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19 *of Oakland, and Adventus*

20 **UNITED STATES BANKRUPTCY COURT**
21 **NORTHERN DISTRICT OF CALIFORNIA**
22 **OAKLAND DIVISION**

23 *In re:*
24 THE ROMAN CATHOLIC BISHOP OF
25 OAKLAND, a California corporation sole,
26 Debtor.

Case No. 23-40523 WJL

Chapter 11

**STATEMENT OF THE ROMAN
CATHOLIC WELFARE CORPORATION
OF OAKLAND, THE ROMAN
CATHOLIC CEMETERIES OF THE
DIOCESE OF OAKLAND, AND
ADVENTUS IN SUPPORT OF THE
DEBTOR'S FOURTH AMENDED PLAN
OF REORGANIZATION**

Date: March 10, 2025
Time: 10:00 a.m. (Pacific Time)
Place: United States Bankruptcy Court
Courtroom 220
1300 Clay Street
Oakland, CA 94612

1 The Roman Catholic Welfare Corporation of Oakland (“RCWC”), The Roman Catholic
2 Cemeteries of the Diocese of Oakland (“RCC”), and Adventus (collectively, the “Non-Debtor
3 Catholic Entities”), non-debtor entities affiliated with the Roman Catholic Bishop of Oakland, the
4 debtor and debtor-in-possession (“Debtor”) in the above captioned chapter 11 case, hereby file this
5 statement (the “Statement”) in support of the *Debtor’s Fourth Amended Plan of Reorganization*
6 (“Debtor’s Fourth Amended Plan”) [Docket No. 2654] and in response to the *Notice of Filing of*
7 *the Official Committee of Unsecured Creditors’ Plan of Reorganization, dated March 6, 2026* (the
8 “UCC Plan”) [Docket No. 2705] filed by the Official Committee of Unsecured Creditors of the
9 Roman Catholic Bishop of Oakland (the “Committee”).

10 **I. FACTUAL BACKGROUND**

11 A. The Chapter 11 Case.

12 On May 8, 2023 (the “Petition Date”), the Debtor filed a voluntary petition for relief under
13 chapter 11 of the Bankruptcy Code. The Debtor continues to operate its ministry and manage its
14 properties as a debtor in possession under sections 1107(a) and 1108 of the Bankruptcy Code. No
15 trustee or examiner has been appointed in this chapter 11 case.

16 B. The Debtor’s Fourth Amended Plan.

17 On February, 20, 2026, the Debtor filed its Fourth Amended Plan. As described more fully
18 therein, the Non-Debtor Catholic Entities¹ have agreed to make material contributions in support
19 of the Debtor’s reorganization.

20 In brief, with respect to RCWC, it will contribute \$30,000,000 over 3.5 years, including
21 \$7,700,000 on the Effective Date, to an escrow account managed by a third-party. *See* Debtor’s
22 Fourth Amended Plan, § 9.3.2. Distributions from the RCWC Escrow are available only to Holders
23 of Class 4 Abuse Claims who the Abuse Claims Reviewer determines asserted a compensable claim
24 against RCWC and who have executed a RCWC Release. In exchange for its contribution, RCWC,
25 to the extent it holds a Class 7A Claim, will be deemed to have waived its Abuse Related
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28 ¹ Capitalized terms used but not defined herein shall have the meanings ascribed in the Debtor’s Fourth Amended Plan. The Non-Debtor Catholic Entities, together with other entities affiliated with the Debtor, are defined as such in the Debtor’s Fourth Amended Plan. *See* Debtor’s Fourth Amended Plan, § 1.1.82.

1 Contribution Claim against the Debtor, the Reorganized Debtor, the Estate, the Survivors' Trust,
2 and any Settling Insurer. Any unclaimed RCWC Escrow balance shall be returned to RCWC on
3 the five-year anniversary of the Effective Date.

