

LOWENSTEIN SANDLER LLP
Jeffrey D. Prol (admitted *pro hac vice*)
Brent Weisenberg (admitted *pro hac vice*)
One Lowenstein Drive
Roseland, NJ 07068
Tel: (973) 597-2500
Email: jprol@lowenstein.com
Email: bweisenberg@lowenstein.com

BURNS BAIR LLP
Timothy W. Burns (admitted *pro hac vice*)
Jesse J. Bair (admitted *pro hac vice*)
10 East Doty Street, Suite 600
Madison, WI 53703-3392
Tel: (608) 286-2808
Email: tburns@burnsbair.com
Email: jbair@burnsbair.com

KELLER BENVENUTTI KIM LLP
Tobias S. Keller (Cal. Bar No. 151445)
Jane Kim (Cal. Bar No. 298192)
Gabrielle L. Albert (Cal. Bar No. 190895)
101 Montgomery Street, Suite 1950
San Francisco, CA 94104
Tel: (415) 496-6723
Email: tkeller@kbkllp.com
Email: jkim@kbkllp.com
Email: galbert@kbkllp.com

*Special Insurance Counsel for Official
Committee of Unsecured Creditors*

*Attorneys for Official Committee of
Unsecured Creditors*

**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

Judge: Hon. William J. Lafferty

**SECOND AMENDED DISCLOSURE STATEMENT
FOR THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS' FIRST AMENDED PLAN OF REORGANIZATION,
DATED APRIL 15, 2026**

1 April [●], 2026

2
3 **FROM THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF THE ROMAN CATHOLIC BISHOP OF OAKLAND**

4 **THE COMMITTEE RECOMMENDS THAT HOLDERS OF SEXUAL ABUSE
5 CLAIMS VOTE TO:**

6 **ACCEPT (VOTE FOR) THE COMMITTEE PLAN**

7 **REJECT (VOTE AGAINST) THE DIOCESE PLAN**

8 The Official Committee of Unsecured Creditors (the “**Committee**”) in the chapter
9 11 bankruptcy case of the Roman Catholic Bishop of Oakland (the “**Diocese**” or the
10 “**Debtor**”) consists of nine survivors of sexual abuse (“**Survivors**”) who are entrusted with
representing the interests of all Survivors.

11 The Committee and the Diocese have each filed a Plan of Reorganization (the
12 “**Committee Plan**” and the “**Diocese Plan**”) which propose to compensate Survivors for the
13 horrendous pain and trauma they have suffered at the hands of the Diocese. All Survivors
in this bankruptcy case have the opportunity to vote on whether the Committee Plan or the
Diocese Plan should be approved by the Bankruptcy Court. *The Committee strongly
recommends that you:*

- 14
- 15 • *Vote to ACCEPT the Committee Plan;*
 - 16 • *Vote to REJECT the Diocese Plan; and*
 - 17 • *NOT CONSENT to granting the Roman Catholic Welfare Corporation of
Oakland (“RCWC”) a release under the Diocese Plan.*

18 The Committee Plan proposes that the Diocese pay \$195.2 million to a Survivors’
19 Trust for the benefit of Survivors in three installments, with the final installment due no later
20 than September 2029 (assuming the Committee Plan becomes effective before that date,
which, at present, cannot be assured). The Committee Plan also provides that Survivors that
21 have claims against RCWC will retain all of their rights to sue RCWC in state court unless
RCWC opts to participate in the Committee Plan.¹

22 In contrast, the Diocese Plan proposes that the Diocese pay just \$150 million to the
Survivors’ Trust on a timetable that cannot be determined at this time, but is likely to extend
23 into late 2030 and beyond, and provides a mechanism through which RCWC may receive a
release of all Abuse Claims filed against it by paying just \$30 million. The problem with
24 the Diocese Plan is that the settlement amount contributed from both the Diocese and RCWC

25 ¹ Through the Committee Plan, the Committee offers RCWC an option to pay \$118.9 million to the Survivors’
26 Trust in 2 installments in consideration for releases of Abuse Claims asserted against it. If RCWC exercises
its option, the total consideration to the Survivors’ Trust from the Debtor and RCWC under the Committee
27 Plan would be \$314.1 million. But as of the date of hereof, RCWC has explicitly and unequivocally rejected
the Committee Plan and stated it will not contribute any funds or consideration to the Committee Plan under
28 any circumstances.

