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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

**DEBTOR'S RENEWED MOTION FOR
ENTRY OF AN ORDER APPROVING SALE
OF REAL PROPERTY
(1822 San Antonio Avenue)**

Judge: Hon. William J. Lafferty

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

[Shortened Time Requested]

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 renewed motion (the “Motion”) pursuant to sections
4 105(a) and 363 of title 11 of the United States Code (the “Bankruptcy Code”) for entry of an order
5 substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”) authorizing the Debtor’s
6 sale of certain real property commonly known as 1822 San Antonio Avenue, Alameda, California (the
7 “1822 House”) consistent with the terms described herein, approving payment of broker commission and
8 related sale expenses, and granting related relief.¹

9 This Motion is based on the Memorandum of Points and Authorities set forth herein, the notice of
10 hearing on the Motion, the Declarations of Attila Bardos (the “Bardos Declaration”) and Jill Friedrich the
11 (“Friedrich Declaration”) in Support of the Motion, and such other evidence, oral or documentary, as may
12 be presented to this Court at or prior to the hearing on this Motion.

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28 ¹ The Debtor previously filed a motion for sale of the 1822 House [Docket No. 2554], which was
withdrawn as described further below.

Table of Contents

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I. INTRODUCTION 1

II. JURISDICTION AND VENUE 1

III. BACKGROUND FACTS 2

 A. General Background 2

 B. The 1822 House and Proposed Sale..... 2

 C. The Debtor’s Marketing Process 4

 D. The Debtor’s Need for Liquidity and Anticipated Use of Proceeds 6

IV. RELIEF REQUESTED..... 7

V. BASIS FOR RELIEF 7

 A. The Sale Reflects the Debtors’ Sound Business Judgment and Satisfies the Requirements under Section 363(b)..... 7

 B. Approval of the Motion without an Auction is Appropriate Here..... 10

 C. The Sale Satisfies the Requirements of Section 363(f) of the Bankruptcy Code 11

 D. The Sale is Proposed in Good Faith Under Section 363(m) of the Bankruptcy Code 12

 E. Relief From the Fourteen Day Waiting Period Under Bankruptcy Rule 6004(h) is Appropriate 12

VI. CONCLUSION..... 13

Table of Authorities

Page(s)

Cases

1

2

3 *Agarawal v. Pomona Valley Med. Group, Inc. (In re Pomona Valley Med. Group, Inc.)*,

4 476 F.3d 665 (9th Cir. 2007) 8

5 *Citicorp Homeowners Serv., Inc. v. Elliot (In re Elliot)*,

6 94 B.R. 343 (E.D. Pa. 1988) 11

7 *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*,

8 722 F.2d 1063 (2d Cir. 1983) 7, 8

9 *Gantler v. Stephens*,

10 965 A.2d 695 (Del. 2009) 8

11 *In re Abbotts Dairies of Pennsylvania, Inc.*,

12 788 F.2d 143 (3d Cir. 1986) 7

13 *In re Ancor Expl. Co.*,

14 30 B.R. 802 (N.D. Okla. 1983)..... 8

15 *In re AWTR Liquidation Inc.*,

16 548 B.R. 300 (Bankr. C.D. Cal. 2016)..... 8

17 *In re Bakalis*,

18 220 B.R. 525 (Bankr. E.D.N.Y. 1998)..... 10

19 *In re Baldwin United Corp.*,

20 43 B.R. 888 (Bankr. S.D. Ohio 1984)..... 8

21 *In re Blue Coal Corp.*,

22 168 B.R. 553 (Bankr. M.D. Penn. 1994) 10

23 *In re Blue Coal Corp.*,

24 67 B.R. 798 (Bankr. M.D. Penn. 1986) 10

25 *In re Canyon P’ship*,

26 55 B.R. 520 (Bankr. S.D. Cal. 1985) 9

27 *In re Catalina Sea Ranch, LLC*,

28 No. 2:19-BK-24467-NB, 2020 WL 1900308 (Bankr. C.D. Cal. Apr. 13, 2020) 7

In re Ernst Home Centers, Inc.,

209 B.R. 974 (Bankr. W.D. Wash. 1997)..... 7

In re MF Global, Inc.,

535 B.R. 596 (Bankr. S.D.N.Y. 2015)..... 9

In re Montgomery Ward Holding Corp.,

242 B.R. 147 (D. Del. 1999)..... 8

In re Schipper,

933 F.2d 513 (7th Cir. 1991) 10

In re Stephens Indus., Inc.,

789 F.2d 386, 390 (6th Cir. 1986) 10

1 *In re Trans World Airlines, Inc.*,
2 2001 WL 1820325 (Bankr. D. Del. March 27, 2001)..... 11
3 *In re Walter*,
4 83 B.R. 14 (B.A.P. 9th Cir. 1988) 7
5 *Myers v. Martin (In re Martin)*,
6 91 F.3d 389 (3d Cir. 1996) 7
7 *Volvo White Truck Corp. v. Chambersburg Beverage, Inc. (In re White Motor Credit Corp.)*,
8 75 B.R. 944 (Bankr, N.D. Ohio 1987)..... 11

7 Statutes

8 11 U.S.C. § 363..... 6, 9, 11
9 11 U.S.C. § 363(b) 6, 7, 9
10 11 U.S.C. § 363(f)..... 6, 10
11 11 U.S.C. § 363(m)..... 6, 11
12 11 U.S.C. §§ 105(a) and 363..... 2
13 11 U.S.C. §§ 1107(a) and 1108..... 2
14 11 U.S.C. §§ 327, 328, and 330 9
15 28 U.S.C. § 157(b) 1
16 28 U.S.C. §§ 1408 and 1409 1
17 28 U.S.C. §§ 157 and 1334 1

16 Rules

17 Fed. R. Bankr. P. 6004(f)(1) 9
18 Fed. R. Bankr. P. 6004(h) 11, 12
19
20
21
22
23
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I.

