuring hotline at (888)-733-1425 (U.S./Canada) or (310)-751-2631
8 (International), or (b) e-mailing RCBOInfo@veritaglobal.com.

9 25. Any party-in-interest may obtain free of charge an electronic or paper copy of the Plan,
10 Disclosure Statement, this Order, or related documents by (a) calling the Debtor's toll-free restructuring
11 hotline at (888)-733-1425 (U.S./Canada) or (310)-751-2631 (International), or (b) e-mailing
12 RCBOInfo@veritaglobal.com.

13 26. The Ballots, the Notice of Non-Voting Status, and the Confirmation Hearing Notice shall
14 be distributed in paper format; however, because the Plan and Disclosure Statement may be cumbersome
15 and costly to print and mail, the Debtor is authorized to distribute, or cause to be distributed, the Plan,
16 Disclosure Statement, and this Order via USB flash drive, at its discretion.

17 27. Verita shall serve the Solicitation Package, the Notice of Non-Voting Status, and notices
18 regarding the Confirmation Hearing, as set forth above. Should any mailing of Solicitation Packages,
19 Notice of Non-Voting Status, and Confirmation Hearing Notices be returned by the United States Postal
20 Service or courier, the Debtor and Verita need not resend those documents to the same address(es). The
21 Debtor and Verita are further relieved of any obligation to attempt to locate the correct address and resend,
22 before the Voting Deadline, the Solicitation Packages, Notice of Non-Voting Status, and Confirmation
23 Hearing Notices that are returned as undeliverable, unless and until the Debtor is provided with accurate
24 addresses for such persons. The Debtor's failure to ensure receipt by mail of Solicitation Packages or any
25 other materials related to voting or confirmation of the Plan by such persons (a) shall not constitute
26 inadequate notice of the Confirmation Hearing or Voting Deadline and (b) shall not constitute a violation
27 of Bankruptcy Rule 3017(d).

28. Service of the Confirmation Hearing Notice together in accordance with this Order is hereby found to be adequate and reasonably calculated under the circumstances to comply with the due process rights of all creditors and parties in interest, including without limitation, all Holders of Claims that may be subject to the Third-Party Releases provided for under the Plan, and no other or further notice of the Confirmation Hearing is necessary or shall be required.

Voting and Tabulation

29. To be counted as a vote to accept or reject the Plan, all Ballots must be properly completed, signed, dated and returned by *only one* of the following return methods: (a) first-class mail (whether in the return envelope provided with each Ballot or otherwise); (b) overnight courier; (c) hand delivery; or (d) electronic, online transmission, through a customized online balloting portal (the “E-Balloting Portal”) on the Bankruptcy Case website maintained by Verita. Any parties entitled to vote on the Plan may cast an electronic Ballot which allows the claimant to electronically sign and submit a Ballot instantly by using the E-Balloting Portal. In order to be counted, Ballots must be **actually received** no later than [•] [•], 2024 (the “Voting Deadline”). The Debtor may extend the Voting Deadline in its discretion as to any individual Claim or Claims or as to all Claims.

30. Solely for purposes of voting to accept or reject the Plan and not for the purpose of the allowance of, or distribution on account of, any Claim, and without prejudice to the rights of any party in interest in any other context, each Holder of a Class 3, Class 6 or Class 8 Claim entitled to vote on the Plan is entitled to vote the amount of such Claim as provided: (a) in a timely filed Proof of Claim or, if no Proof of Claim was filed, the amount of such Claim as provided in, the Debtor’s Schedules of Assets and Liabilities (as amended, the “Schedules”), or (b) an agreement with the Debtor fixing the allowed amount of such Claim for voting purposes, subject to the following exceptions and specific procedures:

- a) if a Claim is deemed Allowed under the Plan, such Claim is Allowed for voting purposes in the deemed Allowed amount set forth in the Plan;
- b) if a Claim for which a Proof of Claim has been timely filed is contingent, unliquidated, or disputed, and such Claim has not been Allowed, such Claim will be temporarily Allowed, for voting purposes only, in the non-contingent and fully liquidated amount listed on the Proof of Claim (disregarding any unliquidated or contingent amounts); and if such filed Proof of Claim does not clearly and expressly state a non-contingent and

1 liquidated amount, then a vote on account of such Claim shall be counted as \$1, unless
2 such Claim is objected to as set forth in paragraph (f) below;

- 3 c) if a Claim has been estimated or otherwise Allowed for voting purposes by order of the
4 Court, such Claim is temporarily allowed in the amount so estimated or allowed by the
5 Court for voting purposes only, and not for purposes of allowance or distribution;
- 6 d) a Claim shall be disallowed for voting purposes if the Claim is listed in the Schedules as
7 contingent, unliquidated, or disputed and a Proof of Claim for such Claim was not (i)
8 filed by the applicable bar date for the filing of Proofs of Claim established by the Court
9 or (ii) deemed timely filed by an order of the Court before the Voting Deadline;
- 10 e) if a party has served an objection or request for estimation as to a Claim at least ten (10)
11 days before the Voting Deadline, such Claim is temporarily disallowed for voting
12 purposes only and not for purposes of allowance or distribution, except as ordered by the
13 Court before the Voting Deadline;
- 14 f) Proofs of Claim filed for \$0.00 or which do not specify a claim amount are not entitled
15 to vote, other than Claims in Class 4 or Class 5 which are treated as set forth below;
- 16 g) for purposes of voting, classification and treatment, under the Plan, each person that
17 holds or has filed more than one Claim shall be treated as if such person has only one
18 Claim in each applicable Class in the amount of the total of the aggregated Claims of
19 such entity in such Class;
- 20 h) any person that filed or purchased duplicate Claims in the same Class shall be provided
21 with only one Solicitation Package and one Ballot for voting a single Claim in such
22 Class, regardless of whether the Debtor has objected to such duplicate Claims;
- 23 i) if a Proof of Claim has been amended by a later Proof of Claim filed on before the Voting
24 Record Date, the later filed amending Claim shall be entitled to vote in a manner consistent
25 with these tabulation rules, and the earlier filed Claim shall be disallowed for voting
26 purposes, regardless of whether the Debtor has objected to such amended Claim; and
- 27 j) except as otherwise ordered by the Court, any amendments to a Proof of Claim after the
28 Voting Record Date shall not be considered for purposes of these tabulation rules.

31. Solely for purposes of voting to accept or reject the Plan and not for the purpose of the
allowance of, or distribution on account of, any Claim, and without prejudice to the rights of any party in
interest in any other context, each Holder of a Class 4 Claim who has filed a Proof of Claim shall have
their Claim temporarily allowed in the Amount of \$1.00, notwithstanding the contingent, unliquidated,
and disputed nature of such Claim, or any objections that may be pending with respect to such Claim. The
foregoing general procedure will be subject to the following exceptions and specific procedures:

- 1 a) for purposes of voting, classification and treatment, under the Plan, each Holder of a Class
2 4 Claim that holds or has filed more than one Claim shall be treated as if they have only
3 one Class 4 Claim;
4 b) any Holder of a Class 4 Claim that filed or purchased duplicate Class 4 Claims shall be
5 provided with only one Solicitation Package and one Ballot for voting a single Class 4
6 Claim, regardless of whether any party in interest has objected to such duplicate Claims;
7 and
8 c) any Person scheduled as having a contingent, unliquidated or disputed Class 4 Claim who
9 has not filed a Proof of Claim shall have their claim disallowed for voting purposes
10 unless they file a Rule 3018 Motion in accordance with the procedures below.

11 32. The Unknown Abuse Claims Representative shall be entitled to vote a single Class 5 Claim
12 on behalf of Holders of Class 5 Claims, which shall be Allowed for voting purposes only in the amount
13 of \$1.00.

14 33. The following procedures shall apply for tabulating votes:

- 15 a) Verita shall date-stamp all Ballots when received, with any Ballots received on the
16 Voting Deadline date *and* time-stamped;
17 b) any Ballot that is otherwise properly completed, executed, and timely returned but does
18 not indicate an acceptance or rejection of the Plan, or that indicates both an acceptance
19 and rejection of the Plan, will not be counted;
20 c) if a Creditor casts more than one Ballot voting the same Claim before the Voting
21 Deadline, the last dated, validly executed Ballot received before the Voting Deadline
22 shall be deemed to reflect the voter's intent and thus to supersede any prior Ballots;
23 d) Creditors must vote all of their Claims within a particular Class to either accept or reject
24 the Plan, and may not split their votes within the Voting Class and thus a Ballot (or group
25 of Ballots) within the Voting Class that partially accepts and partially rejects the Plan
26 shall be deemed to have voted to accept the Plan;
27 e) notwithstanding anything contained herein to the contrary, the Debtor, in its discretion,
28 may waive any defects in a Ballot, or enter into a stipulation to settle or resolve any
dispute in relation thereto, with a Holder of a Claim that has completed a Ballot;
f) notwithstanding anything contained herein to the contrary, Verita, with the Debtor's
consent, may contact entities entitled to vote to cure any defects in their Ballots;
provided, however, that Verita shall contact counsel of record for any such Holder of a
Class 4 Claim represented by counsel; and
g) except as otherwise provided in this Motion, for purposes of determining whether the
numerosity and Claim amount requirements of Sections 1126(c) and 1126(d) of the

1 Bankruptcy Code have been satisfied, Verita will tabulate only those Ballots received on
2 or before the Voting Deadline.

3 34. The following Ballots will not be counted or considered for any purpose in determining
4 whether the Plan has been accepted or rejected: (i) any Ballot received after the Voting Deadline unless the
5 Debtor, in writing, grants an extension of the Voting Deadline with respect to such Ballot; (ii) any Ballot
6 that is illegible or contains insufficient information to permit the identification of the voter; (iii) any Ballot
7 cast by a person or entity that does not hold a Claim in a Class entitled to vote to accept or reject the Plan;
8 (iv) any unsigned Ballot; and (v) any Ballot submitted by email, facsimile, or any other means of electronic
9 submission other than utilization of the E-Balloting Portal, unless the Debtor specifically consents in
10 writing to receipt of such Ballot by such means.

11 35. If any creditor seeks to challenge the allowance or disallowance of its Claim for voting
12 purposes in accordance with the above procedures, such creditor shall serve a motion for an order pursuant
13 to Bankruptcy Rule 3018(a) (a "Rule 3018 Motion") temporarily allowing such Claim for purposes of
14 voting to accept or reject the Plan on or before the 10th day after the later of (i) service of the Confirmation
15 Hearing Notice, and (ii) service of notice of an objection or request for estimation, if any, as to such Claim.

16 36. Any Rule 3018 Motion shall (i) be made in writing, (ii) comply with the Bankruptcy Code,
17 the Bankruptcy Rules, and the Local Rules, (iii) set forth the name of the party asserting the Rule 3018
18 Motion, and (iv) state with particularity the legal and factual bases for the Rule 3018 Motion. In the event
19 a Rule 3018 Motion is filed, the Debtor shall provide such creditor with a provisional Ballot, to be counted
20 only in accordance with the terms of any order adjudicating such Rule 3018 Motion entered by the Court
21 prior to the Voting Deadline.

22 37. Upon the expiration of the Voting Deadline, the Debtor shall file a certification provided
23 by Verita in writing (the "Tabulation Certification") of the amount and number (as applicable) of Allowed
24 Claims in the Voting Classes that voted to accept or reject the Plan. The Debtor shall file the Tabulation
25 Certification and copies of all voting ballots not later than three (3) days prior to the Confirmation Hearing
26 pursuant to Local Bankruptcy Rule 3020-1(a).
27
28

1 **Third-Party Release Procedures**

2 38. The following procedures regarding the Third-Party Releases (as defined in the Plan) are
3 hereby approved:

- 4 a) any Holder of a Class 4 Claim or the Unknown Claims Representative on behalf of Class
5 5 Claims may indicate that they do not consent to, and opt out of, the Third-Party
6 Releases by returning the appropriate Class 4 or Class 5 Ballot with the box checked in
7 Item 4 of each such Ballot to indicated their opt out (such Ballot, an “Opt-Out Ballot”),
8 (a) by first-class mail (whether in the return envelope provided with each Ballot or
9 otherwise); (b) by overnight courier; (c) by hand delivery; or (d) via Verita’s E-Balloting
10 Portal so it is actually received by Verita no later than the Voting Deadline;
11
12 b) in order to be effective to opt out of the Third-Party Releases, an Opt-Out Ballot must
13 be actually received no later than the Voting Deadline, and the opt out election on any
14 Ballot received after the Voting Deadline shall be disregarded, and shall have no effect;
15 and,
16
17 c) any Holder of a Class 4 Claim, or the Unknown Claims Representative on behalf of all
18 Holders of Class 5 Claims, who returns a Ballot and does not affirmatively opt out of the
19 Third Party Releases as provided in paragraph a) above or by filing a timely objection to
20 the Plan indicating that they are withholding their consent to the releases and injunctions
21 provided for in the Plan, will be deemed to have consented to the Third-Party Releases.

22 **Other Matters**

23 39. The Debtor and Verita are authorized and empowered to take such steps, expend such
24 monies, and perform such acts as may be necessary to implement and effectuate the terms of this Order.

25 40. The terms and conditions of this Order shall be immediately effective and enforceable upon
26 its entry.

27 41. This Court retains jurisdiction over any and all matters arising out of or related to the
28 interpretation or implementation of this Order.

