

Russell W. Roten (SBN 170571)
Jeff D. Kahane (SBN 223329)
Timothy W. Evanston (SBN 319342)
Timothy K. McMahon (SBN 342843)
Skarzynski Marick & Black LLP
333 South Grand Avenue, Suite 3550
Los Angeles, California 90071
Telephone: (213) 721-0650
rroten@skarzynski.com
jkahane@skarzynski.com
tevanston@skarzynski.com
tcmahon@skarzynski.com

Catalina J. Sugayan
Yongli Yang (*pro hac vice*)
Clyde & Co US LLP
30 S. Wacker Drive, Suite 2600
Chicago, Illinois 60606
Telephone: (312) 635-7000
Catalina.Sugayan@clydeco.us
Yongli.Yang@clydeco.us

*Attorneys for Certain Underwriters at Lloyd's,
London, and Certain London Market Insurers*

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA**

In re:

THE ROMAN CATHOLIC BISHOP OF
OAKLAND, a California corporation sole,

Debtor,

Bankruptcy Case No.: 23-40523-WJL

Hon. William J. Lafferty

Chapter 11

**LONDON MARKET INSURERS'
LIMITED OBJECTION TO DEBTOR'S
MOTION FOR AN ORDER (I)
APPROVING CLAIM OBJECTION
PROCEDURES, (II) APPROVING
CLAIM HEARING PROCEDURES, AND
(III) GRANTING RELATED RELIEF**

Date: April 29, 2026
Time: 10:30 a.m.
Place: United States Bankruptcy Court
1300 Clay Street
Courtroom 220
Oakland, CA 94612



1 Certain Underwriters at Lloyd’s, London, and Certain London Market Insurers (together,
2 “LMI”)¹ respectfully submit this Limited Objection to the Roman Catholic Bishop of Oakland’s (the
3 “Debtor”) *Motion for an Order (I) Approving Claim Objection Procedures, (II) Approving Claim*
4 *Hearing Procedures, and (III) Granting Related Relief* (“Motion”). LMI do not oppose the substantive
5 procedures sought by the Motion. However, LMI object to the extent that the Motion and the *Proposed*
6 *Order (I) Approving Claim Objection Procedures, (II) Approving Claim Hearing Procedures, and*
7 *(III) Granting Related Relief* (“Proposed Order”) could be read to suggest that only the Debtor could
8 utilize the proposed claims objection procedures, or only the Debtor has the right to object to proofs
9 of claim. LMI are parties in interest with an independent right to object to claims, and any order
10 entered on the Motion should be clarified so that parties in interest other the Debtor can utilize the
11 proposed procedures.

12 I. INTRODUCTION

13 LMI support efficient administration of this case and the timely resolution of the sexual abuse
14 claims filed in this case (“Abuse Claims”). LMI do not object to the Debtor’s proposed “Claim
15 Objection Procedures”,² the “Claim Hearing Procedures”,³ or the confidentiality protections for Abuse
16 Claims. LMI’s objection is limited solely to a drafting inconsistency in the Proposed Order that, left
17 uncorrected, might incorrectly be read to restrict the rights of parties in interest other than the Debtor
18 to assert claim objections.

19 As established by 11 U.S.C. §§ 502(a) and 1109(b), and confirmed by the Supreme Court in
20 *Truck Insurance Exchange v. Kaiser Gypsum Co.*, LMI, as excess insurers potentially exposed if
21

22 ¹ LMI are Certain Underwriters at Lloyd’s, London, subscribing severally and not jointly to Slip Nos.
23 CU 1001 and K 60034 issued to the Roman Catholic Bishop of San Francisco, and Nos. K 78318 and
24 CU 3061 issued to the Roman Catholic Bishop of Oakland; Catalina Worthing Insurance Ltd f/k/a
25 HFPI (as Part VII transferee of Excess Insurance Co. Ltd.); the Ocean Marine Insurance Company
26 Limited (as Part VII transferee of the World Auxiliary Insurance Corporation Limited); River Thames
27 Insurance Company Limited; Dominion Insurance Company Limited; Companhia de Seguros
28 Fidelidade-Mundial f/k/a Fidelidade Insurance Company of Lisbon; and R&Q Gamma Company
Limited (as Part VII transferee of Anglo French Ltd.).

² The term “Claims Objection Procedures” means the procedures sought in the Motion to provide for omnibus or individual objections to proofs of claim and resolve any responses thereto.

³ The term “Claim Hearing Procedures” means the hearing procedures sought by the Motion in connection with claims objections.