INTRODUCTION

The Debtor seeks Court approval for a straightforward sale of a duplex residence located in Alameda, California to an unrelated third-party buyer. The proposed sale price is \$1,170,000. This price reflects the highest and best offer received following a diligent and thorough marketing process by an experienced local broker team. As a result of these marketing efforts and a call for highest and best offers from prospective buyers, the Debtor received a total of four offers for the property. The highest and best offer of \$1,170,000 million was accepted by the Debtor subject to Court approval.

The Debtor has been clear to all parties regarding its cash situation, which is primarily the result of professional fees incurred in the case, as well as the need to fund a confirmation process and a confirmed plan. The Debtor has also been clear that its only material remaining source of cash is from sale of real property. The sale contemplated by this Motion is a prudent exercise of the Debtor's business judgment to generate much needed cash to pay administrative expenses. Based on the marketing process undertaken, the resulting sale price, and the Debtor's need for cash, there can be no question that the relief requested in the Motion is in the best interests of the Debtor, its creditors, and its estate

II.

JURISDICTION AND VENUE

This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b), the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order No. 24 (N.D. Cal.), and Local Rule of Bankruptcy Procedure for the Northern District of California 5011-1(a). Venue for this matter is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

The legal bases for the relief requested herein are Bankruptcy Code §§ 105(a) and 363 and Bankruptcy Rules 6004 and 9014.

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III.

BACKGROUND FACTS

A. General Background

On May 8, 2023 (the “Petition Date”), the Debtor filed a voluntary petition for chapter 11 bankruptcy relief under the Bankruptcy Code. 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.

On May 23, 2023, the U.S. Trustee appointed the Official Committee of Unsecured Creditors (the “Committee”).

The Debtor is a corporation sole organized under the laws of the State of California. The Debtor conducts its civil affairs under the laws of the State of California and the United States of America and in accordance with the Code of Canon Law, the ecclesiastical law of the Roman Catholic Church. Additional information regarding the Debtor, its mission, ministries, and operations, and the events and circumstances preceding the Petition Date, is set forth in the *Declaration of Charles Moore, Managing Director of Alvarez & Marsal North America, LLC, Proposed Restructuring Advisor to the Roman Catholic Bishop of Oakland, in Support of Chapter 11 Petition and First Day Pleadings* (the “First Day Declaration”) [Docket No. 19], which is incorporated herein by reference. Further information regarding the Debtor and the Chapter 11 Case is found in the Debtor’s *Third Amended Disclosure Statement* on April 3, 2025 [Docket No. 1874] (the “Third Amended Disclosure Statement”).

B. The 1822 House and Proposed Sale

RCBO is the fee simple owner of the 1822 House, which is a house converted to a residential duplex located at 1822 San Antonio Avenue, in Alameda, California, APN Number 71-273-20. *See* Bardos Decl., ¶ 3. The 1822 House is tenant-occupied and was previously rented as an income property by St. Joseph Basilica Parish in Alameda. *See id.* The tenants have no relationship to the Debtor other than as tenants of the 1822 House. *See id.*

1 The 1822 House was appraised by both the Debtor's and the Committee's real estate experts in
2 June 2025.² See Bardos Decl., ¶ 4. The Debtor's appraiser, Hilco Real Estate Appraisal, LLC, appraised
3 the as-is market value of the 1822 House as \$1,300,000. See id. While the sale price is lower than the
4 appraised value, based on the marketing efforts undertaken, and the factors affecting sale value, both
5 described further below, the Debtor is confident that the sale price of \$1,170,000 is the highest and best
6 offer it will receive for the property, and in the exercise of its reasonable business judgment accepted the
7 offer subject to approval of the Court. See id. The Debtor does not have any debt secured by the 1822
8 House, and there are no liens recorded against the 1822 House. See id.

9 The Debtor previously entered into contract for sale of the 1822 House (the "Prior Contract") and
10 filed a motion seeking court approval thereof [Docket No. 2554] (the "Prior Motion"). The buyers under
11 the Prior Contract unfortunately withdrew from the transaction for reasons unrelated to the property, the
12 Debtor, or the terms of the Prior Contract. The Debtor therefore withdrew the Prior Motion [Docket No.
13 2579]. The Debtor's real estate agents relisted the 1822 House and received new offers on or before
14 January 27, 2026, as further described in the Friedrich Declaration.