*** END OF ORDER ***

COURT SERVICE LIST

All ECF Recipients

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EXHIBIT D

Redline of Revised Proposed Order approving Disclosure Statement

1 **FOLEY & LARDNER LLP**

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17 *Counsel for the Debtor*
18 *and Debtor in Possession*

19 **UNITED STATES BANKRUPTCY COURT**

20 **NORTHERN DISTRICT OF CALIFORNIA**

21 **OAKLAND DIVISION**

22 In re:

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

25 Debtor.

26 Case No. 23-40523 WJL

27 Chapter 11

28 **[PROPOSED] ORDER (I) APPROVING
AMENDED DISCLOSURE STATEMENT;
(II) ESTABLISHING PROCEDURES FOR
PLAN SOLICITATION, NOTICE, AND
BALLOTING**

Judge: Hon. William J. Lafferty

Date: ~~December 18~~ January 16, 2024

Time: ~~10:30 a.m.~~ 1:30 p.m.

Place: United States Bankruptcy Court
1300 Clay Street
Courtroom 220
Oakland, CA 94612

1 This matter coming before the Court on the ~~Disclosure Statement for Debtor's Plan of~~
2 ~~Reorganization dated and filed on November 8, 2024~~ [Docket No. 1445] (the "Disclosure Statement")
3 ~~and the Debtor's Motion for Order (I) Approving Disclosure Statement; and (II) Establishing Procedures~~
4 ~~for Plan Solicitation, Notice, and Balloting~~ [Docket No. 1453] (the "Motion");¹ filed by the Roman
5 Catholic Bishop of Oakland, a California corporation sole, and the debtor and debtor in possession (the
6 "Debtor" or "RCBO") in the above-captioned chapter 11 bankruptcy case (the "Chapter 11 Case"); and ~~a~~
7 Amended Disclosure Statement for Debtor's Amended Plan of Reorganization dated and filed on January
8 3, 2025 [Docket No.] (the "Disclosure Statement"). The Court has considered the Motion, the
9 Disclosure Statement, the Debtor's Amended Plan of Reorganization dated and filed on January 3, 2025
10 [Docket No.] (as it may be amended, modified, or supplemented, and including all exhibits thereto,
11 the "Plan"),¹ the Notice of Filing of (1) Redlines Debtor's Amended Plan of Reorganization and Amended
12 Disclosure Statement For Debtor's Amended Plan of Reorganization, and (2) Revised Forms of Proposed
13 Order and Ballots [Docket No.] (the "Notice of Filing"), all other documents filed in support of or
14 opposition to the Motion and Disclosure Statement, the record in this case, and the representations of
15 counsel. An initial hearing having been held on December 18, 2024, and a continued hearing having been
16 held at the date and time set forth above, to consider the relief requested in the Motion (the "Hearing");
17 and the adequacy of the Debtor's Disclosure Statement; upon all of the proceedings before the Court; and
18 the Court having determined that the legal and factual bases set forth in the Motion establish just cause
19 for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests
20 of the Debtor, its estate and its creditors; and after due deliberation and sufficient cause appearing therefor;

21 **IT IS HEREBY FOUND AND DETERMINED THAT:**

22 A. This Court has jurisdiction to consider the Motion and the relief requested therein,
23 including approval of the Disclosure Statement, in accordance with 28 U.S.C. §§ 157 and 1334. This
24 matter is a core proceeding pursuant to 28 U.S.C. § 157(b).

25
26
27 ¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion, Disclosure
Statement, or the Plan, as applicable.

28 ¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion, Disclosure
Statement, or the Plan, as applicable.

1 B. The Disclosure Statement contains adequate information about the ~~Debtor's Plan of~~
2 ~~Reorganization, dated and filed on November 8, 2024 (as it may be amended, modified, or supplemented,~~
3 ~~and including all exhibits thereto, the "Plan")~~ within the meaning of section 1125 of the Bankruptcy
4 Code.

5 C. The Disclosure Statement (including all applicable exhibits thereto) provides sufficient
6 notice of the injunction, exculpation, and release provisions contained in the Plan, in accordance with
7 Bankruptcy Rule 3016(c).

8 D. Due and proper notice of the Disclosure Statement, the Motion, the Hearing, and the
9 deadline for filing objections to the Disclosure Statement was provided and no further notice is necessary.

10 E. The forms of Ballots approved herein are consistent with Official Form No. 314, address
11 the particular needs of this Chapter 11 Case, and are appropriate for the Holders of Class 3, Class 4, Class
12 5, Class 6, and Class 8 Claims entitled to vote to accept or reject the Plan. The voting instructions attached
13 to the Ballots contain adequate information to instruct all members of the Voting Classes how to submit
14 their vote.

15 F. Holders of Claims in Class 1 (RCC Secured Claim) are conclusively presumed to accept
16 the Plan, Holders of Claims in Class 2 (Priority Unsecured Claims, other than non-classified claims set
17 forth in Article III of the Plan) are conclusively presumed to accept the Plan, Holders of Claims in Class
18 7A (Contribution Claims Related to Class 4 Claims) are deemed to reject the Plan, and Holders of Claims
19 in Class 7B (Contribution Claims Related to Class 5 Claims) are deemed to reject the Plan (Class 1, Class
20 2, Class 7A, and Class 7B Claims are collectively, the "Non-Voting Classes"). Accordingly, members of
21 the Non-Voting Classes are not entitled to receive a Ballot or to vote to accept or reject the Plan.

22 G. The period, as set forth below, during which the Debtor may solicit acceptances to the Plan
23 is a reasonable period of time for entities entitled to vote on the Plan to make an informed decision whether
24 to accept or reject the Plan.

25 H. The procedures for the solicitation and tabulation of votes to accept or reject the Plan set
26 forth herein provide for a fair and equitable voting process and are consistent with Section 1126 of the
27 Bankruptcy Code.

1 I. The procedures proposed in the Motion for confirming creditors' consent to the Plan's
2 releases of third parties and related injunctions, including without limitation a channeling injunction that
3 permanently channels all Class 4 and Class 5 Claims against Contributing Non-Debtor Entities to the
4 extent set forth in the Plan to a Survivors' Trust (as defined and further described in the Disclosure
5 Statement) (collectively, the "Third-Party Releases") are fair and equitable. The materials to be contained
6 in the Solicitation Packages will provide each creditor with sufficient notice and information to determine
7 whether to consent to the Third-Party Releases.

8 **NOW, THEREFORE, IT IS ORDERED THAT:**

- 9 1. The Motion is GRANTED as set forth herein.
- 10 2. Any and all objections to the Motion, including without limitation any objections to the
11 adequacy of the Disclosure Statement, not otherwise settled ~~or~~, withdrawn, or resolved by the terms of
12 this Order are hereby overruled in their entirety.

13 **Approval of Documents**

14 3. The Disclosure Statement is hereby approved pursuant to 11 U.S.C. § 1125(b) and Fed. R.
15 Bankr. P. 3017(b).

16 4. The Ballots are hereby approved for purposes of solicitation and voting on the Plan in
17 substantially the following forms: for Class 3 Claims (General Unsecured Claims) attached to the Motion
18 as ~~Exhibits~~ Exhibit 2, 3, ~~for Class 4, 5 and~~ Claims (Abuse Claims) attached to the Notice of Filing as
19 Exhibit E, for Class 5 Claims (Unknown Abuse Claims) attached to the Notice of Filing as Exhibit F,
20 for Class 6 Claims (Non-Abuse Litigation Claims) attached to the Motion as Exhibit 5, and for the Class
21 8 Claim (OPF Claim) attached to the Motion as Exhibit 6.

22 5. The form of Confirmation Hearing Notice is approved in substantially the form attached to
23 the Motion as Exhibit 78.

24 6. The form of Notice of Non-Voting Status is approved in substantially the form attached to
25 the Motion as Exhibit 89.

26 ~~7. The form of Opt-Out Release Form is approved in substantially the form attached to the Motion~~
27 ~~as Exhibit 9.~~

1 **The Confirmation Hearing**

2 7. ~~8.~~ A hearing to consider confirmation of the Plan (the “Confirmation Hearing”) shall
3 commence at [•] (**prevailing Pacific time**) on [•] [•], 2024, and continue thereafter as necessary.

4 8. ~~9.~~ The Confirmation Hearing may be adjourned or continued from time to time by the Court
5 or the Debtor without further notice except for as announced in open court or as filed on the Court’s
6 docket. The Plan may be modified pursuant to Section 1127 of the Bankruptcy Code prior to, during, or
7 as a result of the Confirmation Hearing, in each case without further notice to parties in interest.

8 9. ~~10.~~ Objections or responses to confirmation of the Plan, if any, must (a) be in writing; (b)
9 conform to the Bankruptcy Rules and the Local Rules; (c) state the basis for the objection, and the specific
10 grounds therefor; and (d) be filed with the Court and served so as to be actually received not later than [
11 •] [•], 2025, by (i) counsel to the Debtor, Foley & Lardner LLP, 555 California Street, Ste. 1700, San
12 Francisco, CA 94104, Attn: Ann Marie Uetz (auetz@foley.com), Matthew Lee (mdlee@foley.com), and
13 Shane Moses (smoses@foley.com); (ii) the Office of the United States Trustee for the Northern District
14 of California, Office of the United States Trustee, 450 Golden Gate Avenue, Room 05-0153, San
15 Francisco, California 94102, Attn: Jason Blumberg (jason.blumberg@usdoj.gov), (iii) counsel to the
16 Official Committee of Unsecured Creditors, Keller Benvenuti Kim LLP, 425 Market Street, 26th Floor
17 San Francisco, California 94105, Attn: Gabrielle L. Albert (galbert@kbbllp.com) and Lowenstein Sandler
18 LLP, One Lowenstein Drive Roseland, New Jersey 07068, Attn: Jeffrey D. Prol (jprol@lowenstein.com)
19 and Brent Weisenberg (bweisenberg@lowenstein.com); and (iv) those persons who have formally
20 appeared and requested service in this case pursuant to Rule 2002 of the Federal Rules of Bankruptcy
21 Procedure. All objections not timely filed and served in accordance with the provisions of this Order are
22 hereby deemed waived and will not be considered by this Court.

23 10. ~~11.~~ The Debtor and any other party in interest supporting the Plan shall file any reply to
24 any objections to confirmation no later than [•] [•], 2025.

25 **Solicitation Procedures**

26 11. ~~12.~~ For the purposes of determining (a) upon whom service must be made following
27 approval of the Disclosure Statement pursuant to Rule 3017(d), and (b) which Holders of Claims are
28

1 entitled to vote on the Plan pursuant to Rule 3018(a), the Voting Record Date (the “Voting Record Date”)
2 shall be [•] [•], 2024.

3 12. ~~13.~~ The Voting Record Date shall also be the record date for purposes of determining which
4 Creditors are entitled to receive a Notice of Non-Voting Status.

5 13. ~~14.~~ No later than [•] [•], 2024 (the “Solicitation Mailing Date”), the Debtor shall
6 complete the mailing of Solicitation Packages to Holders of Claims in ~~the Classes~~ Class 3 (General
7 Unsecured Claims), Class 4 (Abuse Claims), ~~5 (Unknown Abuse Claims);~~ Class 6 (Non-Abuse Litigation
8 Claims) and Class 8 (OPF Claim), and to the Unknown Claims Representative on behalf of Holders of
9 Claims in Class 5 (Unknown Abuse Claims) (collectively, the “Voting Classes”), entitled to vote on the
10 Plan as of the Voting Record Date.

11 14. ~~15.~~ Solicitation Packages distributed to Holders of Claims in Voting Classes and to the
12 Unknown Abuse Claims Representative shall contain a copy of (i) the Confirmation Hearing Notice; (ii)
13 this Order; (iii) the appropriate Ballot to accept or reject the Plan, with detailed voting instructions and a
14 pre-addressed, postage prepaid return envelope; and (iv) ~~as to Class 4 and Class 5, the Opt Out Release~~
15 ~~Form (as defined below); and (v)~~ the Disclosure Statement and Plan. The Debtor is authorized to make
16 non-substantive changes to the Disclosure Statement, the Plan, and related documents without further order
17 of the Court, including ministerial changes to correct typographical and grammatical errors, and to make
18 conforming changes among the Disclosure Statement, the Plan, and any other materials in the Solicitation
19 Packages, before mailing the Solicitation Packages.

20 15. ~~16.~~ Solicitation Packages shall be provided to all Holders of Claims in the Voting Classes
21 appearing in the Debtor’s Schedule F (as amended, *see* Docket No. 161 at pp. 40-157) or who filed Proofs
22 of Claim before the applicable Bar Date (or whose Claims were deemed timely by order of this Court)
23 and whose Claims are not the subject of a pending objection as of the Voting Record Date (as defined
24 below). Notwithstanding the foregoing, all persons who filed a Proof of Claim asserting an Abuse Claim
25 shall receive a Solicitation Package containing a Ballot for voting on the Plan, regardless of the contingent,
26 unliquidated, and disputed nature of such Claim, and notwithstanding any pending objections to their
27 Claims.

1 16. ~~17.~~ Solicitation Packages for Holders of Claims in Classes 3, 6, and 8 shall be sent to the
2 names and addresses reflected in the Proofs of Claim filed by the claimants, or in the Debtor’s schedules
3 if no Proof of Claim was filed by the Voting Record Date.

4 17. ~~18.~~ Solicitation Packages for Holders of Class 4 Claims shall be served via the noticing
5 address included on their Proof of Claim, if any, based on the information reflected on the claims register
6 maintained by Verita as of the Voting Record Date. If such noticing address is the address of the Holder
7 of such Class 4 Claim’s attorney, such Holder shall be served the Solicitation Package through such
8 attorney unless either the Holder or their attorney has notified the Debtor or Verita that the representation
9 has terminated. The Debtor may serve attorneys who represent more than one Holder of a Class 4 Claim
10 with only one copy of the Solicitation Package, provided the Debtor shall provide separate Ballots for
11 each such Holder of a Class 4 Claim.