4 RCC will provide the Debtor with a \$55 million exit facility on the Effective Date —
5 consisting of a \$15 million refinance of existing DIP financing and \$40 million in new money,
6 which represents the maximum amount RCC is willing and able to lend — with the entire \$40
7 million in new money to be transferred directly to the Survivors' Trust on the Effective Date. *See*
8 *id.* § 9.3.1. In exchange for its prepetition secured claim, RCC shall receive payment in full pursuant
9 to the terms of the RCC Prepetition Loan Documents, with default interest and late payment fees
10 waived, and any unpaid principal amounts that were due prior to the Effective Date amortized over
11 the remaining loan term. The execution and agreement of the documents governing the exit facility
12 on terms satisfactory to RCC is a condition precedent to the Fourth Amended Plan's effectiveness.
13 *Id.* § 10.2.3.

14 Adventus owns the Livermore Property, approximately 122.5 acres of vacant land located
15 at 3658 Las Colinas Road, Livermore, California. The Livermore Property is currently worth
16 approximately \$14 million, but potentially worth approximately \$100 million or more if re-entitled
17 for residential development. Adventus has been actively working to re-title the property for
18 residential use to maximize its value for the benefit of the Plan. It has agreed that if any part of the
19 Livermore Property is sold before the 3.5-year anniversary of the Effective Date, the net sale
20 proceeds (after payment of closing costs) shall first be distributed to the Survivors' Trust in an
21 amount equal to the remaining balance owed on the Reorganized Debtor's required Plan
22 contribution, with any remaining funds thereafter returned to Adventus. *See id.* § 9.3.4.

23 Under the Fourth Amended Plan, a good faith finding applies to each of the Non-Debtor
24 Catholic Entities and their respective members, officers, directors, employees, and professionals
25 within the meaning of and with respect to all of the actions described in Section 1125(e). *Id.* §
26 10.1.5. The Non-Debtor Catholic Entities are among the parties entitled to exculpation under the
27 Fourth Amended Plan's provisions. *Id.* §§ 1.1.54, 13.6

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1 C. The Committee's Lawsuit Against the Debtor and RCWC, RCC, and Adventus.

2 On December 11, 2024, the Committee commenced adversary proceeding no. 24-04053,
3 styled as *The Official Committee of Unsecured Creditors of The Roman Catholic Bishop of Oakland*
4 *v. The Roman Catholic Bishop of Oakland, et al.*, (the "Non-Debtor Defendant Adversary") by
5 filing its *Adversary Complaint for Declaratory Relief* (the "Original Complaint") [Adv. Docket No.
6 1] against the Debtor and Non-Debtor Catholic Entities asserting claims for substantive
7 consolidation and other declaratory relief.

8 On January 24, 2025, the Debtor and Non-Debtor Catholic Entities filed motions to dismiss
9 the Original Complaint pursuant to Rule 12(b)(6).²

10 On April 22, 2025, the Court entered the *Order After Hearing on Motions to Dismiss* [Adv.
11 Docket No. 30] granting the Debtor's and Non-Debtor Catholic Entities' motions to dismiss the
12 Original Complaint and granting the Committee leave to amend.

13 On May 6, 2025, the Committee subsequently filed the *First Amended Adversary Complaint*
14 (the "Amended Complaint") [Adv. Docket No. 32] against the Debtor and Non-Debtor Catholic
15 Entities asserting claims for substantive consolidation and other declaratory relief. Although the
16 Amended Complaint largely re-packaged the allegations in the Original Complaint, the Committee
17 re-framed many of its allegations under an alter ego theory of liability.

18 On May 23, 2025, the Debtor and Non-Debtor Catholic Entities filed motions to dismiss
19 the Amended Complaint pursuant to Rule 12(b)(6).³ The Committee filed a response in opposition
20 to the motions on May 28, 2025⁴ to which the Debtor and Non-Debtor Catholic Entities filed replies
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23 ² See *Motion of the Roman Catholic Welfare Corporation Of Oakland, the Roman Catholic Cemeteries of the Diocese of Oakland and Adventus to Dismiss Complaint* [Adv. Docket No. 9], and *Debtor's Motion to Dismiss Adversary Complaint for Declaratory Relief* [Adv. Docket No. 14].