1 primary coverage limits are exhausted, are parties in interest in this case with a direct financial interest
2 in whether invalid claims are allowed, and an independent right to object to claims.⁴ The inconsistency
3 in the Proposed Order identified below risks a later argument as to whether the Proposed Order
4 implicitly extinguishes the rights of other parties in interest to object to claims.

5 Hence, LMI respectfully request that the Court make two, narrow, modifications to the
6 Proposed Order to preserve the rights of all parties in interest.

7 **II. RELEVANT FACTS**

8 LMI may have subscribed certain excess umbrella policies on behalf of the Debtor for periods
9 from March 12, 1962, to October 25, 1966 (the “LMI Policies”). The LMI Policies are excess
10 indemnity policies sitting above the Debtor's primary coverage layer that only trigger after the
11 exhaustion of underlying primary limits. To the extent any Abuse Claims implicate the LMI Policies,
12 LMI may face demands for coverage. LMI therefore have a direct financial interest in the allowance
13 or disallowance of the Abuse Claims in this case.

14 On July 25, 2023, the Court entered the “Bar Date Order”⁵, establishing September 11, 2023,
15 as the general bar date for non-governmental proofs of claim and approving confidentiality protocols
16 governing the treatment of information contained in filed claims and supplements. To date,
17 approximately 431 Abuse Claims have been filed.⁶ On April 2, 2026, the Debtor filed the Motion
18 seeking entry of an order approving the Claim Objection Procedures and the Claim Hearing
19 Procedures.⁷

20 The Proposed Order contains a facial internal inconsistency bearing directly on the right of
21 parties in interest to object to claims. In relevant part, Paragraph 3 states:

- 22 3. The Debtor are authorized to object to claims in accordance with the following
23 procedures (the “Claim Objection Procedures”):

24
25 ⁴ *Truck Insurance Exchange v. Kaiser Gypsum Co.*, 602 U.S. 268 (2024).

26 ⁵ The term “Bar Date Order” means the *Order Establishing Deadlines for Filing Proofs of Claim and*
27 *Approving the Form and Manner of Notice Thereof* [Docket No. 293].

28 ⁶ Motion [Docket No. 2781] at 3.

⁷ *Id.*

1 (a) Notwithstanding anything to the contrary in Bankruptcy Rule 3007, the
2 Debtors and other parties in interest are authorized to file Omnibus Objections
3 to claims seeking reduction, reclassification, or disallowance of claims on one
or more of the following grounds (the “Additional Permitted Grounds” and
together with those grounds set forth in Bankruptcy Rule 3007(d), the
“Permitted Grounds”)...

4 Paragraph 3 refers only “the Debtor” to object to claims⁸, while Paragraph 3(a)—the
5 immediately following subparagraph—broadens that authority to “the Debtors and other parties in
6 interest”⁹ without reconciling the two provisions. The remainder of the Proposed Order, including
7 Paragraphs 3(b) through 3(i) and the Claims Hearing Procedures in Paragraph 5, refers exclusively to
8 “the Debtor” and is framed entirely for the Debtor’s objections to Abuse Claims with no
9 acknowledgment that all parties in interest have claims objection rights.¹⁰

10 Accordingly, LMI respectfully request that the Proposed Order be amended to clarify that it
11 does not, in any way, extinguish the rights of parties in interest to object to Abuse Claims.

12 **III. ARGUMENT**

13 **a. Insurers Are Parties in Interest with Independent Statutory Rights to Object to** 14 **Claims**

15 Parties in interest have a broad right of participation in bankruptcy cases, including the right
16 to object to proofs of claim.¹¹ A filed proof of claim “is deemed allowed, unless a party in interest . . .
17 objects.”¹² In a chapter 11 case, any “party in interest” has the broad right to “raise and . . . appear
18 and be heard on any issue in a case under this chapter”¹³, including to object to claims.¹⁴ Congress’s
19 use of the term “party in interest” in both section 502(a) and section 1109(b) indicates Congress’s
20

21 ⁸ Proposed Order ¶ 3.

22 ⁹ *Id.* at ¶ 3(a).

23 ¹⁰ *See* 11 U.S.C. § 502(a).

24 ¹¹ *See id.*, and 11 U.S.C. § 1109(b); *Kaiser Gypsum Co.*, 602 U.S. at 80 (§ 1109(b) permits any party
in interest to “raise and . . . appear and be heard on any issue” in a Chapter 11 case).

25 ¹² 11 U.S.C. § 502(a).

26 ¹³ 11 U.S.C. § 1109(b); *Kaiser Gypsum Co.*, 602 U.S. at 278 (“The general theory behind [§ 1109(b)]
is that anyone holding a direct financial stake in the outcome of the case should have an opportunity
27 (either directly or through an appropriate representative) to participate in the adjudication of any issue
that may ultimately shape the disposition of his or her interest.”).