12 18. ~~19.~~ The Debtor shall provide the Unknown Abuse Claims Representative, appointed
13 pursuant to this Court’s Order entered on [•] [•], 2024 [Docket No. [•]], with a single Class 5
14 Ballot for purposes of voting to accept or reject the Plan in their capacity as representative for the Holders
15 of Class 5 Claims. Compliance with this paragraph shall constitute sufficient notice and service of the
16 Solicitation Package with regard to Class 5 Claims.

17 19. ~~20.~~ The Debtor may provide creditors who have more than one Claim with only one
18 Solicitation Package and one Ballot for each Voting Class to which they belong.

19 20. ~~21.~~ The Debtor is not required to distribute a Solicitation Package to any person who holds
20 a Claim as to which no Proof of Claim has been filed and that either (i) is scheduled as contingent,
21 unliquidated, or disputed, or (ii) is not scheduled in an amount greater than \$0, unless the Holder of such
22 Claim files a motion for temporary allowance of a claim under Bankruptcy Rule 3018.

23 21. ~~22.~~ Not later than the Solicitation Mailing Date, the Debtor shall serve Holders of Claims
24 in Classes 1, 2, 7A, and 7B (the “Non-Voting Classes”) with (i) the Confirmation Hearing Notice, and (ii)
25 the Notice of Non-Voting Status.

26 22. ~~23.~~ Not later than the Solicitation Mailing Date, the Debtor shall distribute a copies of the
27 Confirmation Hearing Notice, this Order, and the Disclosure Statement and Plan to: (a) the United States
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1 Trustee; (b) counsel for the Committee; (c) the United States Attorney for the Northern District of
2 California; and (d) all other persons that have filed notices of appearances and requests for documents in
3 the Chapter 11 Case, to the extent such persons are not separately receiving a Solicitation Package or
4 Notice of Non-Voting Status.

5 23. ~~24.~~ Not later than the Solicitation Mailing Date, the Debtor shall distribute a copy of the
6 Confirmation Hearing Notice to any other persons listed on the master mailing matrix maintained for the
7 Chapter 11 Case, to the extent such persons are not previously identified herein to received notice.

8 24. ~~25.~~ The Debtor is not required to distribute copies of the Plan, Disclosure Statement, or
9 Disclosure Statement Order to any Holder of a Claim in a Non-Voting Class, or any Holder of an
10 Unclassified Claim, unless such party makes a request for copies of such documents by (a) calling the
11 Debtor's toll-free restructuring hotline at (888)-733-1425 (U.S./Canada) or (310)-751-2631
12 (International), or (b) e-mailing RCBOInfo@veritaglobal.com.

13 25. ~~26.~~ Any party-in-interest may obtain free of charge an electronic or paper copy of the Plan,
14 Disclosure Statement, this Order, or related documents by (a) calling the Debtor's toll-free restructuring
15 hotline at (888)-733-1425 (U.S./Canada) or (310)-751-2631 (International), or (b) e-mailing
16 RCBOInfo@veritaglobal.com.

17 26. ~~27.~~ The Ballots, the Notice of Non-Voting Status, and the Confirmation Hearing Notice
18 shall be distributed in paper format; however, because the Plan and Disclosure Statement may be
19 cumbersome and costly to print and mail, the Debtor is authorized to distribute, or cause to be distributed,
20 the Plan, Disclosure Statement, and this Order via USB flash drive, at its discretion.

21 27. ~~28.~~ Verita shall serve the Solicitation Package, the Notice of Non-Voting Status, and
22 notices regarding the Confirmation Hearing, as set forth above. Should any mailing of Solicitation
23 Packages, Notice of Non-Voting Status, and Confirmation Hearing Notices be returned by the United
24 States Postal Service or courier, the Debtor and Verita need not resend those documents to the same
25 address(es). The Debtor and Verita are further relieved of any obligation to attempt to locate the correct
26 address and resend, before the Voting Deadline, the Solicitation Packages, Notice of Non-Voting Status,
27 and Confirmation Hearing Notices that are returned as undeliverable, unless and until the Debtor is
28

1 provided with accurate addresses for such persons. The Debtor's failure to ensure receipt by mail of
2 Solicitation Packages or any other materials related to voting or confirmation of the Plan by such persons
3 (a) shall not constitute inadequate notice of the Confirmation Hearing or Voting Deadline and (b) shall not
4 constitute a violation of Bankruptcy Rule 3017(d).

5 28. ~~29.~~ Service of the Confirmation Hearing Notice together in accordance with this Order is
6 hereby found to be adequate and reasonably calculated under the circumstances to comply with the due
7 process rights of all creditors and parties in interest, including without limitation, all Holders of Claims
8 that may be subject to the Third-Party Releases provided for under the Plan, and no other or further notice
9 of the Confirmation Hearing is necessary or shall be required.

10 Voting and Tabulation

11 29. ~~30.~~ To be counted as a vote to accept or reject the Plan, all Ballots must be properly
12 completed, signed, dated and returned by only one of the following return methods: (a) first-class mail
13 (whether in the return envelope provided with each Ballot or otherwise); (b) overnight courier; (c) hand
14 delivery; or (d) electronic, online transmission, through a customized online balloting portal (the "E-
15 Balloting Portal") on the Bankruptcy Case website maintained by Verita. Any parties entitled to vote on
16 the Plan may cast an electronic Ballot which allows the claimant to electronically sign and submit a Ballot
17 instantly by using the E-Balloting Portal. In order to be counted, Ballots must be **actually received** no
18 later than [•] [•], 2024 (the "Voting Deadline"). The Debtor may extend the Voting Deadline in its
19 discretion as to any individual Claim or Claims or as to all Claims.

20 30. ~~31.~~ Solely for purposes of voting to accept or reject the Plan and not for the purpose of the
21 allowance of, or distribution on account of, any Claim, and without prejudice to the rights of any party in
22 interest in any other context, each Holder of a Class 3, Class 6 or Class 8 Claim entitled to vote on the
23 Plan is entitled to vote the amount of such Claim as provided: (a) in a timely filed Proof of Claim or, if no
24 Proof of Claim was filed, the amount of such Claim as provided in, the Debtor's Schedules of Assets and
25 Liabilities (as amended, the "Schedules"), or (b) an agreement with the Debtor fixing the allowed amount
26 of such Claim for voting purposes, subject to the following exceptions and specific procedures:

- 27 a) if a Claim is deemed Allowed under the Plan, such Claim is Allowed for voting purposes
28 in the deemed Allowed amount set forth in the Plan;

[PROPOSED] ORDER APPROVING DISCLOSURE STATEMENT

-9-

- 1
- 2 b) if a Claim for which a Proof of Claim has been timely filed is contingent, unliquidated,
- 3 or disputed, and such Claim has not been Allowed, such Claim will be temporarily
- 4 Allowed, for voting purposes only, in the non-contingent and fully liquidated amount
- 5 listed on the Proof of Claim (disregarding any unliquidated or contingent amounts); and
- 6 if such filed Proof of Claim does not clearly and expressly state a non-contingent and
- 7 liquidated amount, then a vote on account of such Claim shall be counted as \$1, unless
- 8 such Claim is objected to as set forth in paragraph (f) below;
- 9
- 10 c) if a Claim has been estimated or otherwise Allowed for voting purposes by order of the
- 11 Court, such Claim is temporarily allowed in the amount so estimated or allowed by the
- 12 Court for voting purposes only, and not for purposes of allowance or distribution;
- 13
- 14 d) a Claim shall be disallowed for voting purposes if the Claim is listed in the Schedules as
- 15 contingent, unliquidated, or disputed and a Proof of Claim for such Claim was not (i)
- 16 filed by the applicable bar date for the filing of Proofs of Claim established by the Court
- 17 or (ii) deemed timely filed by an order of the Court before the Voting Deadline;
- 18
- 19 e) if a party has served an objection or request for estimation as to a Claim at least ten (10)
- 20 days before the Voting Deadline, such Claim is temporarily disallowed for voting
- 21 purposes only and not for purposes of allowance or distribution, except as ordered by the
- 22 Court before the Voting Deadline;
- 23
- 24 f) Proofs of Claim filed for \$0.00 or which do not specify a claim amount are not entitled
- 25 to vote, other than Claims in Class 4 or Class 5 which are treated as set forth below;
- 26
- 27 g) for purposes of voting, classification and treatment, under the Plan, each person that
- 28 holds or has filed more than one Claim shall be treated as if such person has only one
- Claim in each applicable Class in the amount of the total of the aggregated Claims of
- such entity in such Class;
- h) any person that filed or purchased duplicate Claims in the same Class shall be provided
- with only one Solicitation Package and one Ballot for voting a single Claim in such
- Class, regardless of whether the Debtor has objected to such duplicate Claims;
- i) if a Proof of Claim has been amended by a later Proof of Claim filed on before the Voting
- Record Date, the later filed amending Claim shall be entitled to vote in a manner consistent
- with these tabulation rules, and the earlier filed Claim shall be disallowed for voting
- purposes, regardless of whether the Debtor has objected to such amended Claim; and
- j) except as otherwise ordered by the Court, any amendments to a Proof of Claim after the
- Voting Record Date shall not be considered for purposes of these tabulation rules.

25 31. ~~32.~~ Solely for purposes of voting to accept or reject the Plan and not for the purpose of the

26 allowance of, or distribution on account of, any Claim, and without prejudice to the rights of any party in

27 interest in any other context, each Holder of a Class 4 Claim who has filed a Proof of Claim shall have

28

1 their Claim temporarily allowed in the Amount of \$1.00, notwithstanding the contingent, unliquidated,
2 and disputed nature of such Claim, or any objections that may be pending with respect to such Claim. The
3 foregoing general procedure will be subject to the following exceptions and specific procedures:

- 4 a) for purposes of voting, classification and treatment, under the Plan, each Holder of a Class
5 4 Claim that holds or has filed more than one Claim shall be treated as if they have only
6 one Class 4 Claim;
- 7 b) any Holder of a Class 4 Claim that filed or purchased duplicate Class 4 Claims shall be
8 provided with only one Solicitation Package and one Ballot for voting a single Class 4
9 Claim, regardless of whether any party in interest has objected to such duplicate Claims;
10 and
- 11 c) any Person scheduled as having a contingent, unliquidated or disputed Class 4 Claim who
12 has not filed a Proof of Claim shall have their claim disallowed for voting purposes
13 unless they file a Rule 3018 Motion in accordance with the procedures below.

14 32. ~~33.~~The Unknown Abuse Claims Representative shall be entitled to vote a single Class 5
15 Claim on behalf of Holders of Class 5 Claims, which shall be Allowed for voting purposes only in the
16 amount of \$1.00.

17 33. ~~34.~~The following procedures shall apply for tabulating votes:

- 18 a) Verita shall date-stamp all Ballots when received, with any Ballots received on the
19 Voting Deadline date *and* time-stamped;
- 20 b) any Ballot that is otherwise properly completed, executed, and timely returned but does
21 not indicate an acceptance or rejection of the Plan, or that indicates both an acceptance
22 and rejection of the Plan, will not be counted;
- 23 c) if a Creditor casts more than one Ballot voting the same Claim before the Voting
24 Deadline, the last dated, validly executed Ballot received before the Voting Deadline
25 shall be deemed to reflect the voter's intent and thus to supersede any prior Ballots;
- 26 d) Creditors must vote all of their Claims within a particular Class to either accept or reject
27 the Plan, and may not split their votes within the Voting Class and thus a Ballot (or group
28 of Ballots) within the Voting Class that partially accepts and partially rejects the Plan
shall be deemed to have voted to accept the Plan;
- e) notwithstanding anything contained herein to the contrary, the Debtor, in its discretion,
may waive any defects in a Ballot, or enter into a stipulation to settle or resolve any
dispute in relation thereto, with a Holder of a Claim that has completed a Ballot;
- f) notwithstanding anything contained herein to the contrary, Verita, with the Debtor's
consent, may contact entities entitled to vote to cure any defects in their Ballots;

1 provided, however, that Verita shall contact counsel of record for any such Holder of a
2 Class 4 Claim represented by counsel; and

- 3 g) except as otherwise provided in this Motion, for purposes of determining whether the
4 numerosity and Claim amount requirements of Sections 1126(c) and 1126(d) of the
5 Bankruptcy Code have been satisfied, Verita will tabulate only those Ballots received on
6 or before the Voting Deadline.

7 34. ~~35.~~ The following Ballots will not be counted or considered for any purpose in determining
8 whether the Plan has been accepted or rejected: (i) any Ballot received after the Voting Deadline unless the
9 Debtor, in writing, grants an extension of the Voting Deadline with respect to such Ballot; (ii) any Ballot
10 that is illegible or contains insufficient information to permit the identification of the voter; (iii) any Ballot
11 cast by a person or entity that does not hold a Claim in a Class entitled to vote to accept or reject the Plan;
12 (iv) any unsigned Ballot; and (v) any Ballot submitted by email, facsimile, or any other means of electronic
13 submission other than utilization of the E-Balloting Portal, unless the Debtor specifically consents in
14 writing to receipt of such Ballot by such means.

15 35. ~~36.~~ If any creditor seeks to challenge the allowance or disallowance of its Claim for voting
16 purposes in accordance with the above procedures, such creditor shall serve a motion for an order pursuant
17 to Bankruptcy Rule 3018(a) (a “Rule 3018 Motion”) temporarily allowing such Claim for purposes of
18 voting to accept or reject the Plan on or before the 10th day after the later of (i) service of the Confirmation
19 Hearing Notice, and (ii) service of notice of an objection or request for estimation, if any, as to such Claim.

