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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.

27 Case No. 23-40523 WJL

28 Chapter 11

**OBJECTION OF THE ROMAN  
CATHOLIC WELFARE CORPORATION  
OF OAKLAND, THE ROMAN  
CATHOLIC CEMETERIES OF THE  
DIOCESE OF OAKLAND, AND  
ADVENTUS TO THE COMMITTEE'S  
DISCLOSURE STATEMENT**

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 objection (the “Objection”) to the *Disclosure Statement for the Official Committee of Unsecured*  
6 *Creditors’ Plan of Reorganization, dated March 27, 2026* (“Committee’s Disclosure Statement”)  
7 [Docket No. 2753] and with respect to the *Official Committee of Unsecured Creditors’ Plan of*  
8 *Reorganization, dated March 27, 2026* (the “Committee’s Plan”) [Docket No. 2752] filed by the  
9 Official Committee of Unsecured Creditors of the Roman Catholic Bishop of Oakland (the  
10 “Committee”).

11 **I. PRELIMINARY STATEMENT**

12 The Non-Debtor Catholic Entities explicitly reject the Committee’s Plan and  
13 correspondingly any insinuation in the Committee’s Disclosure Statement that the Non-Debtor  
14 Catholic Entities will support and/or contribute to their Plan, even on a voluntary basis. Any  
15 representation to the contrary is misleading and should not be countenanced by this Court. The  
16 Non-Debtor Catholic Entities have repeatedly represented in Court and in pleadings that there is no  
17 circumstance under which they will support the Committee’s Plan. In response, the Committee  
18 conceded on the record at the March 10, 2026 status conference, it can “remove” the provisions  
19 concerning RCWC and Adventus from its plan. *See* March 10, 2026 Tr. 46:6–9, 57:4–7. Yet, the  
20 Committee has failed to do so. Thus, the Committee’s continued inclusion of the Non-Debtor’s  
21 Catholic Entities in any respect in connection with potential recoveries under their Plan is  
22 disingenuous and should be removed. To the extent not removed, the Committee’s Disclosure  
23 Statement is fundamentally flawed because it predicates creditor recoveries on the “voluntary”  
24 participation of the Non-Debtor Catholic Entities. The Committee cannot cure this defect by  
25 labeling a rejected contribution as “optional.” A disclosure statement that relies on speculative  
26 funding from non-consenting third parties does not provide “adequate information” as required by  
27 section 1125 of the Bankruptcy Code and must be denied. Until these deficiencies are addressed,  
28

1 the Non-Debtor Catholic Entities submit that the Court should deny approval of the Committee’s  
2 Disclosure Statement

3 **II. FACTUAL BACKGROUND**

4 A. The Chapter 11 Case.

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

9 B. The Debtor’s Fourth Amended Plan.

10 On February 20, 2026, the Debtor filed its Fourth Amended Plan. As described more fully  
11 therein, the Non-Debtor Catholic Entities<sup>1</sup> have agreed to make material contributions in support  
12 of the Debtor’s reorganization.

13 In brief, with respect to RCWC, it will contribute \$30,000,000 over 3.5 years, including  
14 \$7,700,000 on the Effective Date, to an escrow account managed by a third-party. *See* Debtor’s  
15 Fourth Amended Plan, § 9.3.2. Distributions from the RCWC Escrow are available only to Holders  
16 of Class 4 Abuse Claims who the Abuse Claims Reviewer determines asserted a compensable claim  
17 against RCWC and who have executed a RCWC Release. In exchange for its contribution, RCWC,  
18 to the extent it holds a Class 7A Claim, will be deemed to have waived its Abuse Related  
19 Contribution Claim against the Debtor, the Reorganized Debtor, the Estate, the Survivors’ Trust,  
20 and any Settling Insurer. Any unclaimed RCWC Escrow balance shall be returned to RCWC on  
21 the five-year anniversary of the Effective Date.

22 RCC will provide the Debtor with a \$55 million exit facility on the Effective Date —  
23 consisting of a \$15 million refinance of existing DIP financing and \$40 million in new money,  
24 which represents the maximum amount RCC is willing and able to lend — with the entire \$40  
25 million in new money to be transferred directly to the Survivors’ Trust on the Effective Date. *See*  
26

27 \_\_\_\_\_  
28 <sup>1</sup> 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 *id.* § 9.3.1. In exchange for its prepetition secured claim, RCC shall receive payment in full pursuant  
2 to the terms of the RCC Prepetition Loan Documents, with default interest and late payment fees  
3 waived, and any unpaid principal amounts that were due prior to the Effective Date amortized over  
4 the remaining loan term. The execution and agreement of the documents governing the exit facility  
5 on terms satisfactory to RCC is a condition precedent to the Fourth Amended Plan's effectiveness.