1 for payment to Survivors is far too low. The Committee believes the Diocese and RCWC
2 have millions of dollars of assets from which to compensate Survivors and can do so in far
less time than is proposed in the Diocese Plan.

3 There are risks associated with confirmation and implementation of both the
4 Committee Plan and the Diocese Plan. *The Bankruptcy Court has observed that the*
5 *Committee Plan may be more challenging to consummate than the Diocese Plan*, assuming
6 both plans were approved by a Final Order. Abuse Claimants should consider this risk when
casting a ballot on the Committee Plan and the Diocese Plan. Please see Article VI below
for a discussion of the various risk factors.

7 Many of you were harmed by some of the most notorious perpetrators in the Church.
8 The Diocese Plan does not begin to fairly compensate Survivors for the years of negligence
9 and the harm the Diocese failed to stop. Accordingly, the Committee filed the Committee
10 Plan which, if it becomes effective: (i) provides for the Diocese to pay \$195.2 million to
11 Survivors over a shorter period of time than the Diocese Plan; (ii) allows Survivors to
continue prosecuting their state law causes of action against RCWC; (iii) permits Survivors
to sue the Debtor in state court to recover against available insurance coverage and (iv)
requires long-term, meaningful changes to the way the Diocese protects its children now and
in the future.

12 The Committee believes:

- 13 • The Debtor and RCWC have the resources available to pay more to Abuse
14 Claimants than they propose in the Diocese Plan.
- 15 • The Committee Plan will provide Abuse Claimants with a greater monetary
16 recovery than the Diocese Plan.
- 17 • The Committee Plan's mandate that the Diocese change the way it operates—
18 so that the horrific harm the Diocese caused never happens again—is vital to
19 a successful resolution of this case.

1 **IMPORTANT INFORMATION ABOUT THIS DISCLOSURE STATEMENT**

2 THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF THE ROMAN
3 CATHOLIC BISHOP OF OAKLAND, A CALIFORNIA CORPORATION SOLE, SEEKS
4 CONFIRMATION OF *THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS' FIRST*
5 *AMENDED PLAN OF REORGANIZATION, DATED APRIL 15, 2026*. A COPY OF THE
6 COMMITTEE PLAN IS ATTACHED TO THIS DISCLOSURE STATEMENT AS **EXHIBIT**
7 **A**.²

8 THIS DISCLOSURE STATEMENT, THE COMMITTEE PLAN, THE PLAN
9 DOCUMENTS, THE ACCOMPANYING BALLOT AND RELATED MATERIALS ARE
10 BEING FURNISHED BY THE COMMITTEE, AS THE PLAN PROPONENT, UNDER
11 SECTIONS 1125 AND 1126 OF THE BANKRUPTCY CODE AND RULE 3016 OF THE
12 FEDERAL RULES OF BANKRUPTCY PROCEDURE, IN CONNECTION WITH THE
13 COMMITTEE'S SOLICITATION OF VOTES TO ACCEPT THE COMMITTEE PLAN. THIS
14 DISCLOSURE STATEMENT IS DESIGNED TO PROVIDE ADEQUATE INFORMATION
15 TO ENABLE HOLDERS OF IMPAIRED CLAIMS AGAINST THE DEBTOR (THAT ARE
16 ENTITLED TO VOTE AS DESCRIBED HEREIN) TO MAKE AN INFORMED DECISION
17 ON WHETHER TO ACCEPT OR REJECT THE COMMITTEE PLAN.

18 THE SUMMARY OF THE COMMITTEE PLAN AND STATEMENTS MADE IN
19 THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY
20 REFERENCE TO THE COMMITTEE PLAN.

21 HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE COMMITTEE PLAN
22 SHOULD NOT RELY ON ANY REPRESENTATIONS OR INDUCEMENTS MADE TO
23 SECURE ACCEPTANCE OF THE COMMITTEE PLAN, OTHER THAN THOSE SET
24 FORTH IN THIS DISCLOSURE STATEMENT. NO PERSON MAY GIVE ANY
25 INFORMATION ON BEHALF OF THE COMMITTEE REGARDING THE COMMITTEE
26 PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE COMMITTEE PLAN, OTHER
27 THAN THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, EXCEPT
28 FOR THE DEBTOR, WHICH FILED THE *DEBTOR'S MODIFIED FOURTH AMENDED*
PLAN OF REORGANIZATION [DKT. NO. 2758] ON MARCH 29, 2026, FOR WHICH IT WILL
BE SOLICITING VOTES. ALL OTHER STATEMENTS REGARDING THE COMMITTEE
PLAN, WHETHER WRITTEN OR ORAL, ARE UNAUTHORIZED.