20 36. ~~37.~~ Any Rule 3018 Motion shall (i) be made in writing, (ii) comply with the Bankruptcy
21 Code, the Bankruptcy Rules, and the Local Rules, (iii) set forth the name of the party asserting the Rule
22 3018 Motion, and (iv) state with particularity the legal and factual bases for the Rule 3018 Motion. In the
23 event a Rule 3018 Motion is filed, the Debtor shall provide such creditor with a provisional Ballot, to be
24 counted only in accordance with the terms of any order adjudicating such Rule 3018 Motion entered by the
25 Court prior to the Voting Deadline.

26 37. ~~38.~~ Upon the expiration of the Voting Deadline, the Debtor shall file a certification
27 provided by Verita in writing (the “Tabulation Certification”) of the amount and number (as applicable)
28 of Allowed Claims in the Voting Classes that voted to accept or reject the Plan. The Debtor shall file the

1 Tabulation Certification and copies of all voting ballots not later than three (3) days prior to the
2 Confirmation Hearing pursuant to Local Bankruptcy Rule 3020-1(a).

3 ##

4 Third-Party Release Procedures

5 38. ~~39.~~ The following procedures regarding the Third-Party Releases (as defined in the Plan)
6 are hereby approved:

7 ~~a) the Solicitation Package provided to each Holder of a Class 4 Claim and to the Unknown~~
8 ~~Claims Representative on behalf of all Holders of Class 5 Claims will include the Opt-~~
9 ~~Out Release Form;~~

10 a) ~~b)~~ any Holder of a Class 4 Claim or the Unknown Claims Representative on behalf of
11 Class 5 Claims may indicate that they do not consent to, and opt out of, the Third-Party
12 Releases by returning ~~a completed and signed Opt Out Release Form,~~ the appropriate
13 Class 4 or Class 5 Ballot with the box checked in Item 4 of each such Ballot to indicated
14 their opt out (such Ballot, an "Opt-Out Ballot"), (a) by first-class mail (whether in the
15 return envelope provided with each Ballot or otherwise); (b) by overnight courier; (c) by
16 hand delivery; or (d) via Verita's E-Balloting Portal (~~described below~~) so it is actually
17 received by Verita no later than the ~~date that is fourteen (14) days prior to the initial date~~
18 ~~set for the Confirmation Hearing (the "Release Opt-Out Voting Deadline")~~;

19 b) ~~e)~~ in order to be effective to opt out of the Third-Party Releases, an Opt-Out ~~Release~~
20 ~~Form~~ Ballot must be actually received no later than the ~~Release Opt-Out Voting~~ Deadline,
21 and ~~any Opt Out Release Form~~ the opt out election on any Ballot received after the
22 ~~Release Opt-Out Voting~~ Deadline shall be disregarded, and shall have no effect; and,

23 c) ~~d)~~ any Holder of a Class 4 Claim, or the Unknown Claims Representative on behalf of
24 all Holders of Class 5 Claims, who ~~is provided an Opt Out Release Form~~ returns a Ballot
25 and does not affirmatively opt out of the Third Party Releases as provided in paragraph
26 ~~ba)~~ above or by filing a timely objection to the Plan indicating that they are withholding
27 their consent to the releases and injunctions provided for in the Plan, will be deemed to
28 have consented to the Third-Party Releases.

29 Other Matters

30 39. ~~40.~~ The Debtor and Verita are authorized and empowered to take such steps, expend such
31 monies, and perform such acts as may be necessary to implement and effectuate the terms of this Order.

32 40. ~~41.~~ The terms and conditions of this Order shall be immediately effective and enforceable
33 upon its entry.

34 41. ~~42.~~ This Court retains jurisdiction over any and all matters arising out of or related to the
35 interpretation or implementation of this Order.

*** END OF ORDER ***

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[PROPOSED] ORDER APPROVING DISCLOSURE STATEMENT

-14-

COURT SERVICE LIST

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[PROPOSED] ORDER APPROVING DISCLOSURE STATEMENT

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Summary report:	
Litera Compare for Word 11.7.0.54 Document comparison done on 1/3/2025 3:56:26 PM	
Style name: Color	
Intelligent Table Comparison: Active	
Original DMS: nd://4870-1448-1142/1/RCBO - Ex 1 Proposed Order on Motion to Approve Disclosure Statement.docx	
Modified DMS: nd://4908-3156-0972/1/RCBO - Revised Proposed Order on Motion to Approve Disclosure Statement_1-3-2025.docx	
Changes:	
<u>Add</u>	88
Delete	89
Move From	4
<u>Move To</u>	4
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	185

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Exhibit E

Form of Ballot for Class 4 (Abuse Claims)

1 UNITED STATES BANKRUPTCY COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 OAKLAND DIVISION

4 In re:

5 THE ROMAN CATHOLIC BISHOP OF
6 OAKLAND, a California corporation sole,
7 Debtor.

Case No. 23-40523 WJL

Chapter 11

8 **BALLOT FOR ACCEPTING OR REJECTING THE DEBTOR'S PLAN OF**
9 **REORGANIZATION**

10 ***CLASS 4– Abuse Claims***

11 **THE VOTING DEADLINE TO ACCEPT OR REJECT**
12 **THE PLAN IS 5:00 P.M., PREVAILING PACIFIC TIME,**
13 **ON [•] [•], 2025 (the “Voting Deadline”)**

14 This ballot (the “Ballot”) is provided to you to solicit your vote to accept or reject the *Debtor’s*
15 *Plan of Reorganization for The Roman Catholic Bishop of Oakland* dated and filed on November 8,
16 2024 (as may be amended from time to time, the “Plan”), for the Roman Catholic Bishop of Oakland
17 (the “Debtor”), in the above-captioned Chapter 11 Case.¹

18 **Please use this Ballot to cast your vote to accept or reject the Plan if you are, as of [•]**
19 **[•], 2024 (the “Voting Record Date”), a holder of a Claim against the Debtor based on sexual**
20 **abuse that arose before the May 8, 2023, filing of the Debtor’s Bankruptcy Case.**

21 In addition, the Plan provides that if the Plan is confirmed, certain release, injunction,
22 exculpation and discharge provisions set forth in Article XIII of the Plan will become effective as of the
23 Effective Date of the Plan. **These include the “Releases by Holders of Abuse Claims” set forth in**
24 **Section 13.9 of the Plan, and in Schedule 1 attached hereto (the “Third Party Release”). The**
25 **Third-Party Release provides for release by consenting claimants of claims against certain non-**
26 **debtor affiliates of the Debtor, including the Roman Catholic Welfare Corporation.**

27 In accordance with the terms of the Plan, **by casting this Ballot to vote either to accept or**
28 **reject the Plan you will be deemed to grant the Third Party Release unless you “opt out” of the**
Third Party Release by checking the box in Item 4 below.

The Bankruptcy Court has approved a *Disclosure Statement for Debtor’s Plan of Reorganization*
filed on November 8, 2024 (the “Disclosure Statement”) with respect to the Plan. A copy of the
Disclosure Statement, along with the Plan, was included in the package of materials you received with
this Ballot (the “Solicitation Package”). The Disclosure Statement provides information to assist you in
deciding how to vote on the Plan. If you do not have the Solicitation Package, you may obtain a copy
free of charge from the website for the Chapter 11 Case at <https://veritaglobal.net/rcbo>. Copies of the

¹ Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Plan.
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of 8

1 Disclosure Statement and Plan will also be on file with the Office of the Clerk of the Court for review
2 during normal business hours (a fee may be charged).

3 **You should review the Disclosure Statement and the Plan in their entirety before you vote.**
4 **You may wish to seek independent legal advice concerning the Plan and the classification and**
5 **treatment of your Claim under the Plan. Your claim has been placed in Class 4 (Abuse Claims)**
6 **under the Plan. If you hold claims in more than one class under the Plan, you will receive a Ballot**
7 **for each class in which you are entitled to vote.**

8 The Bankruptcy Court's approval of the Disclosure Statement does not indicate its approval of
9 the Plan. The Plan will be confirmed by the Bankruptcy Court and thereby made binding on you only if
10 the Plan (i) is accepted by the holders of at least two-thirds in amount and more than one-half in number
11 of the Claims in each impaired Class of Claims that vote on the Plan, and (ii) otherwise satisfies the
12 applicable requirements of section 1129(a) of the Bankruptcy Code. If the requisite acceptances are not
13 obtained, the Bankruptcy Court nonetheless may confirm the Plan if it finds the Plan (i) provides fair and
14 equitable treatment to, and does not unfairly discriminate against, the Class or Classes rejecting the Plan
15 and (ii) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code.

16 **If your Ballot is not received on or before [•] [•], 2025 at 5:00 P.M. (PT) and such**
17 **deadline is not extended, your vote will not count as either an acceptance or rejection of the Plan.**
18 **To have your vote counted, please complete, sign, and date this ballot and return it so that it is**
19 **received no later than the Voting Deadline, as follows:**

20 **SUBMISSION BY MAIL, OVERNIGHT, OR PERSONAL DELIVERY**

21 **YOUR BALLOT MUST BE SENT *VIA* FIRST CLASS MAIL (IN THE ENCLOSED**
22 **ENVELOPE)**
23 **OR *VIA* OVERNIGHT COURIER OR PERSONAL DELIVERY TO:**

24 **The Roman Catholic Bishop of Oakland**
25 **Ballot Processing c/o Verita**
26 **222 N. Pacific Coast Highway, 3rd Floor**
27 **El Segundo, CA 90245**

28 **OR**

ELECTRONIC ONLINE SUBMISSION

Alternatively, parties may submit a Ballot via electronic online transmission solely through the
customized online balloting portal (the "E-Balloting Portal") on the Debtors' case website,
<https://veritaglobal.net/rcbo> clicking on the "E-Ballot" link on or before the Voting
Deadline. Parties submitting a Ballot via the E-Balloting Portal must not submit a paper
ballot.

IMPORTANT NOTE: You will need the following information to retrieve and submit your
customized E-Ballot:

Unique E-Ballot ID#: _____

1
2 PLEASE READ THE ATTACHED VOTING INFORMATION AND INSTRUCTIONS BEFORE
3 COMPLETING THIS BALLOT.

4 PLEASE COMPLETE ALL APPLICABLE ITEMS BELOW. PLEASE REVIEW THE
5 ACKNOWLEDGEMENT CONTAINED IN ITEM 3 AND FILL IN ALL OF THE
6 INFORMATION REQUESTED. IF THIS BALLOT IS NOT SIGNED ON THE APPROPRIATE
7 LINES BELOW, THIS BALLOT WILL NOT BE VALID OR COUNTED AS HAVING BEEN
8 CAST.

9 **PLEASE COMPLETE THE FOLLOWING:**

10 **Item 1. Certification of Claim.** For purposes of voting to accept or reject the Joint Plan, the undersigned
11 certifies that as of the Voting Record Date, the undersigned holds a Claim in Class 4 (Abuse Claims)
12 against the Debtor.

13 **Item 2. Vote to Accept or Reject the Plan.** Please vote below either to accept or to reject the Plan with
14 respect to your Claim in Class 4. Any Ballot not marked either to accept or reject the Plan, or marked both
15 to accept and to reject the Plan, shall not be counted in determining acceptance or rejection of the Plan.
16 The undersigned, the holder of Claim in Class 4 (Abuse Claims) set forth in Item 1, votes as follows
17 (check *only* one box below):

18 ACCEPTS THE PLAN

19 REJECTS THE PLAN

20 **Item 3. Election Regarding Immediate Payment.** Under section 9.7 of the Plan, Holders of Class 4
21 Claims (also called Abuse Claims) have the option of electing to receive an Immediate Payment (as
22 defined in section 1.1.65 of the Plan) within 30 days of the Effective Date in the amount of \$50,000. If
23 you elect to receive an Immediate Payment, all recovery on your Abuse Claim is limited to the Immediate
24 Payment, and you will not be able to seek any additional recovery on account of the Abuse Claim from
25 any other party, including Non-Settling Insurers. Correspondingly, if you elect the Immediate Payment,
26 your Abuse Claim will not be scored or subject to Claim objections.

27 If you wish to elect to receive the Immediate Payment, you may do so by checking the box below.
28 Alternatively, you may elect to receive the Immediate Payment at any time prior to the Effective Date of
the Plan. **Before making the election below, you should carefully read Sections I.C. and VII.F of the
Disclosure Statement.** If you do not make an election prior to the Effective Date of the Plan, you will be
considered to have not elected the Immediate Payment, and will be paid as a Trust Claimant.

The undersigned, the holder of the Claim in Class 4 (Abuse Claims) set forth in Item 1, elects as follows
(check *only* one box below):

I elect to receive an Immediate Payment as the sole distribution I will receive under
the Plan.

I DO NOT elect to receive an Immediate Payment.