6 *Id.* § 10.2.3.

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

16 Under the Fourth Amended Plan, a good faith finding applies to each of the Non-Debtor  
17 Catholic Entities and their respective members, officers, directors, employees, and professionals  
18 within the meaning of and with respect to all of the actions described in Section 1125(e). *Id.* §  
19 10.1.5. The Non-Debtor Catholic Entities are among the parties entitled to exculpation under the  
20 Fourth Amended Plan's provisions. *Id.* §§ 1.1.54, 13.6

21 C. The Committee's Chapter 11 Plan

22 The Committee filed its Plan on March 27, 2026. At its core, the Committee's Plan attempts  
23 to circumvent the Court's prior rulings dismissing the Committee's substantive consolidation  
24 claims in the Non-Debtor Defendant Adversary. Driven by the apparent assumption that the Non-  
25 Debtor Catholic Entities are not separate entities from the Debtor, the Committee's Plan  
26 contemplates the Non-Debtor Catholic Entities contributing consideration and under materially  
27 different terms than those the Non-Debtor Catholic Entities agreed to in connection with  
28 negotiations with the Debtor that resulted in the terms of the Fourth Amended Plan— for the

1 avoidance of doubt, the Non-Debtor Catholic Entities have not negotiated with the Committee and  
2 have expressly not agreed to the Committee Plan’s terms.

3 Pursuant to the Committee’s Plan, the Committee provides for RCWC, notwithstanding the  
4 fact that it is a non-debtor, to contribute up to \$118.9 million, on an “optional” and “voluntary”  
5 basis. Committee Plan, § 9.3.2. The Committee’s Plan also shortens the period during which the  
6 RCWC Escrow shall be returned from 5 years to 3.5 years from the Effective Date, effectively  
7 reducing the time within which claimants may execute RCWC Releases by 1.5 years. *Id.* § 9.3.2.6.  
8 In addition, the Committee Plan contemplates that RCWC will provide security by granting liens  
9 on its real property in favor of the Survivors’ Trust which property must have a value of 125% of  
10 RCWC’s proposed contributions. *Id.* § 9.3.2.7.

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

14 With respect to RCC, the Committee Plan removes all references to an exit facility, leaving  
15 no identified source of post-confirmation financing.

16 Under the Committee’s Plan, none of the Non-Debtor Catholic Entities are entitled to  
17 exculpation or to a finding of having acted in good faith in connection with their contributions to  
18 the Debtor’s reorganization.

19 The Non-Debtor Catholic entities have not agreed to any of the Committee’s changes to the  
20 Fourth Amended Plan proposed under the Committee’s Plan. Nor does the Committee state any  
21 legal basis under the Bankruptcy Code or other applicable law for compelling the Non-Debtor  
22 Catholic Entities to make contributions or on the terms proposed under the Committee’s Plan.

23 On March 10, 2026, at a status conference before this Court, the Committee expressly  
24 acknowledged that it does not require RCWC’s participation and that the provisions relating to  
25 RCWC and Adventus could be removed from its plan. Specifically, Committee counsel stated:

26 “The committee is not requiring RCWC to make any payment.  
27 They don’t need to. ... It can drop out.”

28 *See* Tr. 46:1–4.

1 “If Adventus does not want to contribute, under our plan, it can say  
2 so. It can say so today. We will remove that from our plan.”

3 *See* Tr. 57:15–16.

4 Despite these concessions, the Committee’s Disclosure Statement continues to present  
5 RCWC and Adventus as potential funding sources, without disclosing the fact their proposals  
6 have been repeatedly formally rejected. This omission compounds the misleading nature of the  
7 Disclosure Statement.

### 8 **III. OBJECTION**

9 The Committee’s Disclosure Statement is materially misleading because it presents RCWC  
10 as a potential source of recovery under the Committee Plan—albeit framed as “voluntary” or  
11 “elective”—when, in reality, RCWC has unequivocally rejected the Committee Plan and will not  
12 contribute to it under any circumstances. By suggesting that recoveries may be derived from  
13 hypothetical RCWC participation, the Disclosure Statement creates a false impression regarding  
14 the feasibility and expected creditor recoveries under the Committee Plan. This is not a matter of  
15 characterization or interpretation; it is a matter of objective fact. RCWC has not agreed to the  
16 Committee Plan, does not support it, and will not fund it.