IF THERE IS ANY CONFLICT BETWEEN THE DESCRIPTIONS SET FORTH IN
THIS DISCLOSURE STATEMENT AND THE COMMITTEE PLAN OR ANY OTHER
APPLICABLE DOCUMENT, THE COMMITTEE PLAN OR SUCH OTHER APPLICABLE
DOCUMENT SHALL GOVERN.

IF THE COMMITTEE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT
AND THE COMMITTEE PLAN BECOMES EFFECTIVE (THE "**EFFECTIVE DATE**"), ALL
HOLDERS OF CLAIMS AGAINST THE DEBTOR (INCLUDING, WITHOUT LIMITATION,

² CAPITALIZED TERMS NOT DEFINED HEREIN HAVE THE MEANING ASCRIBED TO THEM IN
THE COMMITTEE PLAN.

1 THOSE HOLDERS OF CLAIMS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR
2 REJECT THE COMMITTEE PLAN OR WHO ARE NOT ENTITLED TO VOTE ON THE
3 COMMITTEE PLAN, EXCEPT AS OTHERWISE PROVIDED IN THE COMMITTEE PLAN)
4 WILL BE BOUND BY THE TERMS OF THE COMMITTEE PLAN AND THE
5 TRANSACTIONS DESCRIBED IN THE COMMITTEE PLAN.

6 THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL
7 INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR IN ANY
8 EXHIBIT, EXCEPT AS EXPRESSLY INDICATED IN THIS DISCLOSURE STATEMENT
9 OR IN ANY EXHIBIT. THIS DISCLOSURE STATEMENT WAS COMPILED FROM
10 INFORMATION OBTAINED BY THE COMMITTEE FROM THE DEBTOR AS OF THE
11 DATE HEREOF. THE COMMITTEE'S PROFESSIONALS HAVE NOT INDEPENDENTLY
12 VERIFIED THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT AND
13 ARE NOT RESPONSIBLE FOR ANY INACCURACIES THAT MAY BE CONTAINED IN
14 THIS DISCLOSURE STATEMENT OR THE COMMITTEE PLAN. THE COMMITTEE HAS
15 NOT YET COMPLETED DISCOVERY IN CONNECTION WITH THE DIOCESE PLAN.
16 THE INFORMATION THE COMMITTEE RECEIVES MAY IMPACT THE PROJECTIONS
17 SET FORTH HEREIN AND CERTAIN OTHER ASSUMPTIONS MADE HEREIN. THE
18 STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF
19 THE DATE HEREOF, AND THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL
20 NOT CREATE ANY IMPLICATION THAT THE INFORMATION IS CORRECT AT ANY
21 TIME SUBSEQUENT TO THIS DATE. THE COMMITTEE UNDERTAKES NO DUTY TO
22 UPDATE THE INFORMATION SET FORTH OR REFERENCED HEREIN. SUBSEQUENT
23 TO THE DATE HEREOF, THERE CAN BE NO ASSURANCE THAT: (I) THE
24 INFORMATION AND REPRESENTATIONS CONTAINED HEREIN REMAIN
25 MATERIALLY ACCURATE OR (II) THIS DISCLOSURE STATEMENT CONTAINS ALL
26 MATERIAL INFORMATION. NOTWITHSTANDING THE FOREGOING, THE
27 STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ASSUME THAT THE
28 DEBTOR WILL OBTAIN POSTPETITION FINANCING IN THE AMOUNT AND AT THE
TIME THE DEBTOR HAS STATED BEFORE THE BANKRUPTCY COURT. IF THE LOAN
IS NOT OBTAINED, OR IS OBTAINED IN AN AMOUNT LESS THAN THE DEBTOR HAS
PROJECTED, THE PROJECTIONS SET FORTH HEREIN MAY NOT BE ACCURATE.