24 ³ See *Motion of the Roman Catholic Welfare Corporation Of Oakland, the Roman Catholic Cemeteries of the Diocese of Oakland and Adventus to Dismiss the Official Committee of Unsecured Creditors' First Amended Complaint* [Adv. Docket No. 35], *Declaration of Ryan E. Manns in Support of the Motion of the Roman Catholic Welfare Corporation Of Oakland, the Roman Catholic Cemeteries of the Diocese of Oakland and Adventus to Dismiss the Official Committee of Unsecured Creditors' First Amended Complaint* [Adv. Docket No. 36], and *Debtor's Motion to Dismiss First Amended Adversary Complaint* [Adv. Docket No. 41].

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27 ⁴ See *Omnibus Response of the Official Committee of Unsecured Creditors to (I) Debtor's Motion to Dismiss Frist Amended Adversary Complaint and (II) Motion of the Roman Catholic Welfare Corporation of Oakland, the Roman Catholic Cemeteries of the Diocese of Oakland and Adventus to Dismiss the Official Committee of Unsecured Creditors' First Amended Adversary Complaint* [Adv. Docket No. 45].
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1 on June 2, 2025.⁵

2 Following oral argument on the Debtor’s and the Non-Debtor Catholic Entities’ motions to
3 dismiss, the Court issued a comprehensive oral ruling stating detailed reasons for dismissing all the
4 counts in the Amended Complaint with prejudice.⁶ As relevant here, the Court held the
5 Committee’s claims for substantive consolidation against the Debtor and each of the Non-Debtor
6 Catholic Entities failed on several grounds. First, the Court reiterated that, based on the Supreme
7 Court’s decision in *Law v. Siegel*, the Committee’s claim for substantive consolidation against the
8 Non-Debtor Catholic Entities (non-profit non-debtor entities) could not stand unless applicable
9 state law, here an alter ego theory of liability, rather than section 105(a) of the Bankruptcy Code,
10 provided the basis for liability.⁷ Next, the Court determined the Committee had failed to adequately
11 plead facts to satisfy the elements of alter ego liability under California law – *i.e.*, (i) a unity of
12 interest between the target entities such that their separate personalities do not truly exist and (ii) a
13 resulting fraud or injustice from the failure to disregard the entities’ separate identities.⁸

14 The Court stated that the Committee’s allegations in the Amended Complaint “are
15 essentially identical” to those set forth in the Original Complaint and emphasized that “the alter
16 ego standard is frankly more demanding” than “substantive consolidation through section 105(a)”
17 as it requires “a more systemic and pervasive melding of interest[s] the Court doesn’t believe are
18 found here.”⁹ For these reasons, the Court concluded the Committee had not alleged sufficient facts
19 to meet the requirements for piercing the corporate veil of the Non-Debtor Catholic Entities under
20 an alter ego theory.¹⁰

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24 ⁵ *Reply in Support of Debtor’s Motion to Dismiss Adversary First Amended Adversary Complaint* [Adv. Docket No. 47] and *Reply Memorandum in Support of the Motion of the Roman Catholic Welfare Corporation Of Oakland, the Roman Catholic Cemeteries of the Diocese of Oakland and Adventus to Dismiss the Official Committee of Unsecured Creditors’ First Amended Complaint* [Adv. Docket No. 48].

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26 ⁶ A true and correct copy of the transcript of the Court’s oral ruling is attached as Exhibit A (hereinafter, “Ruling Tr.”) to the *Declaration of Michael A. Kaplan* filed in support of the Committee’s Motion to Reconsider (as defined below) [Adv. Docket No. 58].

27 ⁷ *Ruling Tr.* 136:15-22.

28 ⁸ *Id.* at 137:9-21.

⁹ *Id.* at 144:12-16.

¹⁰ *Id.* at 144:17-21.

1 The Court entered the *Order Dismissing First Amended Adversary Complaint* (the
2 “Dismissal Order”) [Adv. Dkt. No. 55] dismissing the Amended Complaint with prejudice.