17 Courts consistently hold that a disclosure statement must provide “adequate information,”  
18 meaning information that is sufficiently complete and accurate to enable a hypothetical investor to  
19 make an informed judgment about the plan. A disclosure statement that predicates recoveries on  
20 contributions from a non-debtor that has expressly refused to participate fails that standard.

21 A disclosure statement must contain “adequate information” of a kind that would enable a  
22 hypothetical reasonable investor to make an informed judgment about the plan. 11 U.S.C. §  
23 1125(a)(1). The Ninth Circuit has made clear that this standard requires the disclosure statement to  
24 provide sufficient detail to allow creditors to evaluate the plan’s feasibility and potential recoveries  
25 without resorting to speculation. *See In re Arnold*, 471 B.R. 578, 584 (Bankr. E.D. Cal. 2012).

26 A disclosure statement that predicates recoveries on contributions from a non-debtor that  
27 has expressly refused to participate—as is the case here—fails that standard. The Committee cannot  
28 simultaneously disclaim that RCWC’s participation is voluntary while structuring its plan—and

1 marketing recoveries to creditors—on the assumption that such participation may occur. That  
2 internal inconsistency renders the Disclosure Statement misleading as a matter of law..

3 **A. RCWC has Unequivocally Rejected the Committee’s Plan**

4 RCWC, Adventus, and RCC are non-debtor entities. None is subject to the jurisdiction of  
5 this Court for purposes of being compelled to fund the Committee’s Plan, nor has any consented to  
6 do so.

7 As the Court has already recognized in dismissing the Committee’s prior claims against  
8 RCWC, the Committee lacks a viable legal basis to disregard their separate corporate existence or  
9 compel contributions from them.

10 Consistent with those rulings, each of the Non-Debtor Catholic Entities has not agreed to  
11 any aspect of the Committee Plan; none supports the Committee Plan; and none will contribute any  
12 funds or consideration to the Committee Plan. This position is final and unequivocal as to RCWC,  
13 Adventus, and RCC alike. *See, e.g.*, Tr. 30:19–25, Mar. 10, 2026 Hr’g (Ryan Manns, counsel for  
14 RCWC, stating: “the nondebtors do not support the committee's plan. And specifically...the  
15 nondebtors do not consent to the committee's use of nondebtor property or cash as contributions to  
16 their plan”); *see also Statement of The Roman Catholic Welfare Corporation of Oakland, The*  
17 *Roman Catholic Cemeteries of the Diocese of Oakland, and Adventus in Support of Debtor’s*  
18 *Fourth Amended Plan and in Response to the Committee’s Plan* p.7, March 9, 2026 [Docket No.  
19 2708] (“The Non-Debtor Catholic Entities reject and do not support the UCC Plan.”).

20 **B. The Committee’s Disclosure Statement is Materially Misleading**

21 Despite RCWC’s clear position, the Disclosure Statement presents RCWC as a potential  
22 source of recovery under the Committee Plan. Even if couched in terms such as “optional,”  
23 “voluntary,” or “elective,” that presentation is misleading for several reasons.

24 First, it artificially inflates projected recoveries by including contributions that will never  
25 materialize. Creditors reviewing the Disclosure Statement are led to believe that the Committee  
26 Plan may be funded, in part, by RCWC when that is not a realistic possibility.

27 Second, it obscures feasibility risks. A plan that depends—even contingently—on  
28 contributions from a non-consenting non-debtor is fundamentally different from one supported by

1 committed funding sources. The Disclosure Statement fails to clearly and prominently disclose that  
2 distinction.

3 Third, it mischaracterizes the nature of RCWC’s “option.” There is no genuine “option”  
4 here. RCWC has already declined. Presenting a rejected contribution as an available election is  
5 inherently misleading.

6 Fourth, the Committee itself has admitted that the RCWC and Adventus provisions can be  
7 removed from its plan without affecting its core mechanics. *See* Tr. 46:1–4; 57:15–16. By failing  
8 to disclose this concession—and by continuing to present those provisions as viable sources of  
9 recovery—the Disclosure Statement omits a material fact that would significantly alter a creditor’s  
10 assessment of the plan’s feasibility.

11 The Bankruptcy Code does not permit a disclosure statement to rely on speculative or  
12 hypothetical funding sources, particularly where those sources have expressly disclaimed  
13 participation. *See* 11 U.S.C. § 1125(a)(1); *see also In re Michelson*, 141 B.R. 715, 718-19 (Bankr.  
14 E.D. Cal. 1992) (finding a disclosure statement inadequate where it relied on speculative recovery  
15 from litigation without providing a factual basis for such recovery); *In re Diversified Investors*  
16 *Fund XVII*, 91 B.R. 559, 561 (Bankr. C.D. Cal. 1988) (“The primary purpose of a disclosure  
17 statement is to give the creditors the information they need to decide whether to accept the plan.”)  
18 (citing *In re Monnier Bros.*, 755 F.2d 1336, 1342 (8th Cir.1985)).

