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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.

Chapter 11

Bankruptcy Case No. 23-40523 WJL

**PACIFIC INSURERS' RESPONSE TO
 DEBTOR'S MOTION TO CONTINUE
 CONFIRMATION HEARING**



1 The Committee's opposition to the Debtors' motion is entirely contradictory. On one
2 hand, the Committee opposes an adjournment of the confirmation hearing asserting that the
3 claimants have waited too long for justice. On the other, they vehemently insist on stopping
4 everything to allow six cases to wind their way through trial, the appellate process, coverage
5 litigation, and appeals, while the vast majority of claimants are left behind.¹

6 On Tuesday, the debtor and committee in the *Archdiocese of New Orleans* bankruptcy
7 filed a consensual plan of reorganization with the support of insurers in a case that was far more
8 contentious than this one.² As the debtor approached administrative insolvency, Judge Grabill
9 denied a motion to lift the stay and ordered that all further fee applications of estate professionals,
10 collateral motion practice, and litigation be held in abeyance while the parties focused 100
11 percent on confirming a plan.³ Judge Grabill then set a deadline by which she would dismiss the
12 case.
13

14 The resulting plan—which is now on its way to solicitation and confirmation—provides
15 for the equitable distribution of a fixed sum of money by the Archdiocese and the option to
16 adjudicate claims in the tort system against non-settled insurers whose contract rights are
17

18
19 ¹ Discrimination is injected into the bankruptcy case not by virtue of which claimants are
20 selected for lift stay relief, but by the fact that the few selected will be given a preference over all
21 other similarly situated claimants. Thus, even if the state court overseeing the JCCP selects the
22 cases to proceed to trial, that will not lessen the discriminatory impact of lifting the stay.
23 Whatever subgroup of claimants and plaintiff firms proceed will end up in a preferential position
24 to all other similarly situated claimants. This is the point made in the Camden decision. *See* July
25 8, 2025 Hr'g. Tr. at 16-17, *In re: The Diocese of Camden, New Jersey*, Case No. 20-21257-JNP,
26 Dkt. No. 4000 (Bankr. D.N.J. 2020). This is why in a regular commercial bankruptcy it is
27 unheard of to grant one group of bondholders lift stay relief to pursue their claims while the rest
28 remain subject to the automatic stay.

24 ² Stephanie Riegel, After 5 years, NO archdiocese, survivors file joint plan seeking to end
25 bankruptcy, NOLA.com (July 16, 2025) *available at* https://www.nola.com/news/business/after-5-years-no-archdiocese-abuse-survivors-file-joint-plan-seeking-to-end-bankruptcy/article_6cfla03e-b4e1-436a-9825-989d94ff6054.html.

26 ³ *See* Sept. 30, 2020 Hr'g. Tr. at 66-67, Dkt. No. 1583 (denying Committee motion to lift
27 stay); Order, Dkt. No. 2877 (denying 27 claimants' motions to lift the stay); Order, Dkt. 3497
28 (holding fee applications in abeyance); Nov. 21, 2024 Hr'g. Tr. at 35:23-36: 8, Dkt. 3052 (same);
Jan. 26, 2025 Hr'g. Tr. at 130:9-13, Dkt. No. 4143 (continuing fee application abeyance), *In re*
Roman Cath. Church of Archdiocese of New Orleans, Case No. 20-10846 (Bankr. E.D. La. 2021).

1 preserved. Interestingly, the plan has many of the same core aspects as the one proposed here.
2 In the *Archdiocese of New Orleans* bankruptcy, as here, spending by estate professionals was out
3 of control and served an end in itself.⁴ The fee moratorium and the deadline to confirm a plan
4 focused attention. Judge Glenn, who entered an order imposing a 50% fee hold back and set a
5 deadline to dismiss the case, pursued much the same course in the *Diocese of Rockville Center*
6 bankruptcy.⁵

8 The incentives in a bankruptcy of a religious organization are turned upside from those in
9 a normal commercial bankruptcy. Committees have virtually unchecked leverage by simply
10 threatening not to agree to anything. Meanwhile, their professionals are economically
11 incentivized to keep cases going with the outsized fees they incur becoming a weapon itself.
12 Committee counsel in this case has incurred more than \$24 million dollars in fees over five years
13 in two bankruptcy cases—*Diocese of Oakland* (\$7.3M⁶) and *Diocese of Camden* (\$16.9M⁷)—
14 without distribution of a dollar to claimants. There is a lesson here.

16 The Diocese of Oakland has on the table a plan that offers essentially all of its unrestricted
17 assets and leaves claimants unimpaired in adjudicating their claims against insurers and a means
18 to do so that treats similarly situated claimants the same. Whether the Court entertains a
19 confirmation trial in August or somewhat later, the Court should tailor its order so that all
20 attention in the interim is focused on the goal of confirming a plan in the near term.

24 ⁴ See Rule 706 Expert Witness' Report, Dkt. 3436, *In re Roman Cath. Church of Archdiocese*
25 *of New Orleans*, Case No. 20-10846 (Bankr. E.D. La. 2021).

26 ⁵ See Order Regarding Holdback on Professional Fees, Dkt. No. 2743, *In re: The Roman*
27 *Catholic Diocese of Rockville Centre, New York*, Case No. 20-12345-MG (Bankr. S.D.N.Y.
28 2020).

27 ⁶ See Chapter 11 Monthly Operating Report for the Month Ending: 05/31/2025, Dkt. No.
28 2091 at 3.

28 ⁷ See Chapter 11 Post-Confirmation Report for Quarter Ending: 9/30/2024, Dkt. No. 3926 at
2, *In re: The Diocese of Camden, New Jersey*, Case No. 20-21257-JNP (Bankr. D.N.J. 2020).

1 Dated: July 17, 2025

Respectfully submitted,

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