3 On August 8, 2025, the Committee filed notice of an appeal of the Dismissal Order [Adv.
4 Dkt. No. 56].

5 Also on August 8, 2025, the Committee filed its *Motion of the Official Committee of*
6 *Unsecured Creditors for Reconsideration of the Order Dismissing First Amended Adversary*
7 *Complaint* (the “Motion to Reconsider”) [Adv. Dkt. No. 57]. The Debtor and Non-Debtor Catholic
8 Entities each filed opposition to the Motion to Reconsider¹¹ and the Committee filed a reply.¹²

9 On September 9, 2025, the Court heard oral argument on the Motion to Reconsider and took
10 the matter under submission.

11 D. The Committee’s Chapter 11 Plan

12 The Committee filed the UCC Plan on March 6, 2026.

13 At its core, the UCC Plan attempts to circumvent the Court’s prior rulings dismissing the
14 Committee’s substantive consolidation claims in the Non-Debtor Defendant Adversary. Driven by
15 the apparent assumption that the Non-Debtor Catholic Entities are not separate entities from the
16 Debtor, the UCC Plan requires the Non-Debtor Catholic Entities to contribute different
17 consideration and under materially different terms than those the Non-Debtor Catholic Entities
18 agreed to in negotiations with the Debtor that resulted in the terms of the Fourth Amended Plan,
19 even though the Non-Debtor Catholic Entities have not agreed to the UCC Plan’s terms.

20 Pursuant to the UCC Plan, the Committee requires RCWC, notwithstanding the fact that it
21 is a non-debtor, to contribute up to \$118.9 million, on an “optional” and “voluntary” basis. UCC
22 Plan, § 9.3.2. The UCC Plan also shortens the period during which the RCWC Escrow shall be
23 returned from 5 years to 3.5 years from the Effective Date, effectively reducing the time within
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26 ¹¹ See *Objection of The Roman Catholic Welfare Corporation of Oakland, The Roman Catholic Cemeteries of the*
27 *Diocese of Oakland, and Adventus to the Motion of the Official Committee of Unsecured Creditors for Reconsideration*
28 *of the Order Dismissing First Amended Adversary Complaint* [Adv. Docket No. 65] and *Debtor’s Opposition to Motion*
of The Official Committee of Unsecured Creditors for Reconsideration of the Order Dismissing First Amended
Adversary Complaint [Adv. Docket No. 67].

¹² See *Omnibus Reply in Support of Motion of the Official Committee of Unsecured Creditors for Reconsideration of*
the Order Dismissing First Amended Adversary Complaint [Adv. Docket No. 68].

1 which claimants may execute RCWC Releases by 1.5 years. *Id.* § 9.3.2.6. In addition, the UCC
2 Plan requires RCWC to provide security by granting liens on its real property in favor of the
3 Survivors' Trust which property must have a value of 125% of RCWC's proposed contributions.
4 *Id.* § 9.3.2.7.

5 Furthermore, the UCC Plan requires Adventus, again, notwithstanding the fact that it is a
6 non-debtor, to sell the Livermore Property on a timeline not of its choosing, i.e. within 3.5 years of
7 the filing of the plan regardless of when confirmation occurs. *Id.* § 9.3.4.

8 With respect to RCC, the UCC Plan removes all references to an exit facility, leaving no
9 identified source of post-confirmation financing.

10 Under the UCC Plan, none of the Non-Debtor Catholic Entities are entitled to exculpation
11 or to a finding of having acted in good faith in connection with their contributions to the Debtor's
12 reorganization.

13 The Non-Debtor Catholic entities have not agreed to any of the Committee's changes to the
14 Fourth Amended Plan proposed under the UCC Plan. Nor does the Committee state any legal basis
15 under the Bankruptcy Code or other applicable law for compelling the Non-Debtor Catholic
16 Entities to make contributions or on the terms proposed under the UCC Plan.