15 The Debtor has entered into a contract, subject to Bankruptcy Court approval, with Dylan Casey
16 and Jessica Poon (together, the "Buyers") for sale of the 1822 House based on the highest offer received
17 by the Debtor after the extensive marketing effort described below. See Bardos Decl., ¶ 6. A copy of the
18 signed California Residential Income Purchase Agreement and Joint Escrow Instructions (including all
19 addenda thereto, the "Sale Contract") is attached as Exhibit A to the Bardos Declaration. The Sale Contract
20 is expressly subject to court approval as reflected on the California Association of Realtors standard form
21 Court Confirmation Addendum. See Bardos Decl, Ex. A. The Buyers have no prior relationship with the
22 Debtor. See Bardos Decl., ¶ 7.

23 As set forth in the Sale Contract, the purchase price to be paid by the Buyers for the 1822 House
24 is \$1,170,000, with a deposit of \$35,100.00. See Bardos Decl, Ex. A. The purchase price is \$64,000.00
25 higher than the Prior Contract. The Sale Contract provides for completion of the Court approval
26

27 ² The Committee's expert also appraised the 1822 House, but their valuation is not provided here because
28 the Committee designated the report confidential.

1 contingency on or before February 18, 2026. *See id.* The Buyers have waived all buyer contingencies, as
2 reflected on the California Association of Realtors standard form Buyer Contingency Removal. *See id.*
3 The Buyers have also provided proof of funds and loan approval satisfactory to the Debtor. *See Bardos*
4 *Decl.*, ¶ 8.

5 The Debtor, in the exercise of its business judgment, determined that the Buyers' offer was the
6 highest and best of the four offers received after the property was relisted. *See Bardos Decl.*, ¶ 9. Another
7 offer had a total sale price of \$1,200,000, contingent on the buyer's approval for FHA financing, which
8 also requires an appraisal contingency. *See id.* The Buyers' offer is all cash, with all contingencies
9 removed as reflected in the Buyer Contingency Removal included in the Sale Contract. *See Bardos Decl.*,
10 Ex. A. In addition, because the Buyers' offer did not require seller payment of the Buyers' broker
11 commission, the net proceeds to the Debtor will be slightly higher than their offer. *See id.*; *Friedrich Decl.*,
12 Ex. D.

13 Costs of sale to be paid at closing will include broker fees totaling 2.0%, transfer taxes, and
14 standard escrow fees and costs. *See Bardos Decl.*, ¶ 10. The Debtor's real estate agents, Jill Friedrich and
15 Jane Friedrich, the principals of Friedrich Homes Group in the Compass brokerage network ("Friedrich
16 Homes"), have agreed to accept a discounted broker fee as seller's agents of two percent (2%). *See*
17 *Friedrich Decl.*, Ex. A. The Sale Contract does not require the seller to pay the Buyers' broker fees. *See*
18 *Bardos Decl.*, Ex. A. Pursuant to the Sale Contract transfer taxes will be split between Buyers and the
19 Debtor, which is standard in Alameda. *See id.*

20 An estimated closing statement is not yet available from escrow. The Debtor will file a supplement
21 to the Motion with the estimated seller's closing statement as soon as it is available, which is anticipated
22 to be before the hearing on this Motion.

23 **C. The Debtor's Marketing Process**

24 Friedrich Homes extensively marketed the 1822 House in order to maximize value and obtain the
25 best price. Jill and Jane Friedrich collectively have more than forty years' experience in selling residential
26 and income property in the Bay Area. *See Friedrich Decl.*, ¶ 2.

1 Friedrich Homes undertook a comprehensive marketing campaign, designed to maximize the sale
2 price based on their extensive experience in the market. *See* Friedrich Decl., ¶ 4. This included a webpage
3 with professional photos and detailed information, multiple email marketing blasts through various
4 platforms designed to reach active brokers in the market, social media campaigns on all major social media
5 platforms, and multiple open houses, in addition to an MLS listing. *See id.*, ¶ 4-10, 14-17.

6 As a result of the marketing efforts described above, the Debtor received three offers for the 1822
7 House prior to the initial offer deadline of December 21, 2025, with a high offer of \$1,106,000. *See*
8 Friedrich Decl., ¶ 11-12. On December 22, 2025, the Debtor accepted the highest offer, entering into the
9 Prior Contract subject to bankruptcy court approval. After the Debtor filed a motion seeking approval of
10 the Prior Contract, the Debtor was informed that the buyers were no longer prepared to go through with
11 the purchase for reasons unrelated to the property. *See* Friedrich Decl., ¶ 13.

12 Shortly after the Debtor learned the previous buyers were withdrawing, Friedrich Homes listed the
13 property as back on the market on MLS, and undertook a renewed marketing effort. *See* Friedrich Decl.,
14 ¶ 11-14.

15 Through the renewed marketing campaign, Friedrich Homes requested offers be submitted no later
16 than Tuesday, January 18, 2026. *See* Friedrich Decl., ¶ 14. The agents expressly communicated to
17 potential buyers that the Debtor expected to receive multiple offers, and that potential buyers should
18 submit their highest and best bids on the expectation that the highest and best offer received on that date
19 would be selected, without further opportunity to bid. *See id.*, ¶ 17.