PERSONS OR ENTITIES HOLDING OR TRADING IN OR OTHERWISE
PURCHASING, SELLING, OR TRANSFERRING CLAIMS AGAINST THE DEBTOR
SHOULD EVALUATE THIS DISCLOSURE STATEMENT IN LIGHT OF THE PURPOSE
FOR WHICH IT WAS PREPARED, AND SHOULD BE AWARE THAT ACTUAL
DISTRIBUTIONS MAY VARY FROM THE ESTIMATES CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY
PURPOSE OTHER THAN TO DETERMINE WHETHER TO VOTE TO ACCEPT OR
REJECT THE COMMITTEE PLAN, AND NOTHING STATED IN THIS DISCLOSURE
STATEMENT CONSTITUTES AN ADMISSION OF ANY FACT OR LIABILITY BY ANY
PERSON OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE COMMITTEE,
THE DEBTOR OR ANY OTHER PERSON, OR BE DEEMED CONCLUSIVE EVIDENCE OF
THE TAX OR OTHER LEGAL EFFECTS OF THE COMMITTEE PLAN ON THE DEBTOR,
THE COMMITTEE, ANY RELEASED PARTY OR HOLDERS OF CLAIMS.

1 THIS DISCLOSURE STATEMENT IS FORWARD-LOOKING. FORWARD-
2 LOOKING STATEMENTS ARE STATEMENTS OF EXPECTATIONS, BELIEFS, PLANS,
3 OBJECTIVES, ASSUMPTIONS, PROJECTIONS, AND FUTURE EVENTS OF
4 PERFORMANCE. AMONG OTHER THINGS, THIS DISCLOSURE STATEMENT
5 CONTAINS FORWARD-LOOKING STATEMENTS WITH RESPECT TO ANTICIPATED
6 FUTURE PERFORMANCE OF THE DEBTOR AND A SURVIVORS' TRUST TO BE
7 CREATED FOR THE BENEFIT OF HOLDERS OF ABUSE CLAIMS, AS WELL AS
8 ANTICIPATED FUTURE DETERMINATIONS OF CLAIMS AND DISTRIBUTIONS ON
9 CLAIMS. THESE STATEMENTS, ESTIMATES, AND PROJECTIONS MAY OR MAY NOT
10 PROVE TO BE CORRECT. ACTUAL RESULTS COULD DIFFER MATERIALLY FROM
11 THOSE REFLECTED IN THESE FORWARD-LOOKING STATEMENTS DUE TO A WIDE
12 VARIETY OF SIGNIFICANT BUSINESS, LEGAL, AND ECONOMIC RISKS, INCLUDING,
13 AMONG OTHERS, THOSE DESCRIBED IN THIS DISCLOSURE STATEMENT. THE
14 COMMITTEE UNDERTAKES NO OBLIGATION TO UPDATE ANY FORWARD-
15 LOOKING STATEMENT. NEW FACTORS EMERGE FROM TIME TO TIME AND IT IS
16 IMPOSSIBLE TO PREDICT ALL FACTORS, NOR CAN THE IMPACT OF ALL FACTORS
17 BE ASSESSED.

18 HOLDERS OF CLAIMS SHOULD NOT CONSTRUE THE CONTENTS OF THIS
19 DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL OR
20 TAX ADVICE. EACH HOLDER OF A CLAIM SHOULD CONSULT WITH THEIR OWN
21 LEGAL, BUSINESS, FINANCIAL AND TAX ADVISORS WITH RESPECT TO ANY
22 MATTERS CONCERNING THIS DISCLOSURE STATEMENT, THE SOLICITATION OF
23 VOTES TO ACCEPT THE COMMITTEE PLAN, THE COMMITTEE PLAN AND THE
24 TRANSACTIONS CONTEMPLATED BY THE COMMITTEE PLAN.

25 [THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY ORDER OF THE
26 BANKRUPTCY COURT AS CONTAINING ADEQUATE INFORMATION OF A KIND AND
27 IN SUFFICIENT DETAIL TO ENABLE HOLDERS OF CLAIMS TO MAKE AN INFORMED
28 JUDGMENT WITH RESPECT TO VOTING TO ACCEPT OR REJECT THE COMMITTEE
PLAN. HOWEVER, THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE
STATEMENT IS NOT A RECOMMENDATION OR DETERMINATION BY THE
BANKRUPTCY COURT AS TO THE MERITS OF THE COMMITTEE PLAN. EACH
HOLDER OF A CLAIM ENTITLED TO VOTE TO ACCEPT OR REJECT THE COMMITTEE
PLAN SHOULD READ THIS DISCLOSURE STATEMENT AND THE COMMITTEE PLAN
(INCLUDING ALL EXHIBITS AND SCHEDULES TO THE COMMITTEE PLAN AND
DISCLOSURE STATEMENT) IN THEIR ENTIRETY BEFORE VOTING.]³