17 18 **II. STATEMENT**

19 The Non-Debtor Catholic Entities support the Debtor's Fourth Amended Plan, which is the
20 product of extensive, arms' length negotiations between the Debtor, Non-Debtor Catholic Entities,
21 the Settling Insurers, and other parties in interest over the course of the past several months,
22 including through formal mediation, and aligns with the Non-Debtor Catholic Entities' shared
23 religious and charitable missions. The Non-Debtor Catholic Entities submit that the Debtor's
24 Fourth Amended Plan represents a material enhancement over prior versions of the Debtor's plan,
25 incorporates many of the Committee's previously stated concerns, and most importantly, is the
26 highest and best consideration that the Non-Debtor Catholic Entities are willing and able to offer
27 under the circumstances.

28 Conversely, the Non-Debtor Catholic Entities reject and do not support the UCC Plan.

1 Among its many infirmities, the Committee’s proposed RCWC contributions are a non-starter. The
2 proposed \$70 million contribution on the Effective Date and \$48.9 million additional contribution
3 represent nearly *four times* RCWC’s contributions under the Debtor’s Fourth Amended Plan. This
4 purportedly “optional” contribution is to be exchanged for materially different and less favorable
5 terms than those proposed under the Fourth Amended Plan, including different escrow mechanics,
6 a shortened period for claimants to execute releases, and a required pledge of real property as
7 security for future contributions, all while stripping RCWC of bargained-for protections of
8 exculpation and a good faith finding. The Committee’s proposed extraction of \$118.9 million from
9 RCWC is the functional equivalent of dismantling the organization and compromising the schools
10 and students that it supports.

11 As for Adventus, the UCC Plan effectively backstops the Debtor’s cash contribution
12 obligation with non-debtor collateral – compelling Adventus to sell the Livermore Property within
13 3.5 years of the plan filing date regardless of when plan confirmation occurs and bind Adventus to
14 a mandatory proceeds distribution waterfall – on a timeline not of Adventus’ choosing.

15 With respect to RCC, the UCC Plan removes all references to the exit facility, a key source
16 of post-confirmation financing, creating a significant gap in the plan’s implementation mechanics.
17 Effectively, the UCC Plan shifts RCC’s proposed funding to RCWC without either entity’s consent.

18 The Non-Debtor Catholic Entities have not agreed to any of the Committee’s proposed
19 modifications to the Debtor’s Fourth Amended Plan as reflected in the UCC Plan. The Committee’s
20 proposed contributions from RCWC and Adventus – on terms materially different from those to
21 which the Non-Debtor Catholic Entities have agreed with the Debtor – effectively disregard the
22 Court’s prior rulings rejecting their substantive consolidation and alter ego claims. As evidenced
23 by the UCC Plan and the Committee’s prior statements in Court, the Committee continues to refuse
24 to acknowledge those rulings. Nothing in Bankruptcy Code sections 1123, 1125, or 1129 empowers
25 the Committee to extract or solicit contributions from a non-debtor as part of confirmation. At
26 bottom, as non-debtors, RCWC, RCC, and Adventus cannot, without their consent, be compelled
27 to contribute funding, provide exit financing on terms not of their choosing, or encumber their real
28 property to support the UCC Plan.

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III. CONCLUSION

The Non-Debtor Catholic Entities have exhausted their resources to support the Debtor’s Fourth Amended Plan. There is nothing more to offer. Without the Non-Debtor Catholic Entities’ voluntary support, the UCC Plan has materially less to offer creditors than the Debtor’s Fourth Amended Plan. For these reasons, it would be a waste of limited estate resources to allow the Committee to solicit any plan that seeks to coerce the support of the Non-Debtor Catholic Entities, or to contribute consideration different or subject to different terms from what has been proposed in the Debtor’s Fourth Amended Plan. As a matter of law, the UCC Plan cannot be confirmed: it seeks to impose obligations on non-consenting non-debtors without legal authority to do so. Confirmation of the Debtor's Fourth Amended Plan remains the only viable, legally sound path to reorganization in this case.

Dated: March 9, 2026

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