1 **Item 4. Opt-Out of Third-Party Releases.** The checkbox below is for purposes of indicating
2 whether you decline to grant the Third-Party Releases as provided in Section 13.9 of the Plan, and
3 described in Article II and Article III.F., III.G., and III.I. of the Disclosure Statement. **If you do not wish
to grant the releases in Section 13.9 of the Plan, then you need to check the box below.**

4 By checking this box, the undersigned Holder of a Claim in Class 4 (Abuse Claims):

5 Elects **not** to grant the Third Party Release contained in Section 13.9 of the Plan.

6
7 **YOU MUST AFFIRMATIVELY CHECK THE BOX ABOVE IN ORDER TO OPT-OUT OF THE
THIRD PARTY RELEASE. If you return this Ballot without checking the box to opt-out, you will
8 be deemed to consent to the Third-Party Release.**

9 As set forth in the Plan and Disclosure Statement, the contribution of up to \$14.25 million by The
10 Roman Catholic Welfare Corporation (“RCWC”) to the Survivors’ Trust will be reduced depending on
11 the number of Abuse Claimants that opt out of releasing claims against RCWC through the Third-Party
12 Release. **Opting out of the Third-Party Release may therefore reduce the amount available for
distribution to Abuse Claimants.** More information on the RCWC contribution is provided in the
Disclosure Statement.

13 Please also be advised that the debtor release contained in section 13.8 of the plan is separate from and
14 independent of the third party release. If you object to the debtor release, you must file a separate objection
with the bankruptcy court in accordance with the procedures described in the disclosure statement order.

15 **Item 5. Acknowledgments.** By signing this Ballot, the undersigned acknowledges receipt of a
16 copy of the Disclosure Statement, the Plan, and the other applicable solicitation materials, and
17 acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein.
18 The undersigned claimant certifies that as of the Voting Record Date he or she is the holder of the Claim
identified in Item 1 above (or is the authorized signatory of such holder). The undersigned understands
that an otherwise properly completed, executed, and returned Ballot failing to indicate either acceptance
or rejection of the Plan, or indicating both acceptance and rejection of the Plan, will not be counted.

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20 _____
Print Name of Creditor

21 _____
Signature

22 _____
Name and Title of Signatory (if different than creditor)

23 _____
Street Address

24 _____
E-mail Address

25 _____
Telephone Number

26 _____
Date Completed

1 **VOTING INFORMATION AND INSTRUCTIONS FOR COMPLETING THE BALLOT**

- 2 1. The Debtor mailed this Ballot to you for the purpose of soliciting your vote to accept or reject the Plan.
3 The terms of the Plan are described in the Disclosure Statement, including all exhibits thereto.
4 **PLEASE READ THE PLAN AND DISCLOSURE STATEMENT CAREFULLY BEFORE**
5 **COMPLETING THE BALLOT.**
- 6 2. Item 1. Confirm that Item 1 is correct.
- 7 3. Item 2. In one of the boxes provided in Item 2 of the Ballot, please indicate acceptance or rejection of
8 the Plan (not both). If you hold multiple claims in Class 4, the Debtor will aggregate those claims for
9 voting purposes as one (1) claim. You must vote your entire Class 4 Claim to accept or reject the Plan.
10 You may not split your vote.
- 11 4. Item 3. Indicate whether you wish to elect the Immediate Payment by checking the appropriate box.
- 12 5. Item 4. Review the information provided and indicate whether you opt out of providing the releases
13 in Section 13.9 of the Plan by returning the accompanying Opt-Out Release Form.
- 14 6. Item 5. Review the certifications and acknowledgements in Item 5. Complete the Ballot by providing
15 all the information requested in Item 5.
- 16 7. **SIGN THE BALLOT.**
- 17 8. The Debtor will not count any executed ballot received that either (a) does not indicate either an
18 acceptance or rejection of the plan, or (b) that indicates both an acceptance and rejection of the Plan.
- 19 9. **BALLOTS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE COUNTED.**
- 20 10. If you are completing this Ballot on behalf of another person or entity, indicate your relationship with
21 such person or entity and the capacity in which you are signing and, if requested, submit satisfactory
22 evidence of your authority to do so (e.g., a power of attorney).
- 23 11. The Ballot does not constitute and shall not be deemed a Proof of Claim or an assertion of a Claim.
- 24 12. In the event that (i) the Debtor revokes or withdraws the Plan, or (ii) the Confirmation Order is not
25 entered or the Effective Date of the Plan does not occur, this Ballot shall automatically be null and
26 void and deemed withdrawn without any requirement of affirmative action by or notice to you.

27 **IF YOU (1) HAVE ANY QUESTIONS REGARDING THIS BALLOT, (2) DID NOT RECEIVE A**
28 **RETURN ENVELOPE, (3) DID NOT RECEIVE A COPY OF THE DISCLOSURE STATEMENT**
OR PLAN, OR (4) NEED ADDITIONAL COPIES OF THE BALLOT OR OTHER ENCLOSED
MATERIAL, PLEASE CONTACT VERITA, THE DEBTORS CLAIMS AND VOTING AGENT
AT (888)-733-1425 (U.S./CANADA) OR (310)-751-2631 (INTERNATIONAL), OR EMAIL
RCBOINFO@VERITAGLOBAL.COM. VERITA IS NOT AUTHORIZED TO, AND WILL NOT,
PROVIDE LEGAL ADVICE.

PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT.

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Schedule 1 to Class 4 Ballot: Third-Party Release From Plan

Releases by Holders of Abuse Claims. As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce the Plan and the Confirmation Order, pursuant to Section 1123(b) of the Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed, including the service of the Released Parties to facilitate and implement the reorganization of the Debtor, as an integral component of the Plan, and except as otherwise expressly provided in the Plan or the Confirmation Order, to the maximum extent permitted under applicable law, as such law may be extended subsequent to the Effective Date, all Holders of Abuse Claims (including without limitation Unknown Abuse Claims and any Abuse Claims that are Disputed Claims) that have not affirmatively opted out of the Releases pursuant to Section 6.2 of the Plan, shall, and shall be deemed to, expressly, conclusively, absolutely, unconditionally, irrevocably, and forever discharge and release each and all of the Released Parties and their respective property and successors and assigns of and from all Abuse Claims and any and all Claims and Causes of Action whatsoever, whether known or unknown, asserted or unasserted, derivative or direct, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, whether for tort, fraud, contract, veil piercing or alter-ego theories of liability, successor liability, contribution, indemnification, joint liability, or otherwise, arising from or related in any way to such Abuse Claims.

Injunction Related to Releases. As of the Effective Date, all Holders of Claims that are the subject of Section 13.9 of the Plan are, and shall be, expressly, conclusively, absolutely, unconditionally, irrevocably, and forever stayed, restrained, prohibited, barred and enjoined from taking any of the following actions against any Released Party or its property or successors or assigns on account of or based on the subject matter of such Claims, whether directly or indirectly, derivatively or otherwise: (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding (including any judicial, arbitral, administrative or other proceeding) in any forum; (b) enforcing, attaching (including, without limitation, any prejudgment attachment), collecting, or in any way seeking to recover any judgment, award, decree,

1 or other order; (c) creating, perfecting or in any way enforcing in any matter, directly or indirectly,
2 any lien or encumbrance; and/or (d) setting off, seeking reimbursement or contributions from, or
3 subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount against
4 any liability or obligation that is discharged under Section 13.3 of the Plan or released under Section
5 13.9 of the Plan.

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Exhibit F

Form of Ballot for Class 5 (Unknown Abuse Claims)

1 UNITED STATES BANKRUPTCY COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 OAKLAND DIVISION

4 In re:

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

7 Debtor.

Case No. 23-40523 WJL

Chapter 11

8 **BALLOT FOR ACCEPTING OR REJECTING THE DEBTOR'S PLAN OF**
9 **REORGANIZATION**

10 ***CLASS 5 – Unknown Abuse Claims***

11 **THE VOTING DEADLINE TO ACCEPT OR REJECT**
12 **THE PLAN IS 5:00 P.M., PREVAILING PACIFIC TIME,**
13 **ON [•] [•], 2025 (the “Voting Deadline”)**

14 This ballot (the “Ballot”) is provided to you to solicit your vote to accept or reject the *Chapter 11 Plan of Reorganization for The Roman Catholic Bishop of Oakland* dated November 8, 2024 (as may be amended from time to time, the “Plan”), for the Roman Catholic Bishop of Oakland (the “Debtor”), in the above-captioned Bankruptcy Case.¹

15 **Please use this Ballot to cast your vote to accept or reject the Plan on behalf of Holders of**
16 **Unknown Abuse Claims (as defined in the Plan) against the Debtor based on sexual abuse that**
17 **arose before the May 8, 2023, filing of the Debtor’s Bankruptcy Case.**

18 In addition, the Plan provides that if the Plan is confirmed, certain release, injunction,
19 exculpation and discharge provisions set forth in Article XIII of the Plan will become effective as of the
20 Effective Date of the Plan. **These include the “Releases by Holders of Abuse Claims” set forth in**
21 **Section 13.9 of the Plan, and in Schedule 1 attached hereto (the “Third Party Release”). The**
22 **Third-Party Release provides for release by consenting claimants of claims against certain non-**
23 **debtor affiliates of the Debtor, including the Roman Catholic Welfare Corporation.**

24 In accordance with the terms of the Plan, **by casting this Ballot to vote either to accept or**
25 **reject the Plan you will be deemed to grant the Third Party Release unless you “opt out” of the**
26 **Third Party Release by checking the box in Item 3 below.**

27 The Bankruptcy Court has approved a *Disclosure Statement for Debtor’s Plan of Reorganization*
28 filed on November 8, 2024 (the “Disclosure Statement”) with respect to the Plan. A copy of the
Disclosure Statement, along with the Plan, was included in the package of materials you received with
this Ballot (the “Solicitation Package”). The Disclosure Statement provides information to assist you in
deciding how to vote on the Plan. If you do not have the Solicitation Package, you may obtain a copy
free of charge from the website for the Chapter 11 Case at <https://veritaglobal.net/rcbo>. Copies of the

¹ Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Plan.
Case: 23-40523 Doc# 1596-6 Filed: 01/03/25 Entered: 01/03/25 17:43:17 Page 2
of 8

1 Disclosure Statement and Plan will also be on file with the Office of the Clerk of the Court for review
2 during normal business hours (a fee may be charged).

3 **You should review the Disclosure Statement and the Plan in their entirety before you vote.**
4 **You may wish to seek independent legal advice concerning the Plan and the classification and
5 treatment of the Unknown Abuse Claims under the Plan.**

6 The Bankruptcy Court's approval of the Disclosure Statement does not indicate its approval of
7 the Plan. The Plan will be confirmed by the Bankruptcy Court and thereby made binding on you only if
8 the Plan (i) is accepted by the holders of at least two-thirds in amount and more than one-half in number
9 of the Claims in each impaired Class of Claims that vote on the Plan, and (ii) otherwise satisfies the
10 applicable requirements of section 1129(a) of the Bankruptcy Code. If the requisite acceptances are not
11 obtained, the Bankruptcy Court nonetheless may confirm the Plan if it finds the Plan (i) provides fair and
12 equitable treatment to, and does not unfairly discriminate against, the Class or Classes rejecting the Plan
13 and (ii) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code.

14 **If your Ballot is not received on or before [•] [•], 2025 at 5:00 P.M. (PT) and such
15 deadline is not extended, your vote will not count as either an acceptance or rejection of the Plan.
16 To have your vote counted, please complete, sign, and date this ballot and return it so that it is
17 received no later than the Voting Deadline, as follows:**

18 **SUBMISSION BY MAIL, OVERNIGHT, OR PERSONAL DELIVERY**

19 **YOUR BALLOT MUST BE SENT *VIA* FIRST CLASS MAIL (IN THE ENCLOSED
20 ENVELOPE)
21 OR *VIA* OVERNIGHT COURIER OR PERSONAL DELIVERY TO:**

22 **The Roman Catholic Bishop of Oakland
23 Ballot Processing c/o Verita
24 222 N. Pacific Coast Highway, 3rd Floor
25 El Segundo, CA 90245**

26 **OR**

27 **ELECTRONIC ONLINE SUBMISSION**

28 **Alternatively, parties may submit a Ballot via electronic online transmission solely through the
customized online balloting portal (the "E-Balloting Portal") on the Debtors' case website,
<https://veritaglobal.net/rcbo> clicking on the "E-Ballot" link on or before the Voting
Deadline. Parties submitting a Ballot via the E-Balloting Portal must not submit a paper
ballot.**

**IMPORTANT NOTE: You will need the following information to retrieve and submit your
customized E-Ballot:**

Unique E-Ballot ID#:

1
2 PLEASE READ THE ATTACHED VOTING INFORMATION AND INSTRUCTIONS BEFORE
3 COMPLETING THIS BALLOT.

4 PLEASE COMPLETE ALL APPLICABLE ITEMS BELOW. PLEASE REVIEW THE
5 ACKNOWLEDGEMENT CONTAINED IN ITEM 3 AND FILL IN ALL OF THE
6 INFORMATION REQUESTED. IF THIS BALLOT IS NOT SIGNED ON THE APPROPRIATE
7 LINES BELOW, THIS BALLOT WILL NOT BE VALID OR COUNTED AS HAVING BEEN
8 CAST.

9 **PLEASE COMPLETE THE FOLLOWING:**

10 **Item 1. Certification of Claim.** For purposes of voting to accept or reject the Joint Plan, the undersigned
11 certifies that as of the Voting Record Date, the undersigned is the duly appointed Unknown Abuse Claims
12 Representative in this Bankruptcy Case for holders Claim in Class 5 (Unknown Abuse Claims) against
13 the Debtor. For voting purposes only, you will vote a single Class 5 Claim valued at \$1.00. This amount
14 shall have no effect on the amount of any distribution a Class 5 Claim may receive and is solely for
15 purposes tabulating votes.