ALL DOCUMENTS FILED WITH THE BANKRUPTCY COURT, INCLUDING THE
COMMITTEE PLAN AND DISCLOSURE STATEMENT, ARE AVAILABLE AT
[HTTPS://VERITAGLOBAL.NET/RCBO](https://veritaglobal.net/rcbo) FREE OF CHARGE.

³ Brackets to be removed if the Bankruptcy Court approves this Disclosure Statement.

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

Page

ARTICLE I INTRODUCTION 2

A. Purpose and Contents of this Disclosure Statement..... 2

B. Voting on the Committee Plan 3

ARTICLE II EXECUTIVE SUMMARY 4

ARTICLE III FREQUENTLY ASKED QUESTIONS 6

ARTICLE IV COMMITTEE PLAN OVERVIEW 18

A. Summary of Committee Plan’s Treatment of Claims 18

B. Committee Plan’s Treatment of Abuse Claims 19

C. The Committee Plan’s Child Protection Protocols 21

ARTICLE V DIOCESE PLAN OVERVIEW 22

A. Summary of Diocese Plan’s Treatment of Claims..... 22

B. Diocese Plan’s Treatment of Abuse Claims..... 22

C. The Diocese Plan’s Child Protection Protocols 24

ARTICLE VI CONFIRMATION REQUIREMENTS AND
RISK FACTORS OF THE COMMITTEE PLAN 24

A. General Confirmation Requirements 24

B. Best Interests Test 25

C. Financial Feasibility 25

D. Certain Risk Factors 25

E. Alternatives to the Committee Plan..... 32

1 In an attempt to protect itself from a deluge of claims arising out of sexual abuse
2 committed by members of its clergy ("**Abuse Claims**"), the Roman Catholic Bishop of Oakland,
3 a California corporation sole, filed for bankruptcy protection under chapter 11 of title 11 of the
4 United States Code on May 8, 2023. The Debtor has remained in possession of its assets and has
5 continued to manage its affairs. On May 23, 2023, the Office of the United States Trustee
6 appointed the Committee, which consists of nine survivors of sexual abuse who filed Abuse
7 Claims against the Diocese to represent other similarly-situated survivors of clergy sexual abuse
8 ("**Abuse Claimants**" or "**Survivors**"). More than 375 Abuse Claimants have filed Abuse Claims
9 in the Debtor's bankruptcy case.

10 The Debtor filed the Diocese Plan on March 29, 2026. For the reasons explained below,
11 the Committee does not support the treatment of Abuse Claims proposed by the Debtor under the
12 Diocese Plan. The problem with the Diocese Plan is that, among other things, the settlement
13 amount being paid to Abuse Claimants is far too low. The Diocese proposes to pay over 375
14 Abuse Claimants just \$150 million on a timetable that cannot be determined at this time, but is
15 likely to extend into late 2030 and beyond because the Committee and/ or Non Settling Insurers
16 will likely appeal any order confirming the Diocese Plan. And non-debtor affiliate, the Roman
17 Catholic Welfare Corporation ("**RCWC**"), proposes to pay just \$30 million in consideration for
18 the ability to receive releases of Abuse Claims asserted against it. But the Committee believes
19 Survivors are entitled to receive multiples of that amount.

20 The Committee thus filed the Committee Plan so that, among other things and assuming
21 it becomes effective:

- 22 (i) The Debtor must pay **\$195.2 million** in three installments with the last payment
23 due no later than September 2029 (assuming the Plan goes effective before that
24 date, which, at present, cannot be assured);
- 25 (ii) Survivors holding claims against RCWC may continue to prosecute their claims
26 against RCWC in state court unless RCWC opts to participate in the Committee
27 Plan;⁴
- 28 (iii) Abuse Claimants can elect to litigate against the Debtor and its insurers—which
are contractually obligated to pay certain Abuse Claims—to receive a recovery
from the Debtor's valuable insurance policies; and
- (iv) Abuse Claimants, the children in the care of the Diocese and society at large can
be assured that the Debtor must take all steps necessary to make certain the harm
that befell Abuse Claimants never occurs again.