20 The Debtor received four offers for the 1822 House. *See* Friedrich Decl., ¶ 18. It is the
21 understanding of the Debtor's agent that these were the highest and best offers these potential buyers were
22 prepared to make. *See id.* The four best and final offers are summarized on the spreadsheet attached as
23 Exhibit D to the Friedrich Declaration. The four offers ranged in total purchase price from \$1,030,000 to
24 \$1,200,000. *See id.*, ¶ 18 and Ex. D. On January 27, 2025, the Debtor accepted Buyers' offer – the highest
25 non-contingent offer – subject to bankruptcy court approval. *See id.*, ¶ 19.

26 The Debtor recently sold a single-family home nearby at 1834 San Antonio Avenue, as approved
27 by this Court by order entered December 24, 2025. That property generated substantially more offers and
28

1 a higher sale price. There were several challenges to marketing the 1822 House that explain the lower
2 price realized for the 1822 House, including significantly lower square footage, a smaller market of
3 potential buyers for income properties, the monthly rent relative to the costs of financing, and condition
4 issues, as detailed in the Friedrich Declaration.³ See Friedrich Decl., ¶ 20-22.

5 Based on the experience of the Debtor's agents, the marketing and sale plan summarized above
6 and described in more detail in the Friedrich Declaration was structured as the best way to fully expose
7 the 1822 House to the market and obtain the highest and best sale price, particularly given the timing
8 imposed by the Debtor's urgent need for cash. See Friedrich Decl., ¶ 23.

9 **D. The Debtor's Need for Liquidity and Anticipated Use of Proceeds**

10 As the Court is aware, the Debtor has incurred considerable administrative expenses in this case,
11 which are ongoing, and which the Debtor does not have available unrestricted cash to sustain. See Bardos
12 Decl., ¶ 11. As set forth in the Debtor's *Motion to Amend Interim Compensation Procedures* [Docket No.
13 1908], the Debtor's Reply in support of the same [Docket No. 2013], the Debtor's motion to continue the
14 confirmation hearing [Docket No. 2147], the Debtor's motion to dismiss the Chapter 11 case [Docket No.
15 2293], and the *Debtor's Motion to Amend Order Establishing Procedures for Interim Compensation and*
16 *Reimbursement of Expenses of Professionals* [Docket No. 2560], professional fees have increased well
17 beyond the Debtor's original forecast in this case due to the length and current posture of the case. While
18 the Debtor obtained critical short-term liquidity of approximately \$3.2 million from its transaction with
19 Catholic Church Support Services, approved by the Court in September 2025 [Docket No. 2323], those
20 funds were required to pay the professional fees reflected in the sixth and seventh round of interim fee
21 applications, including the hold-back amounts that were be payable after entry of an order following the
22 interim fee application hearing held on December 3, 2025. See Bardos Decl., ¶ 11. The Debtor also
23 obtained some additional liquidity from the sale of the house at 1834 San Antonio, which has now closed,
24 but those funds have also been largely exhausted in January by payment of monthly fee statements and
25 holdbacks. See *id.*

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³ The 1822 House is approximately 2,107sqft, where the house at 1834 San Antonio is approximately
28 2,910sqft.

1 The Debtor has determined in good faith and with reasonable care that in its business judgment
2 the requested relief herein – to approve sale of the 1822 House to the Buyers pursuant to the Sale Contract
3 – is in the best interests of the Debtor and its estate. *See Bardos Decl.*, ¶ 13. The net proceeds of this sale
4 are urgently needed for, and will be used for, payment of administrative expenses, including without
5 limitation ordinary course operational expenses including the Debtor’s payroll, and the substantial
6 professional fees holdbacks recently approved by the Court. *See id.*

7 **IV.**

8 **RELIEF REQUESTED**

9 By this Motion, and pursuant to section 363(b)(1) of the Bankruptcy Code, the Debtor, after notice
10 and a hearing, seeks approval for sale of the 1822 House to the Buyers pursuant to the Sale Contract. The
11 Debtor further seeks approval for sale free and clear of any liens, claims, or interests pursuant to section
12 363(f), and a finding that the Buyers’ purchased the 1822 House in good faith pursuant to section 363(m).

13 **V.**

14 **BASIS FOR RELIEF**

15 **A. The Sale Reflects the Debtors’ Sound Business Judgment and Satisfies the**
16 **Requirements under Section 363(b).**

17 Section 363(b)(1) of the Bankruptcy Code provides, in relevant part, that a debtor in possession,
18 “after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property
19 of the estate.” 11 U.S.C. § 363(b)(1). Section 363 of the Bankruptcy Code does not set forth a standard
20 for determining when it is appropriate for a court to authorize the sale or disposition of a debtor’s assets
21 prior to confirmation of a plan. However, courts throughout the country have required that the decision
22 to sell assets outside the ordinary course of business be based upon the sound business judgment of the
23 debtors. *See In re Ernst Home Centers, Inc.*, 209 B.R. 974, 979 (Bankr. W.D. Wash. 1997); see also *In re*
24 *Abbotts Dairies of Pennsylvania, Inc.*, 788 F.2d 143 (3d Cir. 1986); see also *Myers v. Martin (In re*
25 *Martin)*, 91 F.3d 389, 395 (3d Cir. 1996); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel*
26 *Corp.)*, 722 F.2d 1063, 1071 (2d Cir. 1983); *In re Catalina Sea Ranch, LLC*, No. 2:19-BK-24467-NB,
27 2020 WL 1900308, at *6 (Bankr. C.D. Cal. Apr. 13, 2020) (citing *In re Lionel Corp* in finding sufficient
28 business justification for the sale of most of the debtor’s assets); see also *In re Walter*, 83 B.R. 14, 19–20