16 **Item 2. Vote to Accept or Reject the Plan.** Please vote below either to accept or to reject the Plan with
17 respect to the Class 5 Claims. Any Ballot not marked either to accept or reject the Plan, or marked both to
18 accept and to reject the Plan, shall not be counted in determining acceptance or rejection of the Plan. The
19 undersigned, the Unknown Abuse Claims Representative on behalf of Class 5 Unknown Abuse Claims
20 votes as follows (check *only* one box below):

21 ACCEPTS THE PLAN

22 REJECTS THE PLAN

23 **Item 3. Opt-Out of Third-Party Releases.** The checkbox below is for purposes of indicating
24 whether you decline on behalf of the Holders of Unknown Abuse Claims to grant the Third-Party Releases
25 as provided in Section 13.9 of the Plan, and described in Article II and Article III.F., III.G., and III.I. of
26 the Disclosure Statement. **If you do not wish to grant the releases in Section 13.9 of the Plan, then you
27 need to check the box below.**

28 By checking this box, the undersigned Unknown Abuse Claims Representative:

Elects **not** to grant the Third Party Release contained in Section 13.9 of the Plan.

**YOU MUST AFFIRMATIVELY CHECK THE BOX ABOVE IN ORDER TO OPT-OUT OF THE
THIRD PARTY RELEASE. If you return this Ballot without checking the box to opt-out, Holders
of Unknown Abuse Claims will be deemed to consent to the Third-Party Release.**

As set forth in the Plan and Disclosure Statement, the contribution of up to \$14.25 million by The
Roman Catholic Welfare Corporation (“RCWC”) to the Survivors’ Trust will be reduced depending on
the number of Abuse Claimants that opt out of releasing claims against RCWC through the Third-Party
Release. **Opting out of the Third-Party Release may therefore reduce the amount available for
distribution to Abuse Claimants.** More information on the RCWC contribution is provided in the
Disclosure Statement.

1 **Item 4. Acknowledgments.** By signing this Ballot, the undersigned acknowledges receipt of a
2 copy of the Disclosure Statement, the Plan, and the other applicable solicitation materials, and
3 acknowledges that the solicitation is being made pursuant to the terms and conditions set forth herein. The
4 undersigned claimant certifies that as of the Voting Record Date he or she is the duly appointed Unknown
5 Abuse Claims Representative. The undersigned understands that an otherwise properly completed,
6 executed, and timely returned Ballot failing to indicate either acceptance or rejection of the Plan, or
7 indicating both acceptance and rejection of the Plan, will not be counted.

8 _____
9 Print Name of Creditor

10 _____
11 Signature

12 _____
13 Name and Title of Signatory (if different than creditor)

14 _____
15 Street Address

16 _____
17 E-mail Address

18 _____
19 Telephone Number

20 _____
21 Date Completed

1 **VOTING INFORMATION AND INSTRUCTIONS FOR COMPLETING THE BALLOT**

- 2 1. The Debtor mailed this Ballot to you for the purpose of soliciting your vote to accept or reject the Plan.
3 The terms of the Plan are described in the Disclosure Statement, including all exhibits thereto.
4 **PLEASE READ THE PLAN AND DISCLOSURE STATEMENT CAREFULLY BEFORE**
5 **COMPLETING THE BALLOT.**
- 6 2. Item 1. Confirm that the information in Item 1 of the Ballot is correct.
- 7 3. Item 2. In one of the boxes provided in Item 2 of the Ballot, please indicate acceptance or rejection of
8 the Plan (not both).
- 9 4. Item 3. Indicate whether you wish to elect the Immediate Payment by checking the appropriate box.
- 10 5. Item 4. Review the information provided and indicate whether you opt out of providing the releases
11 in Section 13.9 of the Plan by returning the accompanying Opt-Out Release Form.
- 12 6. Item 5. Review the certifications and acknowledgements in Item 5. Complete the Ballot by providing
13 all the information requested in Item 5.
- 14 7. **SIGN THE BALLOT.**
- 15 8. The Debtor will not count any executed ballot received that either (a) does not indicate either an
16 acceptance or rejection of the plan, or (b) that indicates both an acceptance and rejection of the Plan.
- 17 9. **BALLOTS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE COUNTED.**
- 18 10. If you are completing this Ballot on behalf of another person or entity, indicate your relationship with
19 such person or entity and the capacity in which you are signing.
- 20 11. The Ballot does not constitute and shall not be deemed a Proof of Claim or an assertion of a Claim.
- 21 12. In the event that (i) the Debtor revokes or withdraws the Plan, or (ii) the Confirmation Order is not
22 entered or the Effective Date of the Plan does not occur, this Ballot shall automatically be null and
23 void and deemed withdrawn without any requirement of affirmative action by or notice to you.

24 **IF YOU (1) HAVE ANY QUESTIONS REGARDING THIS BALLOT, (2) DID NOT RECEIVE A**
25 **RETURN ENVELOPE, (3) DID NOT RECEIVE A COPY OF THE DISCLOSURE STATEMENT**
26 **OR PLAN, OR (4) NEED ADDITIONAL COPIES OF THE BALLOT OR OTHER ENCLOSED**
27 **MATERIAL, PLEASE CONTACT VERITA, THE DEBTORS CLAIMS AND VOTING AGENT**
28 **AT (888)-733-1425 (U.S./CANADA) OR (310)-751-2631 (INTERNATIONAL), OR EMAIL**
RCBOINFO@VERITAGLOBAL.COM. VERITA IS NOT AUTHORIZED TO, AND WILL NOT,
PROVIDE LEGAL ADVICE.

PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT.

1 Schedule 1 to Class 5 Ballot: Third-Party Release From Plan

2

3 *Releases by Holders of Abuse Claims.* As of the Effective Date, except for the rights that

4 remain in effect from and after the Effective Date to enforce the Plan and the Confirmation Order,

5 pursuant to Section 1123(b) of the Bankruptcy Code, for good and valuable consideration, the

6 adequacy of which is hereby confirmed, including the service of the Released Parties to facilitate and

7 implement the reorganization of the Debtor, as an integral component of the Plan, and except as

8 otherwise expressly provided in the Plan or the Confirmation Order, to the maximum extent permitted

9 under applicable law, as such law may be extended subsequent to the Effective Date, all Holders of

10 Abuse Claims (including without limitation Unknown Abuse Claims and any Abuse Claims that are

11 Disputed Claims) that have not affirmatively opted out of the Releases pursuant to Section 6.2 of the

12 Plan, shall, and shall be deemed to, expressly, conclusively, absolutely, unconditionally, irrevocably,

13 and forever discharge and release each and all of the Released Parties and their respective property

14 and successors and assigns of and from all Abuse Claims and any and all Claims and Causes of

15 Action whatsoever, whether known or unknown, asserted or unasserted, derivative or direct,

16 foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, whether for tort,

17 fraud, contract, veil piercing or alter-ego theories of liability, successor liability, contribution,

18 indemnification, joint liability, or otherwise, arising from or related in any way to such Abuse

19 Claims.

20 *Injunction Related to Releases.* As of the Effective Date, all Holders of Claims that are the

21 subject of Section 13.9 of the Plan are, and shall be, expressly, conclusively, absolutely,

22 unconditionally, irrevocably, and forever stayed, restrained, prohibited, barred and enjoined from

23 taking any of the following actions against any Released Party or its property or successors or assigns

24 on account of or based on the subject matter of such Claims, whether directly or indirectly,

25 derivatively or otherwise: (a) commencing, conducting or continuing in any manner, directly or

26 indirectly, any suit, action or other proceeding (including any judicial, arbitral, administrative or

27 other proceeding) in any forum; (b) enforcing, attaching (including, without limitation, any

28 prejudgment attachment), collecting, or in any way seeking to recover any judgment, award, decree,

or other order; (c) creating, perfecting or in any way enforcing in any matter, directly or indirectly,

1 any lien or encumbrance; and/or (d) setting off, seeking reimbursement or contributions from, or
2 subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount against
3 any liability or obligation that is discharged under Section 13.3 of the Plan or released under Section
4 13.9 of the Plan.

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EXHIBIT G

Redline of Revised Form of Ballot for Class 4 vs. Original Form of Class 4 Ballot

1 UNITED STATES BANKRUPTCY COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 OAKLAND DIVISION

4 In re:

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

7 Debtor.

Case No. 23-40523 WJL

Chapter 11

8 **BALLOT FOR ACCEPTING OR REJECTING THE DEBTOR'S PLAN OF**
9 **REORGANIZATION**

10 *CLASS 4- Abuse Claims*

11 **THE VOTING DEADLINE TO ACCEPT OR REJECT**
12 **THE PLAN IS 5:00 P.M., PREVAILING PACIFIC TIME,**
13 **ON [•] [•], 2025 (the "Voting Deadline")**

14 This ballot (the "Ballot") is provided to you to solicit your vote to accept or reject the *Debtor's*
15 *Plan of Reorganization for The Roman Catholic Bishop of Oakland* dated and filed on November 8,
16 2024 (as may be amended from time to time, the "Plan"), for the Roman Catholic Bishop of Oakland
17 (the "Debtor"), in the above-captioned Chapter 11 Case.¹

18 Please use this Ballot to cast your vote to accept or reject the Plan if you are, as of [•]
19 [•], 2024 (the "Voting Record Date"), a holder of a Claim against the Debtor based on sexual
20 abuse that arose before the May 8, 2023, filing of the Debtor's Bankruptcy Case.

21 In addition, the Plan provides that if the Plan is confirmed, certain release, injunction,
22 exculpation and discharge provisions set forth in Article XIII of the Plan will become effective as of the
23 Effective Date of the Plan. These include the "Releases by Holders of Abuse Claims" set forth in
24 Section 13.9 of the Plan, and in Schedule 1 attached hereto (the "Third Party Release"). The
25 Third-Party Release provides for release by consenting claimants of claims against certain non-
26 debtor affiliates of the Debtor, including the Roman Catholic Welfare Corporation.

27 In accordance with the terms of the Plan, by casting this Ballot to vote either to accept or
28 reject the Plan you will be deemed to grant the Third Party Release unless you "opt out" of the
Third Party Release by checking the box in Item 4 below.

The Bankruptcy Court has approved a *Disclosure Statement for Debtor's Plan of Reorganization*
filed on November 8, 2024 (the "Disclosure Statement") with respect to the Plan. A copy of the
Disclosure Statement, along with the Plan, was included in the package of materials you received with
this Ballot (the "Solicitation Package"). The Disclosure Statement provides information to assist you in
deciding how to vote on the Plan. If you do not have the Solicitation Package, you may obtain a copy
free of charge from the website for the Chapter 11 Case at <https://veritaglobal.net/rcbo>. Copies of the

¹ Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Plan.

1 Disclosure Statement and Plan will also be on file with the Office of the Clerk of the Court for review
2 during normal business hours (a fee may be charged).

3 **You should review the Disclosure Statement and the Plan in their entirety before you vote.**
4 **You may wish to seek independent legal advice concerning the Plan and the classification and**
5 **treatment of your Claim under the Plan. Your claim has been placed in Class 4 (Abuse Claims)**
6 **under the Plan. If you hold claims in more than one class under the Plan, you will receive a Ballot**
7 **for each class in which you are entitled to vote.**

8 The Bankruptcy Court's approval of the Disclosure Statement does not indicate its approval of
9 the Plan. The Plan will be confirmed by the Bankruptcy Court and thereby made binding on you only if
10 the Plan (i) is accepted by the holders of at least two-thirds in amount and more than one-half in number
11 of the Claims in each impaired Class of Claims that vote on the Plan, and (ii) otherwise satisfies the
12 applicable requirements of section 1129(a) of the Bankruptcy Code. If the requisite acceptances are not
13 obtained, the Bankruptcy Court nonetheless may confirm the Plan if it finds the Plan (i) provides fair and
14 equitable treatment to, and does not unfairly discriminate against, the Class or Classes rejecting the Plan
15 and (ii) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code.

16 **If your Ballot is not received on or before [•] [•], 2025 at 5:00 P.M. (PT) and such**
17 **deadline is not extended, your vote will not count as either an acceptance or rejection of the Plan.**
18 **To have your vote counted, please complete, sign, and date this ballot and return it so that it is**
19 **received no later than the Voting Deadline, as follows:**

20 **SUBMISSION BY MAIL, OVERNIGHT, OR PERSONAL DELIVERY**

21 **YOUR BALLOT MUST BE SENT VIA FIRST CLASS MAIL (IN THE ENCLOSED**
22 **ENVELOPE)**
23 **OR VIA OVERNIGHT COURIER OR PERSONAL DELIVERY TO:**

24 **The Roman Catholic Bishop of Oakland**
25 **Ballot Processing c/o Verita**
26 **222 N. Pacific Coast Highway, 3rd Floor**
27 **El Segundo, CA 90245**

28 **OR**

ELECTRONIC ONLINE SUBMISSION

Alternatively, parties may submit a Ballot via electronic online transmission solely through the
customized online balloting portal (the “E-Balloting Portal”) on the Debtors’ case website,
<https://veritaglobal.net/rcbo> clicking on the “E-Ballot” link on or before the Voting
Deadline. Parties submitting a Ballot via the E-Balloting Portal must not submit a paper
ballot.

IMPORTANT NOTE: You will need the following information to retrieve and submit your
customized E-Ballot:

Unique E-Ballot ID#: _____

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PLEASE READ THE ATTACHED VOTING INFORMATION AND INSTRUCTIONS BEFORE COMPLETING THIS BALLOT.

PLEASE COMPLETE ALL APPLICABLE ITEMS BELOW. PLEASE REVIEW THE ACKNOWLEDGEMENT CONTAINED IN ITEM 3 AND FILL IN ALL OF THE INFORMATION REQUESTED. IF THIS BALLOT IS NOT SIGNED ON THE APPROPRIATE LINES BELOW, THIS BALLOT WILL NOT BE VALID OR COUNTED AS HAVING BEEN CAST.