⁴ Through the Committee Plan, the Committee offers RCWC an option to pay \$118.9 million to the Survivors' Trust in 2 installments in consideration for releases of Abuse Claims asserted against it. As of the date of this Disclosure Statement, RCWC has explicitly and unequivocally rejected the Committee Plan and has advised the Committee that it will not contribute any funds or consideration to the Committee Plan under any circumstances.

1 The Committee Plan’s expedited timing for distributions to Survivors as compared to the
2 Diocese Plan is best illustrated through an example. If the Effective Date of the Diocese Plan and
the Committee Plan occurs on March 7, 2028:

- 3 • under the Committee Plan, the entirety of the Debtor’s contributions to the
4 Survivors’ Trust must be paid by *September 7, 2029*; and
- 5 • under the Diocese Plan, the entirety of the Debtor’s contributions to the Survivors’
Trust must be paid by *August 7, 2031*.

6 **ARTICLE I**

7 **INTRODUCTION**

8 **A. Purpose and Contents of this Disclosure Statement**

9 This Disclosure Statement is intended as a “plain English” explanation and summary of
10 the Committee Plan and is qualified in its entirety by the full terms of the Committee Plan. You
11 should review the Committee Plan and Disclosure Statement in their entirety because the
12 Committee Plan, if approved by the Bankruptcy Court, will control how your Abuse Claim, the
13 only Class of Claims permitted to vote on the Committee Plan, is finally resolved against the
Diocese. You are encouraged to consult an attorney to advise you regarding the terms of the
Committee Plan and how it may affect your legal rights.

14 This Disclosure Statement was approved by the Bankruptcy Court on [●], 2026. A copy
15 of the order approving this Disclosure Statement is attached as **Exhibit B**. The Bankruptcy Court
will hold a hearing on confirmation of the Committee Plan and the Diocese Plan commencing on
16 June 15, 2026.

17 The materials in the package that you have received with this Disclosure Statement
include:

- 18 (i) notice of the hearing on confirmation of the Committee Plan and the
19 Diocese Plan;
- 20 (ii) the Committee Plan;
- 21 (iii) the Diocese Plan;
- 22 (iv) the Diocese Disclosure Statement;
- 23 (v) letters from the Committee and the Diocese recommending how Abuse
24 Claimants should vote;
- 25 (vi) the Order approving this Disclosure Statement and the Diocese Disclosure
Statement; and
- 26 (vii) ballots for voting to accept or reject the Committee Plan and the Diocese
27 Plan with instructions on how to complete and return the ballots.

1 Both the Committee Plan and the Diocese Plan include exhibits that are part of the
2 Committee Plan and Diocese Plan and those should be reviewed because they contain information
3 relevant to your decision to vote to accept or reject the Committee Plan and the Diocese Plan.

4 Article II of this Disclosure Statement, the “Executive Summary,” explains why the
5 Committee urges Abuse Claimants to vote for the Committee Plan and against the Diocese Plan.

6 Article III of this Disclosure Statement, “Frequently Asked Questions,” answers important
7 questions about the Committee Plan and the Diocese Plan.

8 Article IV of this Disclosure Statement, “Committee Plan Overview,” summarizes the
9 salient aspects of the Committee Plan and why it should be ACCEPTED by Abuse Claimants.

10 Article V of this Disclosure Statement, “Diocese Plan Overview,” summarizes the salient
11 aspects of the Diocese Plan and why it should be REJECTED by Abuse Claimants.

12 Article VI of this Disclosure Statement, “Confirmation Requirements and Risk Factors of
13 the Committee Plan,” summarizes the requirements the Committee will need to meet to have the
14 Committee Plan confirmed and the risk factors Abuse Claimants should consider when voting on
15 the Committee Plan.

16 **B. Voting on the Committee Plan**

17 Any vote an Abuse Claimant may have cast in connection with the Debtor’s prior plan of
18 reorganization will not be counted. For a vote to be counted, each Abuse Claimant must cast a
19 ballot in accordance with the instructions below.