28 ¹⁴ *See* 11 U.S.C. § 502(a).

1 intent that any party in interest has the right to object to claims.¹⁵ Such right is concurrent and
2 independent — it does not make a debtor’s objection a prerequisite to any other party’s right to
3 object.¹⁶

4 The Supreme Court's decision in *Kaiser Gypsum Co.* confirms that LMI are parties in interest
5 in this case.¹⁷ In *Kaiser Gypsum*, the Supreme Court held that an insurer with the potential financial
6 liability for a debtor’s claims is a “party in interest”, under section 1109(b) that is entitled to appear
7 and be heard on any issue in a Chapter 11 case, grounding that status in the insurer's “direct financial
8 stake in the outcome of the case.”¹⁸ Thus, where a proposed plan “allows a party to put its hands into
9 other people's pockets, the ones with the pockets are entitled to be fully heard and to have their
10 legitimate objections addressed.”¹⁹ The Supreme Court identified specific ways in which an insurer's
11 financial exposure may be at stake—including impairment of the insurer's contractual right to control
12 settlement or defend claims, abrogation of the insurer's rights to contribution from other carriers, and
13 the risk that plan procedures invite fraudulent or inflated claims, all of which are at stake here.²⁰

14 The reasoning in *Kaiser Gypsum* was grounded in the insurer's direct financial exposure to the
15 outcome, which is equally present here given that the pool of allowed claims defines the outer limits
16
17

18 ¹⁵ *Atlantic Cleaners & Dyers v. U.S.*, 286 U.S. 427, 433 (1932) (“there is a natural presumption that
19 identical words used in different parts of the same act are intended to have the same meaning.”); *see*
20 *also Kaiser Gypsum Co.*, 602 U.S. at 277 (“Congress uses the phrase ‘party in interest’ ” in bankruptcy
provisions when it intends the provision to apply ‘broadly’.”) (*citing Hartford Underwriters Ins. Co.*
v. Union Planters Bank, N.A., 530 U.S.1, 7 (2000)).

21 ¹⁶ *See In re QMect, Inc.*, 349 B.R. 620, 627 (Bankr. N.D. Cal. 2006) (Holding that “[a] creditor or
22 creditors' committee has standing independent of the trustee or debtor-in-possession to object to
another creditor's claim as long as it has something to gain if it prevails,” grounded in the broad “party
23 in interest” language of § 502(a)).

24 ¹⁷ *Kaiser Gypsum Co.*, 602 U.S. 268 (2024).

¹⁸ *Id.* at 277-78.

25 ¹⁹ *Id.* at 283 (*citing In re Global Indus. Technologies, Inc.*, 645 F.3d 201, 204 (3rd Cir. 2011)); *In re*
26 *Thorpe Insulation Co.*, 677 F.3d 869, 888 (9th Cir. 2012) (“A fundamental purpose of section 1109(b)
27 is to grant any party with a financial stake in the case the right, at the party's election, to participate
with respect to the judicial determination of any issue bearing on the ultimate disposition of his or her
interest.”).

28 ²⁰ *Kaiser Gypsum Co.*, 602 U.S. at 281.

1 of an insurer's potential liability.²¹ LMI's exposure here is concrete, not speculative. LMI subscribed
2 excess umbrella policies potentially covering the Debtor from March 12, 1962, to October 25, 1966.
3 If Abuse Claims falling within that period are allowed in amounts exhausting the Debtor's primary
4 coverage, LMI potentially face direct liability. The composition of the allowed claims pool—how
5 many claims are allowed, in what amounts, and on what factual and legal bases—thus determines the
6 magnitude of LMI's exposure. Thus, the adequacy of the Claims Objection Procedures—including
7 whether facially deficient claims are identified and objected to—directly affects LMI's financial
8 exposure. LMI therefore have a significant pecuniary interest in the integrity of the claims objection
9 process, and their right to participate in that process is firmly established by *Kaiser Gypsum* and the
10 plain text of sections 502(a) and 1109(b).

11 LMI's independent right to object to claims matters because a debtor in a diocesan bankruptcy
12 operates under settlement pressures and plan-confirmation incentives that may cause it to take a more
13 permissive approach to claim allowances than the LMI policies contemplate. The Debtor has stated
14 that its goal is to “ensure that all Sexual Abuse Claims are treated fair[ly] and equitably in the Plan”
15 and to “preserve[] resources for victims with lawful claims.”²² However, LMI have their own distinct
16 interests in ensuring that claims that are facially insufficient, legally barred, or otherwise improper are
17 identified and challenged—and such interests are protected explicitly by sections 502(a) and 1109(b).