[Continued on the Next Page]

1 **PLEASE COMPLETE THE FOLLOWING:**

2 **Item 1. Certification of Claim.** For purposes of voting to accept or reject the Joint Plan, the undersigned
3 certifies that as of the Voting Record Date, the undersigned holds a Claim in Class 4 (Abuse Claims)
4 against the Debtor.

5 **Item 2. Vote to Accept or Reject the Plan.** Please vote below either to accept or to reject the Plan with
6 respect to your Claim in Class 4. Any Ballot not marked either to accept or reject the Plan, or marked both
7 to accept and to reject the Plan, shall not be counted in determining acceptance or rejection of the Plan.
8 The undersigned, the holder of Claim in Class 4 (Abuse Claims) set forth in Item 1, votes as follows
9 (check *only* one box below):

<input type="checkbox"/> ACCEPTS THE PLAN	<input type="checkbox"/> REJECTS THE PLAN
---	---

10 **Item 3. Election Regarding Immediate Distribution Payment.** Under section 9.7 of the Plan, Holders
11 of Class 4 Claims (also called Abuse Claims) have the option of electing to receive an Immediate
12 Distribution Payment (as defined in section 1.1.65 of the Plan) within 30 days of the Effective Date in the
13 amount of \$50,000. If you elect to receive an Immediate Distribution Payment, all recovery on your Abuse
14 Claim is limited to the Immediate Distribution Payment, and you will not be able to seek any additional
15 recovery on account of the Abuse Claim from any other party, including Non-Settling Insurers.
16 Correspondingly, if you elect the Immediate Distribution Payment, your Abuse Claim will not be scored
17 or subject to Claim objections.

18 If you wish to elect to receive the Immediate Distribution Payment, you may do so by checking the box
19 below. Alternatively, you may elect to receive the Immediate Distribution Payment at any time prior to the
20 Effective Date of the Plan. **Before making the election below, you should carefully read Sections I.C.**
21 **and VII.F of the Disclosure Statement.** If you do not make an election prior to the Effective Date of the
22 Plan, you will be considered to have not elected the Immediate Distribution Payment, and will be paid as
23 a Trust Claimant.

24 The undersigned, the holder of the Claim in Class 4 (Abuse Claims) set forth in Item 1, elects as follows
25 (check *only* one box below):

<input type="checkbox"/> I elect to receive an Immediate <u>Distribution Payment</u> as the sole distribution I will receive under the Plan.
<input type="checkbox"/> I DO NOT elect to receive an Immediate <u>Distribution Payment</u> .

26 **Item 4. Opt-Out Release Form for Third Party of Third-Party Releases.** ~~Accompanying this~~
27 ~~Ballot is an Opt-Out Release Form~~ The checkbox below is for purposes of indicating whether you decline
28 to grant the Third-Party Releases of certain third parties as provided in Section 13.9 of the Plan, and
described in Article II and Article III.F., III.G., and III.I. of the Disclosure Statement. **If you do not wish**
to grant the releases in Section 13.9 of the Plan, then you need to check the box in Item 2 of the
accompanying Opt-Out Release Form and return that completed form with your Ballot. You will
be deemed to have consented to grant the releases ~~in Section 13.9 of the Plan~~ and be subject to the
injunctions in Section 13.10 of the Plan if: (i) you return this Ballot and do not return the Opt-Out Release
Form regardless of whether you vote to accept or reject the Plan; (ii) you return this Ballot and return this
Opt-Out Release Form, but do not affirmatively elect not to grant the release found in section 13.9 of the
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1 ~~Plan; or (iii) you do not return the Ballot or the Opt-Out Release Form~~ below.

2 By checking this box, the undersigned Holder of a Claim in Class 4 (Abuse Claims):

3 Elects not to grant the Third Party Release contained in Section 13.9 of the Plan.

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5 **YOU MUST AFFIRMATIVELY CHECK THE BOX ABOVE IN ORDER TO OPT-OUT OF THE**
6 **THIRD PARTY RELEASE. If you return this Ballot without checking the box to opt-out, you will**
7 **be deemed to consent to the Third-Party Release.**

8 As set forth in the Plan and Disclosure Statement, the contribution of up to \$14.25 million by The
9 Roman Catholic Welfare Corporation (“RCWC”) to the Survivors’ Trust will be reduced depending on
10 the number of Abuse Claimants that opt out of releasing claims against RCWC through the Third-Party
11 Release. **Opting out of the Third-Party Release may therefore reduce the amount available for**
12 **distribution to Abuse Claimants.** More information on the RCWC contribution is provided in the
13 Disclosure Statement.

14 Please also be advised that the debtor release contained in section 13.8 of the plan is separate from and
15 independent of the third party release. If you object to the debtor release, you must file a separate objection
16 with the bankruptcy court in accordance with the procedures described in the disclosure statement order.

17 **Item 5. Acknowledgments.** By signing this Ballot, the undersigned acknowledges receipt of a
18 copy of the Disclosure Statement, the Plan, and the other applicable solicitation materials, and
19 acknowledges that the solicitation is being made pursuant to the terms and conditions set forth
20 ~~herein~~ herein. The undersigned claimant certifies that as of the Voting Record Date he or she is the holder
21 of the Claim identified in Item 1 above (or is the authorized signatory of such holder). The undersigned
22 understands that an otherwise properly completed, executed, and ~~timely~~ returned Ballot failing to indicate
23 either acceptance or rejection of the Plan, or indicating both acceptance and rejection of the Plan, will not
24 be counted.

25 _____
26 Print Name of Creditor

27 _____
28 Signature

Name and Title of Signatory (if different than creditor)

Street Address

E-mail Address

Telephone Number

Date Completed

1 **VOTING INFORMATION AND INSTRUCTIONS FOR COMPLETING THE BALLOT**

- 2 1. The Debtor mailed this Ballot to you for the purpose of soliciting your vote to accept or reject the Plan.
3 The terms of the Plan are described in the Disclosure Statement, including all exhibits thereto.
4 **PLEASE READ THE PLAN AND DISCLOSURE STATEMENT CAREFULLY BEFORE**
5 **COMPLETING THE BALLOT.**
- 6 2. Item 1. Confirm that Item 1 is correct.
- 7 3. Item 2. In one of the boxes provided in Item 2 of the Ballot, please indicate acceptance or rejection of
8 the Plan (not both). If you hold multiple claims in Class 4, the Debtor will aggregate those claims for
9 voting purposes as one (1) claim. You must vote your entire Class 4 Claim to accept or reject the Plan.
10 You may not split your vote.
- 11 4. Item 3. Indicate whether you wish to elect the Immediate ~~Distribution~~Payment by checking the
12 appropriate box.
- 13 5. Item 4. Review the information provided and indicate whether you opt out of providing the releases
14 in Section 13.9 of the Plan by returning the accompanying Opt-Out Release Form.
- 15 6. Item 5. Review the certifications and acknowledgements in Item 5. Complete the Ballot by providing
16 all the information requested in Item 5.
- 17 7. **SIGN THE BALLOT.**
- 18 8. The Debtor will not count any executed ballot received that either (a) does not indicate either an
19 acceptance or rejection of the plan, or (b) that indicates both an acceptance and rejection of the Plan.
- 20 9. **BALLOTS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE COUNTED.**
- 21 10. If you are completing this Ballot on behalf of another person or entity, indicate your relationship with
22 such person or entity and the capacity in which you are signing and, if requested, submit satisfactory
23 evidence of your authority to do so (e.g., a power of attorney).
- 24 11. The Ballot does not constitute and shall not be deemed a Proof of Claim or an assertion of a Claim.
- 25 12. In the event that (i) the Debtor revokes or withdraws the Plan, or (ii) the Confirmation Order is not
26 entered or the Effective Date of the Plan does not occur, this Ballot shall automatically be null and
27 void and deemed withdrawn without any requirement of affirmative action by or notice to you.

28 **IF YOU (1) HAVE ANY QUESTIONS REGARDING THIS BALLOT, (2) DID NOT RECEIVE A
RETURN ENVELOPE, (3) DID NOT RECEIVE A COPY OF THE DISCLOSURE STATEMENT
OR PLAN, OR (4) NEED ADDITIONAL COPIES OF THE BALLOT OR OTHER ENCLOSED
MATERIAL, PLEASE CONTACT VERITA, THE DEBTORS CLAIMS AND VOTING AGENT
AT (888)-733-1425 (U.S./CANADA) OR (310)-751-2631 (INTERNATIONAL), OR EMAIL
RCBOINFO@VERITAGLOBAL.COM. VERITA IS NOT AUTHORIZED TO, AND WILL NOT,
PROVIDE LEGAL ADVICE.**

PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT.

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Schedule 1 to Class 4 Ballot: Third-Party Release From Plan

Releases by Holders of Abuse Claims. As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce the Plan and the Confirmation Order, pursuant to Section 1123(b) of the Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed, including the service of the Released Parties to facilitate and implement the reorganization of the Debtor, as an integral component of the Plan, and except as otherwise expressly provided in the Plan or the Confirmation Order, to the maximum extent permitted under applicable law, as such law may be extended subsequent to the Effective Date, all Holders of Abuse Claims (including without limitation Unknown Abuse Claims and any Abuse Claims that are Disputed Claims) that have not affirmatively opted out of the Releases pursuant to Section 6.2 of the Plan, shall, and shall be deemed to, expressly, conclusively, absolutely, unconditionally, irrevocably, and forever discharge and release each and all of the Released Parties and their respective property and successors and assigns of and from all Abuse Claims and any and all Claims and Causes of Action whatsoever, whether known or unknown, asserted or unasserted, derivative or direct, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, whether for tort, fraud, contract, veil piercing or alter-ego theories of liability, successor liability, contribution, indemnification, joint liability, or otherwise, arising from or related in any way to such Abuse Claims.

Injunction Related to Releases. As of the Effective Date, all Holders of Claims that are the subject of Section 13.9 of the Plan are, and shall be, expressly, conclusively, absolutely, unconditionally, irrevocably, and forever stayed, restrained, prohibited, barred and enjoined from taking any of the following actions against any Released Party or its property or successors or assigns on account of or based on the subject matter of such Claims, whether directly or indirectly, derivatively or otherwise: (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding (including any judicial, arbitral, administrative or other proceeding) in any forum; (b) enforcing, attaching (including, without limitation, any prejudgment attachment), collecting, or in any way seeking to recover any judgment, award, decree,

1 **or other order; (c) creating, perfecting or in any way enforcing in any matter, directly or indirectly,**
2 **any lien or encumbrance; and/or (d) setting off, seeking reimbursement or contributions from, or**
3 **subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount against**
4 **any liability or obligation that is discharged under Section 13.3 of the Plan or released under Section**
5 **13.9 of the Plan.**

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EXHIBIT H

Redline of Revised Form of Ballot for Class 5 vs. Original Form of Class 5 Ballot

1 UNITED STATES BANKRUPTCY COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 OAKLAND DIVISION

4 In re:

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

7 Debtor.

Case No. 23-40523 WJL

Chapter 11

8 **BALLOT FOR ACCEPTING OR REJECTING THE DEBTOR'S PLAN OF**
9 **REORGANIZATION**

10 *CLASS 5 – Unknown Abuse Claims*

11 **THE VOTING DEADLINE TO ACCEPT OR REJECT**
12 **THE PLAN IS 5:00 P.M., PREVAILING PACIFIC TIME,**
13 **ON [•] [•], 2025 (the “Voting Deadline”)**

14 This ballot (the “Ballot”) is provided to you to solicit your vote to accept or reject the *Chapter 11 Plan of Reorganization for The Roman Catholic Bishop of Oakland* dated November 8, 2024 (as may be amended from time to time, the “Plan”), for the Roman Catholic Bishop of Oakland (the “Debtor”), in the above-captioned Bankruptcy Case.¹

15 **Please use this Ballot to cast your vote to accept or reject the Plan on behalf of Holders of**
16 **Unknown Abuse Claims (as defined in the Plan) against the Debtor based on sexual abuse that**
17 **arose before the May 8, 2023, filing of the Debtor’s Bankruptcy Case.**

18 In addition, the Plan provides that if the Plan is confirmed, certain release, injunction,
19 exculpation and discharge provisions set forth in Article XIII of the Plan will become effective as of the
20 Effective Date of the Plan. These include the “Releases by Holders of Abuse Claims” set forth in
21 Section 13.9 of the Plan, and in Schedule 1 attached hereto (the “Third Party Release”). The
22 Third-Party Release provides for release by consenting claimants of claims against certain non-
23 debtor affiliates of the Debtor, including the Roman Catholic Welfare Corporation.

24 In accordance with the terms of the Plan, by casting this Ballot to vote either to accept or
25 reject the Plan you will be deemed to grant the Third Party Release unless you “opt out” of the
26 Third Party Release by checking the box in Item 3 below.

27 The Bankruptcy Court has approved a *Disclosure Statement for Debtor’s Plan of Reorganization*
28 filed on November 8, 2024 (the “Disclosure Statement”) with respect to the Plan. A copy of the
Disclosure Statement, along with the Plan, was included in the package of materials you received with
this Ballot (the “Solicitation Package”). The Disclosure Statement provides information to assist you in
deciding how to vote on the Plan. If you do not have the Solicitation Package, you may obtain a copy
free of charge from the website for the Chapter 11 Case at <https://veritaglobal.net/rcbo>. Copies of the

¹ Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Plan.

1 Disclosure Statement and Plan will also be on file with the Office of the Clerk of the Court for review
2 during normal business hours (a fee may be charged).