19 Because the Disclosure Statement’s funding premise is based on contributions that will not  
20 occur, it is inherently misleading and cannot be approved. The Committee must be required to  
21 amend the Disclosure Statement to clearly, prominently, and unambiguously disclose that RCWC  
22 has rejected the Committee’s Plan, will not contribute any funds, and that projected recoveries  
23 dependent on such contributions are entirely speculative and unlikely to materialize. *See In re Cath.*  
24 *Bishop of N. Alaska*, No. F08-00110-DMD, 2009 WL 8412175, at \*10 (Bankr. D. Alaska Sept. 11,  
25 2009) (requiring extensive amendments to disclosure statement for misleading plan funding  
26 representations).

27 **C. The Disclosure Statement Cannot Be Approved As Currently Constituted**

28 The Court should not approve the Disclosure Statement before the Committee cures the

1 materially misleading statements identified above. The Committee must amend its Disclosure  
2 Statement to include, at a minimum, the following language prominently in any section discussing  
3 plan funding, sources of recovery, projected distributions, or feasibility:

4 **“Disclosure Regarding Non-Debtor Catholic Entities:**

5 The Roman Catholic Welfare Corporation of Oakland (‘RCWC’),  
6 the Roman Catholic Cemeteries of the Diocese of Oakland (‘RCC’),  
7 and Adventus (collectively, the ‘Non-Debtor Catholic Entities’)  
8 have each explicitly and unequivocally rejected the Committee’s  
9 Plan. None of these entities supports the Committee’s Plan, and  
10 none will contribute any funds or consideration to the Committee’s  
11 Plan under any circumstances. The Committee has stated on the  
12 record in this Court that the provisions relating to RCWC and  
13 Adventus may be removed from the Plan. *See* March 10, 2026 Hr’g  
14 Tr. 46:6–9, 57:4–7. Any discussion in this Disclosure Statement of  
15 potential contributions from, or recoveries derived from, the Non-  
16 Debtor Catholic Entities is purely speculative and does not reflect  
17 any commitment or agreement by those entities.”<sup>2</sup>

18 In addition, the Committee must remove or prominently disclaim any references to RCWC,  
19 Adventus, or RCC as sources of funding or recovery in all summary charts, tables, and projected  
20 distribution calculations. *See* *In re Cath. Bishop of N. Alaska*, No. F08-00110-DMD, 2009 WL  
21 8412175, at \*10 (Bankr. D. Alaska Sept. 11, 2009) (requiring extensive amendments to disclosure  
22 statement where plan funding representations were misleading).

23 **IV. RESERVATION OF RIGHTS**

24 The Non-Debtor Catholic Entities reserve all rights with respect to the Committee Plan, the  
25 Committee’s Disclosure Statement, and any related or supplemental pleadings. Without limiting  
26 the foregoing, the Non-Debtor Catholic Entities reserve the right to object to confirmation of the  
27 Committee’s Plan on any and all grounds, including but not limited to feasibility, lack of funding,  
28 improper attempt to impose obligations on non-consenting non-debtors, and failure to satisfy the  
requirements of section 1129 of the Bankruptcy Code. The Non-Debtor Catholic Entities also  
reserve the right to supplement, amend, or modify this Objection as may be necessary or  
appropriate.

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28 <sup>2</sup> The Non Debtor Catholic Entities hereby reserve their right to further supplement  
proposed inserts into the Committee’s Disclosure Statement.

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V. CONCLUSION

For the foregoing reasons, the Committee’s Disclosure Statement fails to provide adequate information and is materially misleading. The Non-Debtor Catholic Entities respectfully request that the Court:

1. Sustain this Objection;
2. Deny approval of the Committee’s Disclosure Statement;
3. Take judicial notice of the March 10, 2026 hearing transcript and the Committee’s concessions therein that the RCWC and Adventus provisions may be removed from its plan;
4. Order that the Committee may not solicit votes on the Committee’s Plan unless and until the Disclosure Statement is amended to accurately reflect that the Non-Debtor Catholic Entities will not contribute to the Committee Plan and to correct the other deficiencies identified herein; and
5. Grant such other and further relief as the Court deems just and proper.

Dated: April 7, 2026

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