18 Accordingly, LMI possess an independent, concurrent, and fully enforceable right to object to
19 claims, and, given their direct and substantial financial stake in the allowance of such Abuse Claims,
20 that right must be expressly preserved and protected in the Proposed Order.

21 **b. The Motion and Proposed Order Should Be Clarified to Preserve LMI's Objection**
22 **Rights**

23 The Claim Objection Procedures and Claim Hearing Procedures are facially reasonable except
24 that the Proposed Order inexplicably contains an internal textual inconsistency that could be read—
25 incorrectly, but plausibly—to invalidate LMI's claim objection rights. Paragraph 3(a) is the only
26

27 ²¹ See e.g. *In re Western Asbestos Co.*, 313 B.R. 832, 846 (Bankr. N.D. Cal. 2003) (acknowledging
that objecting insurers are parties in interest with respect to asbestos claims under section 502(a)).

28 ²² Motion at 4.

1 provision in the entire Proposed Order that acknowledges the existence of parties in interest other than
2 the Debtor. Every other operative provision—Paragraph 3(b) through 3(i) and Paragraph 5—is drafted
3 exclusively for the Debtor’s use. The Proposed Order thus establishes a comprehensive set of Claim
4 Objection Procedures that, as written, do not contemplate other parties in interest objectors. LMI’s
5 concern is that the absence of any procedural accommodation for non-debtor objectors, combined with
6 the Proposed Order’s otherwise uniform focus on the Debtor as identified above, invites exactly the
7 argument that entry of the Proposed Order *sub silentio* displaced LMI’s claim objection rights. Thus,
8 clarification of the Proposed Order is necessary to avoid any assertion that its entry by the Court
9 extinguished any of LMI’s right to object to Abuse Claims.

10 To remedy this ambiguity, LMI propose two modifications. First, LMI request that the
11 introductory text of Paragraph 3 be revised to state “parties in interest are authorized to object to claims
12 in accordance with the following procedures”—eliminating the inconsistency with Paragraph 3(a) at
13 its source and aligning the operative grant with the broader authorization already present in the
14 subparagraph. Second, LMI request the addition of a standalone clarifying provision as a new
15 numbered paragraph in the Proposed Order, substantially as follows:

16 Nothing in this Order shall be construed to limit, restrict, or abridge the rights of any party in
17 interest, including any insurer, to object to any proof of claim pursuant to 11 U.S.C. §§ 502
18 and 1109(b) or applicable law, or to appear and be heard in connection with any claim objection
proceeding, whether individual or omnibus.

19 These two modifications work together: the first correction to Paragraph 3 ensures that the
20 grant of authority is facially consistent throughout the Proposed Order, while the standalone savings
21 clause ensures that the order affirmatively preserves—rather than merely failing to expressly restrict—
22 the rights that sections 502(a) and 1109(b) and *Kaiser Gypsum* confirm. Neither modification alters
23 the Debtor’s proposed procedures in any substantive respect, imposes any new burden on the estate or
24 on claimants, or affects the confidentiality protections already in place under the Bar Date Order. They
25 simply ensure that any order entered by this Court to approve the Motion accurately reflects the rights
26 of all partes in interest in this case.

1 **IV. CONCLUSION**

2 For the foregoing reasons, LMI respectfully request that the Court enter the Proposed Order as
3 modified to (i) conform the introductory text of Paragraph 3 to read “parties in interest are authorized
4 to object to claims” and (ii) add a savings clause confirming that nothing in the Order limits any party
5 in interest’s independent right to object to claims pursuant to 11 U.S.C. §§ 502(a) and 1109(b). Subject
6 to these modifications, this Limited Objection is satisfied and LMI do not otherwise oppose the
7 Motion.

8
9 Dated: April 15, 2026

By: /s/ Jeff D. Kahane

10 Russell W. Roten
11 Jeff D. Kahane
12 Timothy W. Evanston
13 Timothy K. McMahon
14 **Skarzynski Marick & Black LLP**
15 333 South Grand Avenue, Suite 3550
16 Los Angeles, California 90071
17 Telephone: (213) 721-0650
18 rroten@skarzynski.com
19 jkahane@skarzynski.com
20 tevanston@skarzynski.com
21 tmcMahon@skarzynski.com

22 Catalina J. Sugayan
23 Yongli Yang (*pro hac vice*)
24 **Clyde & Co US LLP**
25 30 S. Wacker Drive, Suite 2600
26 Chicago, Illinois 60606
27 Telephone: (312) 635-7000
28 Catalina.Sugayan@clydeco.us
Yongli.Yang@clydeco.us

*Attorneys for Certain Underwriters at
Lloyd’s, London, and Certain London
Market Insurers*