1 (B.A.P. 9th Cir. 1988) (citing *In re Lionel Corp*, 722 F.2d at 1071) (implicitly adopting the “sound
2 business justification” test in finding that the debtor “did not show that it would be an exercise of good
3 business judgment” to withdraw estate funds for personal use).

4 When evaluating a debtor’s decision to divest one of its assets, the court should “presume that the
5 debtor-in-possession acted prudently, on an informed basis, in good faith, and in the honest belief that the
6 action taken was in the best interests of the bankruptcy estate.” *Agarawal v. Pomona Valley Med. Group,*
7 *Inc. (In re Pomona Valley Med. Group, Inc.)*, 476 F.3d 665, 670 (9th Cir. 2007) (collecting cases). Courts
8 have applied the business judgment rule to approve debtors’ decisions in numerous aspects of bankruptcy
9 cases, including sales. *See e.g.*, Order Authorizing the Sale of Debtors’ Assets to Purchaser Free and Clear
10 of Liens, Claims, Interests, and other Interests et al., *In re Beverly Community Hospital Ass’n*, No. 2:23-
11 bk-12359-SK (Bank. C.D. Cal. Aug. 2023) (applying business judgment rule in granting debtor’s motion
12 for an order approving sale of assets).

13 A debtor’s showing of a sound business purpose need not be unduly exhaustive but, rather, a debtor
14 is “simply required to justify the proposed disposition with sound business reasons.” *In re Baldwin United*
15 *Corp.*, 43 B.R. 888, 906 (Bankr. S.D. Ohio 1984). Whether or not there are sufficient business reasons to
16 justify a transaction depends upon the facts and circumstances of each case. *Lionel*, 722 F.2d at 1071; *In*
17 *re Montgomery Ward Holding Corp.*, 242 B.R. 147, 155 (D. Del. 1999) (approving funding of employee
18 incentive and severance program; business purpose requirement fulfilled because stabilizing turnover rate
19 and increasing morale were necessary to successful reorganization).

20 The demonstration of a valid business justification by a debtor leads to a strong presumption “that
21 in making [the] business decision the directors of a corporation acted on an informed basis, in good faith
22 and in the honest belief that the action taken was in the best interests of the company.” *See In re AWTR*
23 *Liquidation Inc.*, 548 B.R. 300, 313 (Bankr. C.D. Cal. 2016) (citing *Gantler v. Stephens*, 965 A.2d 695,
24 705–06 (Del. 2009). *See also In re Pomona Valley Med. Grp., Inc.*, 476 F.3d 665, 670 (9th Cir. 2007)
25 (applying the business judgment rule in the context of a debtor’s decision to reject an executory contract).

26 The analysis of whether there is a sound business justification for the sale does not change if the
27 proposed sale is private, rather than public. *See, e.g., In re Ancor Expl. Co.*, 30 B.R. 802, 808 (N.D. Okla.
28

1 1983) (“[T]he bankruptcy court should have wide latitude in approving even a private sale of all or
2 substantially all of the estate assets not in the ordinary course of business under § 363(b).”). The trustee
3 has ample discretion to administer the estate, including authority to conduct public or private sales of
4 estate property. *See In re Canyon P’ship*, 55 B.R. 520, 524 (Bankr. S.D. Cal. 1985).

5 For example, the bankruptcy court in *In re MF Global, Inc.*, 535 B.R. 596 (Bankr. S.D.N.Y. 2015)
6 approved a private sale of assets under the business judgment standard where only a single purchaser
7 expressed interest in purchasing the assets and it was familiar with the rights which it would be assigned.
8 *Id.* at 606–08. The trustee also demonstrated, among other things, that the interested parties received
9 adequate and reasonable notice and both parties to the sale proceeded in good faith. *Id.* at 606.
10 Consequently, the court found that the trustee and debtor had presented “uncontroverted evidence” that
11 the private sale “reflects the appropriate exercise of their sound business judgment” where the agreement
12 was negotiated extensively, no party objected to the proposed sale, and there was no dispute about the
13 adequacy of the consideration. *Id.* at 608.

14 The Debtor has ample business justification to sell the 1822 House to the Buyers. The marketing
15 process undertaken by Friedrich Homes has yielded the highest and best offer for the 1822 House. *See*
16 *Bardos Decl.*, ¶ 14. Because there are no liens on the 1822 House, the Debtor’s estate will receive the full
17 value after paying all costs of sale. As set forth above, these funds are essential to fund ongoing
18 administrative expenses and in particular professional fees. *See id.* Thus, the relief sought herein is not
19 only reasonable, but necessary to maximize the value of the Debtor’s estate for the benefit of its
20 stakeholders.