3 **You should review the Disclosure Statement and the Plan in their entirety before you vote.**
4 **You may wish to seek independent legal advice concerning the Plan and the classification and
5 treatment of the Unknown Abuse Claims under the Plan.**

6 The Bankruptcy Court's approval of the Disclosure Statement does not indicate its approval of
7 the Plan. The Plan will be confirmed by the Bankruptcy Court and thereby made binding on you only if
8 the Plan (i) is accepted by the holders of at least two-thirds in amount and more than one-half in number
9 of the Claims in each impaired Class of Claims that vote on the Plan, and (ii) otherwise satisfies the
10 applicable requirements of section 1129(a) of the Bankruptcy Code. If the requisite acceptances are not
11 obtained, the Bankruptcy Court nonetheless may confirm the Plan if it finds the Plan (i) provides fair and
12 equitable treatment to, and does not unfairly discriminate against, the Class or Classes rejecting the Plan
13 and (ii) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code.

14 **If your Ballot is not received on or before [•] [•], 2025 at 5:00 P.M. (PT) and such
15 deadline is not extended, your vote will not count as either an acceptance or rejection of the Plan.
16 To have your vote counted, please complete, sign, and date this ballot and return it so that it is
17 received no later than the Voting Deadline, as follows:**

18 **SUBMISSION BY MAIL, OVERNIGHT, OR PERSONAL DELIVERY**

19 **YOUR BALLOT MUST BE SENT VIA FIRST CLASS MAIL (IN THE ENCLOSED
20 ENVELOPE)
21 OR VIA OVERNIGHT COURIER OR PERSONAL DELIVERY TO:**

22 **The Roman Catholic Bishop of Oakland
23 Ballot Processing c/o Verita
24 222 N. Pacific Coast Highway, 3rd Floor
25 El Segundo, CA 90245**

26 **OR**

27 **ELECTRONIC ONLINE SUBMISSION**

28 **Alternatively, parties may submit a Ballot via electronic online transmission solely through the
customized online balloting portal (the "E-Balloting Portal") on the Debtors' case website,
<https://veritaglobal.net/rcbo> clicking on the "E-Ballot" link on or before the Voting
Deadline. Parties submitting a Ballot via the E-Balloting Portal must not submit a paper
ballot.**

**IMPORTANT NOTE: You will need the following information to retrieve and submit your
customized E-Ballot:**

Unique E-Ballot ID#:

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2 PLEASE READ THE ATTACHED VOTING INFORMATION AND INSTRUCTIONS BEFORE
3 COMPLETING THIS BALLOT.

4 PLEASE COMPLETE ALL APPLICABLE ITEMS BELOW. PLEASE REVIEW THE
5 ACKNOWLEDGEMENT CONTAINED IN ITEM 3 AND FILL IN ALL OF THE
6 INFORMATION REQUESTED. IF THIS BALLOT IS NOT SIGNED ON THE APPROPRIATE
7 LINES BELOW, THIS BALLOT WILL NOT BE VALID OR COUNTED AS HAVING BEEN
8 CAST.

9 **PLEASE COMPLETE THE FOLLOWING:**

10 **Item 1. Certification of Claim.** For purposes of voting to accept or reject the Joint Plan, the undersigned
11 certifies that as of the Voting Record Date, the undersigned is the duly appointed Unknown Abuse Claims
12 Representative in this Bankruptcy Case for holders Claim in Class 5 (Unknown Abuse Claims) against
13 the Debtor. For voting purposes only, you will vote a single Class 5 Claim valued at \$1.00. This amount
14 shall have no effect on the amount of any distribution a Class 5 Claim may receive and is solely for
15 purposes tabulating votes.

16 **Item 2. Vote to Accept or Reject the Plan.** Please vote below either to accept or to reject the Plan with
17 respect to the Class 5 Claims. Any Ballot not marked either to accept or reject the Plan, or marked both to
18 accept and to reject the Plan, shall not be counted in determining acceptance or rejection of the Plan. The
19 undersigned, the Unknown Abuse Claims Representative on behalf of Class 5 Unknown Abuse Claims
20 votes as follows (check *only* one box below):

21 ACCEPTS THE PLAN

22 REJECTS THE PLAN

23 ~~**Item 3. Election Regarding Immediate Distribution.** Under section 9.7 of the Plan, Holders of Class 5
24 Abuse Claims have the option of electing to receive an Immediate Distribution (as defined in section
25 1.1.65 of the Plan) within 30 days of the Effective Date in the amount of \$50,000. If you elect to receive
26 an Immediate Distribution, all recovery on your Abuse Claim is limited to the Immediate Distribution,
27 and you will not be able to seek any additional recovery on account of the Abuse Claim from any other
28 party, including Non-Settling Insurers. Correspondingly, if you elect the Immediate Distribution, your
Abuse Claim will not be scored or subject to Claim objections.~~

~~If you wish to elect to receive the Immediate Distribution, you may do so by checking the box below.
Alternatively, you may elect to receive the Immediate Distribution at any time prior to *the Effective Date
of the Plan.* **Before making the election below, you should carefully read Sections I.C. and VII.F of
the Disclosure Statement.** If you do not make an election prior to *the Effective Date of the Plan*, you will
be considered to have not elected the Immediate Distribution, and will be paid as a Trust Claimant.~~

~~The undersigned, the duly appointed Unknown Abuse Claims Representative set forth in Item 1, elects as
follows (check *only* one box below) on behalf of *Holders of Unknown Abuse Claims*:~~

29 ~~I elect to receive an Immediate Distribution as the sole distribution I will receive
under the Plan.~~

30 ~~I DO NOT elect to receive an Immediate Distribution.~~

1 **Item 43. Opt-Out Release Form for Third Party of Third-Party Releases.** ~~Accompanying this~~
2 ~~Ballot is an Opt-Out Release Form~~ The checkbox below is for purposes of indicating whether you decline
3 on behalf of the Holders of Unknown Abuse Claims to grant the Third-Party Releases of certain third
4 parties as provided in Section 13.9 of the Plan, and described in Article II and Article III.F., III.G., and
5 III.I. of the Disclosure Statement. **If you do not wish to grant the releases in Section 13.9 of the Plan,**
6 **then you need to check the box in Item 2 of the accompanying Opt-Out Release Form and return**
7 **that completed form with your Ballot.** ~~You will be deemed to have consented to grant the releases in~~
8 ~~Section 13.9 of the Plan if: (i) you return this Ballot and do not return the Opt-Out Release Form regardless~~
9 ~~of whether you vote to accept or reject the Plan; (ii) you return this Ballot and return this Opt-Out Release~~
10 ~~Form, but do not affirmatively elect not to grant the release found in section 13.9 of the Plan; or (iii) you~~
11 ~~do not return the Ballot or the Opt-Out Release Form.~~ below.

By checking this box, the undersigned Unknown Abuse Claims Representative:

Elects **not** to grant the Third Party Release contained in Section 13.9 of the Plan.

YOU MUST AFFIRMATIVELY CHECK THE BOX ABOVE IN ORDER TO OPT-OUT OF THE
THIRD PARTY RELEASE. If you return this Ballot without checking the box to opt-out, Holders
of Unknown Abuse Claims will be deemed to consent to the Third-Party Release.

As set forth in the Plan and Disclosure Statement, the contribution of up to \$14.25 million by The
Roman Catholic Welfare Corporation (“RCWC”) to the Survivors’ Trust will be reduced depending on
the number of Abuse Claimants that opt out of releasing claims against RCWC through the Third-Party
Release. **Opting out of the Third-Party Release may therefore reduce the amount available for**
distribution to Abuse Claimants. More information on the RCWC contribution is provided in the
Disclosure Statement.

Item 54. Acknowledgments. By signing this Ballot, the undersigned acknowledges receipt of a
copy of the Disclosure Statement, the Plan, and the other applicable solicitation materials, and
acknowledges that the solicitation is being made pursuant to the terms and conditions set forth herein. The
undersigned claimant certifies that as of the Voting Record Date he or she is the duly appointed Unknown
Abuse Claims Representative. The undersigned understands that an otherwise properly completed,
executed, and timely returned Ballot failing to indicate either acceptance or rejection of the Plan, or
indicating both acceptance and rejection of the Plan, will not be counted.

Print Name of Creditor

Signature

Name and Title of Signatory (if different than creditor)

Street Address

E-mail Address

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Telephone Number

Date Completed

1 **VOTING INFORMATION AND INSTRUCTIONS FOR COMPLETING THE BALLOT**

2 1. The Debtor mailed this Ballot to you for the purpose of soliciting your vote to accept or reject the Plan.
3 The terms of the Plan are described in the Disclosure Statement, including all exhibits thereto.
4 **PLEASE READ THE PLAN AND DISCLOSURE STATEMENT CAREFULLY BEFORE COMPLETING THE BALLOT.**

5 2. Item 1. Confirm that the information in Item 1 of the Ballot is correct.

6 3. Item 2. In one of the boxes provided in Item 2 of the Ballot, please indicate acceptance or rejection of
7 the Plan (not both).

8 4. Item 3. Indicate whether you wish to elect the Immediate ~~Distribution~~Payment by checking the
9 appropriate box.

10 5. Item 4. Review the information provided and indicate whether you opt out of providing the releases
11 in Section 13.9 of the Plan by returning the accompanying Opt-Out Release Form.

12 6. Item 5. Review the certifications and acknowledgements in Item 5. Complete the Ballot by providing
13 all the information requested in Item 5.

14 7. **SIGN THE BALLOT.**

15 8. The Debtor will not count any executed ballot received that either (a) does not indicate either an
16 acceptance or rejection of the plan, or (b) that indicates both an acceptance and rejection of the Plan.

17 9. **BALLOTS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE COUNTED.**

18 10. If you are completing this Ballot on behalf of another person or entity, indicate your relationship with
19 such person or entity and the capacity in which you are signing.

20 11. The Ballot does not constitute and shall not be deemed a Proof of Claim or an assertion of a Claim.

21 12. In the event that (i) the Debtor revokes or withdraws the Plan, or (ii) the Confirmation Order is not
22 entered or the Effective Date of the Plan does not occur, this Ballot shall automatically be null and
23 void and deemed withdrawn without any requirement of affirmative action by or notice to you.

24 **IF YOU (1) HAVE ANY QUESTIONS REGARDING THIS BALLOT, (2) DID NOT RECEIVE A
25 RETURN ENVELOPE, (3) DID NOT RECEIVE A COPY OF THE DISCLOSURE STATEMENT
26 OR PLAN, OR (4) NEED ADDITIONAL COPIES OF THE BALLOT OR OTHER ENCLOSED
27 MATERIAL, PLEASE CONTACT VERITA, THE DEBTORS CLAIMS AND VOTING AGENT
28 AT (888)-733-1425 (U.S./CANADA) OR (310)-751-2631 (INTERNATIONAL), OR EMAIL
RCBOINFO@VERITAGLOBAL.COM. VERITA IS NOT AUTHORIZED TO, AND WILL NOT,
PROVIDE LEGAL ADVICE.**

PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT.

1 Schedule 1 to Class 5 Ballot: Third-Party Release From Plan

2
3 *Releases by Holders of Abuse Claims.* As of the Effective Date, except for the rights that
4 remain in effect from and after the Effective Date to enforce the Plan and the Confirmation Order,
5 pursuant to Section 1123(b) of the Bankruptcy Code, for good and valuable consideration, the
6 adequacy of which is hereby confirmed, including the service of the Released Parties to facilitate and
7 implement the reorganization of the Debtor, as an integral component of the Plan, and except as
8 otherwise expressly provided in the Plan or the Confirmation Order, to the maximum extent permitted
9 under applicable law, as such law may be extended subsequent to the Effective Date, all Holders of
10 Abuse Claims (including without limitation Unknown Abuse Claims and any Abuse Claims that are
11 Disputed Claims) that have not affirmatively opted out of the Releases pursuant to Section 6.2 of the
12 Plan, shall, and shall be deemed to, expressly, conclusively, absolutely, unconditionally, irrevocably,
13 and forever discharge and release each and all of the Released Parties and their respective property
14 and successors and assigns of and from all Abuse Claims and any and all Claims and Causes of
15 Action whatsoever, whether known or unknown, asserted or unasserted, derivative or direct,
16 foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, whether for tort,
17 fraud, contract, veil piercing or alter-ego theories of liability, successor liability, contribution,
18 indemnification, joint liability, or otherwise, arising from or related in any way to such Abuse
19 Claims.

20 *Injunction Related to Releases.* As of the Effective Date, all Holders of Claims that are the
21 subject of Section 13.9 of the Plan are, and shall be, expressly, conclusively, absolutely,
22 unconditionally, irrevocably, and forever stayed, restrained, prohibited, barred and enjoined from
23 taking any of the following actions against any Released Party or its property or successors or assigns
24 on account of or based on the subject matter of such Claims, whether directly or indirectly,
25 derivatively or otherwise: (a) commencing, conducting or continuing in any manner, directly or
26 indirectly, any suit, action or other proceeding (including any judicial, arbitral, administrative or
27 other proceeding) in any forum; (b) enforcing, attaching (including, without limitation, any
28 prejudgment attachment), collecting, or in any way seeking to recover any judgment, award, decree,
or other order; (c) creating, perfecting or in any way enforcing in any matter, directly or indirectly,

1 any lien or encumbrance; and/or (d) setting off, seeking reimbursement or contributions from, or
2 subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount against
3 any liability or obligation that is discharged under Section 13.3 of the Plan or released under Section
4 13.9 of the Plan.

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