21 The marketing process undertaken by Friedrich Homes was designed to maximize visibility to the
22 market and reach any potentially interested home buyers. There can be no question that this process
23 provided adequate notice to the market of the opportunity to submit offers. Moreover, under the
24 circumstances, the marketing process maximized the value received for the 1822 House. Friedrich Homes
25 subjected the 1822 House to a thorough market test, resulting in multiple offers from buyers who were
26 encouraged to submit their highest and best offers. Accordingly, the Debtor, creditors, all parties in
27 interest, and the Court can be assured the consideration received for the 1822 House is fair and reasonable.

1 As part of approval of the sale, the Debtor seeks authorization for payment of standard broker fees,
2 transfer taxes, and other closing costs from escrow. These are a standard and routine expenses of any
3 similar sale of residential real property, and necessary and appropriate to realizing the value of the sale.
4 As noted above, the Debtor’s agents have agreed to discount their fee to two percent (2%).⁴

5 **B. Approval of the Motion without an Auction is Appropriate Here.**

6 Section 363 of the Bankruptcy Code does not require that all sales be conducted pursuant to
7 competitive bidding procedures and public auctions. Bankruptcy Rule 6004(f) specifically authorizes
8 private sales: “All sales not in the ordinary course of business may be by private sale or by public auction.”
9 Fed. R. Bankr. P. 6004(f)(1). Courts generally afford debtors in possession broad discretion in
10 determining the manner in which estate property is sold. *See, e.g., In re Bakalis*, 220 B.R. 525, 531 (Bankr.
11 E.D.N.Y. 1998). Private sales by a debtor outside of the ordinary course of business are appropriate where
12 the debtor demonstrates that the sale is permissible pursuant to section 363 of the Bankruptcy Code. *See*
13 *In re Stephens Indus., Inc.*, 789 F.2d 386, 390 (6th Cir. 1986) (holding a debtor may sell property via
14 private sale “when a sound business purpose dictates such action); *In re Schipper*, 933 F.2d 513 (7th Cir.
15 1991) (approving private real estate sale by debtor when purchase price was the same as independent
16 appraisal); *In re Blue Coal Corp.*, 67 B.R. 798 (Bankr. M.D. Penn. 1986) (permitting the private sale of
17 certain of the debtor’s assets); *see also In re Blue Coal Corp.*, 168 B.R. 553, 564 (Bankr. M.D. Penn.
18 1994) (“[A] larger measure of discretion is available to the court in considering whether a private bid
19 should be approved or confirmed.”).⁵

20 Particularly because Friedrich Homes conducted a competitive bidding process designed to
21 maximize bids, the Debtor submits that not further auction or bidding is needed. There is sufficient
22 business justification to approve the sale without conducting a formal auction process before the Court.
23

24 _____
25 ⁴ The Debtor submits that approval of a standard broker fee in connection with sale is appropriate as a use
26 of property of the estate outside the ordinary course of business pursuant to section 363(b)(1). To the
27 extent necessary, however, the Debtor requests that the Court alternatively approve the broker fee pursuant
28 to sections 327, 328, 330, and 331 of the Bankruptcy Code.

⁵ This is not truly a private sale, in the sense that the sale is the result of extensive marketing and a public
request for submission of bids. Nevertheless, this case law supports the appropriateness of approval of the
sale without a further auction process or opportunity for overbid at the hearing.

1 The 1822 House was already marketed as broadly as possible to interested potential buyers, and those
2 buyers were encouraged to submit their highest and best offers.

3 Based on the opinion and advice of the Debtor's experienced real estate agents, the Sale Contract
4 price of \$1.17 million is the highest and best offer available. The Debtor's estate and creditors will benefit
5 from the approval of the Motion and Sale Contract without the added delay, energy, and expenses
6 associated with an auction process likely will not result in any further increase and could jeopardize the
7 sale to the Buyers.

8 **C. The Sale Satisfies the Requirements of Section 363(f) of the Bankruptcy Code**

9 Under section 363(f) of the Bankruptcy Code, a debtor-in-possession may sell all or any part of its
10 property free and clear of any and all liens, claims or interests in such property if: (i) such a sale is
11 permitted under applicable non-bankruptcy law; (ii) the party asserting such a lien, claim or interest
12 consents to such sale; (iii) the interest is a lien and the purchase price for the property is greater than the
13 aggregate amount of all liens on the property; (iv) the interest is the subject of a bona fide dispute; or
14 (v) the party asserting the lien, claim or interest could be compelled, in a legal or equitable proceeding, to
15 accept a money satisfaction for such interest. 11 U.S.C. § 363(f); *Citicorp Homeowners Serv., Inc. v.*
16 *Elliot (In re Elliot)*, 94 B.R. 343, 345 (E.D. Pa. 1988) (noting that section 363(f) of the Bankruptcy Code
17 is written in the disjunctive; therefore, a court may approve a sale "free and clear" provided at least one
18 of the subsections is met). Because the Debtor expects that it will satisfy, at minimum, the first, third, and
19 fifth of these requirements, if not others as well, approving the sale of the 1822 House free and clear of all
20 adverse interests of any party receiving notice of the Motion is warranted. Furthermore, courts have held
21 that they have the equitable power to authorize sales free and clear of interests that are not specifically
22 covered by section 363(f)(1). *See, e.g., In re Trans World Airlines, Inc.*, 2001 WL 1820325 at *3, 6
23 (Bankr. D. Del. March 27, 2001); *Volvo White Truck Corp. v. Chambersburg Beverage, Inc. (In re White*
24 *Motor Credit Corp.)*, 75 B.R. 944, 948 (Bankr, N.D. Ohio 1987).

25 There are no known liens on or interests in the 1822 House. To the extent there are any other claims
26 against the Debtor with respect to the Property, such claims are capable of satisfaction through the
27
28

1 payment of money. The Debtor reserves the right to provide additional arguments and authority in respect
2 of any secured claim asserted, including in the event of an objection to this Motion.

3 **D. The Sale is Proposed in Good Faith Under Section 363(m) of the Bankruptcy Code**

4 The Debtor requests that the Court find that the Buyers are entitled to the benefits and protections
5 provided by section 363(m) of the Bankruptcy Code in connection with the Sale. Section 363(m) of the
6 Bankruptcy Code provides, in pertinent part:

7 The reversal or modification on appeal of an authorization under subsection
8 (b) . . . of this section of a sale... of property does not affect the validity of
9 a sale . . . , under such authorization to an entity that purchased . . . such
10 property in good faith, whether or not such entity knew of the pendency of
11 the appeal, unless such authorization and such sale . . . were stayed pending
12 appeal.

11 11 U.S.C. § 363(m).

12 Section 363(m) of the Bankruptcy Code thus protects the purchaser of assets sold pursuant to
13 section 363 of the Bankruptcy Code from the risk that it will lose its interest in the purchased assets if the
14 order allowing the sale is reversed on appeal. By its terms, section 363(m) of the Bankruptcy Code applies
15 to sales of interests in tangible assets, such as the Purchased Assets.

16 The Debtor submits (and will present evidence prior to or at the sale hearing, if necessary) the
17 Buyers' offer was a negotiated, arm's-length transaction between two separate and independent parties,
18 in which both the Buyers and the Debtor acted in good faith. *See* Bardos Decl., ¶ 15. Accordingly, the
19 Debtor requests that the Court make the finding that the Buyers have purchased the Assets in good faith
20 within the meaning of section 363(m) of the Bankruptcy Code.

21 **E. Relief From the Fourteen Day Waiting Period Under Bankruptcy Rule 6004(h) is**
22 **Appropriate**

23 Bankruptcy Rule 6004(h) provides that an "order authorizing the use, sale, or lease of property . . .
24 is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." The
25 Debtor requests that the sale order be effective immediately by providing that the 14 day stay under
26 Bankruptcy Rule 6004(h) is waived.

1 The purpose of Bankruptcy Rule 6004(h) is to provide sufficient time for an objecting party to
2 appeal before an order can be implemented. *See* Advisory Committee Notes to Fed. R. Bankr. P. 6004(h).
3 Although Bankruptcy Rule 6004(h) and the Advisory Committee Notes are silent as to when a court should
4 “order otherwise” and eliminate or reduce the 14-day stay period, *Collier on Bankruptcy* suggests that the
5 stay period should be eliminated to allow a sale or other transaction to close immediately “where there
6 has been no objection to the procedure.” 10 *Collier on Bankruptcy* 15th Ed. Rev., 16064.09 (L. King,
7 15th rev. ed. 1988). Furthermore, *Collier’s* provides that if an objection is filed and overruled, and the
8 objecting party informs the court of its intent to appeal, the stay may be reduced to the amount of time
9 actually necessary to file such appeal. *Id.*

10 As described above, time is of the essence, based on the Debtor’s urgent need for cash. Since
11 closing of the sale promptly is of critical importance, the Debtor hereby requests that the Court waive the
12 14 day stay period under Bankruptcy Rule 6004(h), such that any sale order entered by the Court shall be
13 effective immediately upon entry.

14 VI.

15 CONCLUSION

16 WHEREFORE, the Debtor requests the Court grant the Motion, enter the Proposed Order and
17 grant any other relief as is necessary and proper under the circumstances.

18 DATED: January 28, 2025

19 FOLEY & LARDNER LLP

20 Eileen R. Ridley
21 Shane J. Moses
22 Ann Marie Uetz
23 Matthew D. Lee
24 Mark C. Moore

25 /s/ Shane J. Moses

26 Shane J. Moses

27 *Counsel for the Debtor*
28 *and Debtor in Possession*

EXHIBIT A

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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.

Case No. 23-40523 WJL

Chapter 11

**ORDER APPROVING SALE OF REAL
PROPERTY
(1822 San Antonio Avenue)**

Judge: Hon. William J. Lafferty

Date: TBD

Time: TBD

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

26 The *Debtor's Motion For Entry of an Order Approving Sale of Real Property*
27 (*1822 San Antonio Avenue*), filed on January 7, 2026 [Docket No. ____] (the "Motion"), filed by The
28 Roman Catholic Bishop of Oakland, a California corporation sole, and the debtor and debtor in possession
(the "Debtor") in the above-captioned chapter 11 bankruptcy case (the "Chapter 11 Case"), seeking an
order (1) authorizing the Debtor to enter into that certain California Residential Purchase Agreement and
Joint Escrow Instructions, dated December 22, 2025 (including all addenda thereto, the "Sale Contract"),

ORDER APPROVING SALE OF REAL PROPERTY (1822 SAN ANTONIO)

1 by and between Dylan Casey and Jessica Poon, as buyers (the “Buyers”) and the Debtor as seller, a copy
2 of which is attached as Exhibit A to the declarations of Attila Bardo in support of the Motion (the “Bardos
3 Declaration”), for sale of certain real property commonly known as 1822 San Antonio Avenue, Alameda,
4 California (the “1822 San Antonio House”), (2) approving payment of broker commission and costs of
5 sale; and (3) granting related relief came before the Court for hearing at the above-captioned date and
6 time. The Court having reviewed and considered the Motion and notice thereof, the declarations in support
7 thereof, all other pleadings documents filed in support of or opposition to the Motion, and the arguments
8 of counsel at the hearing on the Motion,

9 **THE COURT FINDS THAT:**

10 A. Notice of the Motion was reasonable, sufficient, and adequate under the circumstances.

11 B. The Buyer has acted in good faith and are entitled to the protections of Section 363(m) of
12 the Bankruptcy Code.

13 C. The Court has jurisdiction over the Motion and venue is proper before this Court.

14 Based on the foregoing and the Court’s findings of fact and conclusions of law stated orally on the
15 record, and good cause appearing therefore,

16 **IT IS HEREBY ORDERED THAT:**

17 1. The Motion is granted.

18 2. Sale of the 1822 San Antonio House to the Buyers is approved as the highest and best offer.

19 3. The Debtor is authorized pursuant to 11 U.S.C. § 363(b)(1) to sell the 1822 San Antonio
20 House to the Buyer for the purchase price of \$\$1,170,000, and accordance with the terms and conditions
21 of the Sale Contract, a copy of which is attached as Exhibit A to the Bardos Declaration.

22 4. Pursuant to Section 363(f) of the Bankruptcy Code, effective upon closing, the sale of the
23 1822 San Antonio House will vest in the Buyer all right, title and interest of the Debtor and the bankruptcy
24 estate in the 1822 San Antonio House, free and clear of the liens, claims or interests listed of any parties
25 receiving notice of the Motion (collectively, the “Affected Interests”). Unless the holders of such the liens,
26 claims or interests have agreed to other treatment, their liens, claims or interests shall attach to the proceeds
27 of the sale with the same force, effect, validity and priority that previously existed against the 1822 San
28 Antonio House.

1 5. The Debtor, and any escrow agent upon the Debtor's written instruction, shall be
2 authorized to make such disbursements on or after the closing of the sale as are required by the Sale
3 Contract or order of this Court, including, but not limited to, (a) any delinquent real property taxes and
4 outstanding post-petition real property taxes pro-rated as of the closing with respect to the 1822 San
5 Antonio House; (b) the seller's portion pursuant to the Sale Contract of application city, county, or other
6 transfer taxes; (c) broker's fees and commissions as identified in the motion, the listing agreement attached
7 as Exhibit A to the declaration of Jill Friedman in support of the Motion, and the Sale Contract; and (d)
8 other closings costs and escrow fees necessary to complete the sale transaction contemplated by the
9 Motion and Sale Contract.

10 6. The Debtor and its officers, employees and agents be and they hereby are authorized to
11 execute the Sale Contract and any other related documents that are reasonably necessary or appropriate to
12 complete the sale, and to undertake such other actions as may be reasonably necessary or appropriate to
13 complete the sale.

14 7. The Buyers are approved as buyers in good faith in accordance with Section 363(m) of the
15 Bankruptcy Code, and the Buyers shall be entitled to all protections of Section 363(m) of the Bankruptcy
16 Code.

17 8. Except as otherwise provided in the Motion or Sale Contract, the 1822 San Antonio House
18 shall be sold, transferred, and delivered to Buyer on an "as is, where is" or "with all faults" basis.

19 9. This Order shall be effective immediately upon entry. No automatic stay of execution or
20 effectiveness, pursuant to Rule 62(a) of the Federal Rules of Civil Procedure, or Bankruptcy Rule 6004(h),
21 applies with respect to this Order.

22 10. The Sale Contract and any related documents or other instruments may be modified,
23 amended or supplemented by the parties thereto, in a writing signed by both parties without further order
24 of the Court, provided that any such modification, amendment or supplement does not have a material
25 adverse effect on the Debtor's bankruptcy estate.

26 11. This Court retains jurisdiction to enforce and implement the terms and provisions of this
27 Order and the Sale Contract, all amendments thereto, any waivers and consents thereunder, and each of
28 the documents executed in connection therewith in all respects, including retaining jurisdiction to (a)

1 compel delivery of the 1822 San Antonio House to the Buyer, (b) resolve any disputes arising under or
2 related to the Sale Contract, and (c) resolve any disputes regarding liens, claims, or interests asserted
3 against the 1822 San Antonio House.

4 ** END OF ORDER **
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COURT SERVICE LIST

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