20 To be counted, your Ballot must be received, pursuant to the following instructions, by
21 Kurtzman Carson Consultants, LLC dba Verita Global (“**Verita**”), on or before **5:00 p.m.**
22 **(prevailing Pacific Time) on June 4, 2026** (the “**Voting Deadline**”) by one of the following
23 methods:

24 If by first class mail, overnight courier or hand delivery:

25 The Roman Catholic Bishop of Oakland – Ballot Processing c/o Verita
26 222 N. Pacific Coast Highway, 3rd Floor
27 El Segundo, CA 90245

28 By electronic, online submission:

Please visit <https://www.veritaglobal.net/rcbo/>. Click on the “E-Ballot” section of the
Debtor’s website and follow the directions on your Ballot to submit your E-Ballot. If you choose
to submit your Ballot via Verita’s E-Ballot system, you should not also return a hard (paper) copy
of your Ballot.

IMPORTANT NOTE: To vote electronically, you will need a unique E-Ballot ID Number
that will be provided with your Ballot.

1 IF YOU HOLD A CLAIM ENTITLED TO VOTE:

2 Please (i) complete the information requested on the Ballot; (ii) sign, date and indicate
3 your vote to accept or reject the Committee Plan and (iii) return the completed Ballot in the
4 enclosed pre-addressed, postage-paid envelope, or by one of the other methods described above,
so that it is actually received by Verita on or before the Voting Deadline.

5 ANY BALLOTS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE
6 COUNTED, NOR WILL ANY BALLOTS RECEIVED BY TELECOPY OR EMAIL BE
ACCEPTED.

7 IF YOU HAVE QUESTIONS ABOUT THE BALLOT, DID NOT RECEIVE A
8 RETURN ENVELOPE WITH YOUR BALLOT, DID NOT RECEIVE AN ELECTRONIC
9 COPY OF THE DISCLOSURE STATEMENT AND THE COMMITTEE PLAN OR NEED
10 PHYSICAL COPIES OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE
11 CONTACT THE SOLICITATION AND CLAIMS AGENT, VERITA, BY EMAIL AT
RCBOINFO@VERITAGLOBAL.COM OR BY CALLING (888) 733-1425 (U.S./CANADA)
OR (310) 751-2631 (INTERNATIONAL) AND REQUESTING TO SPEAK WITH A
MEMBER OF THE BALLOTING TEAM.

12 **ARTICLE II**

13 **EXECUTIVE SUMMARY**

14 The Chapter 11 Case was filed against the backdrop of a terrible crisis and breach of trust.
15 For the preservation of the Catholic Church and the well-being of all affected constituencies,
16 particularly Abuse Claimants who hold the overwhelming majority of Claims in this Chapter 11
17 Case (in both number and amount), the Debtor must fully commit its available resources to ensure
that the Debtor will comply with all of its obligations, and Abuse Claimants will be treated in a
manner consistent with their rights, under the Bankruptcy Code.

18 To that end, subject to the occurrence of the Effective Date, the Committee Plan provides
19 for the Debtor to contribute \$195.2 million to a settlement trust (the "**Survivors' Trust**")
20 established for the sole benefit of Abuse Claimants. The contributions will be made in
21 installments with the last payment due on or before September 5, 2029. But payments due under
the Committee Plan may extend beyond September 5, 2029 because the Debtor and its insurers
have stated they may appeal any Order confirming the Committee Plan.

22 Under the Committee Plan, Survivors holding claims against RCWC may continue to
23 prosecute their claims in state court against RCWC unless RCWC opts to participate in the
Committee Plan.⁵

24
25
26 ⁵ Through the Committee Plan, the Committee offers RCWC an option to pay \$118.9 million to the Survivors'
27 Trust in 2 installments in consideration for releases of Abuse Claims asserted against it. If RCWC exercises
28 its option, its contribution would increase the Survivors' Trust to \$314.1 million. However, as of the date
of this Disclosure Statement, RCWC has explicitly and unequivocally rejected the Committee Plan and has

1 The Debtor will also assign to the Survivors' Trust certain claims and causes of action of
2 the Debtor in the Non-Settling Insurer Policies. The Committee Plan also provides for robust
3 changes to the ways in which the Diocese protects its children to make certain the harm that befell
Abuse Claimants never happens again.

4 In contrast, the Diocese Plan provides for a contribution of just \$150 million from the
5 Debtor and, if it receives releases from all of the Abuse Claims being asserted against it, \$30
6 million from RCWC. The contributions will be made within three and a half years of the Effective
7 Date of the Diocese Plan, which will occur no earlier than July 2026, and likely will not occur
8 until all appeals of any Order confirming the Diocese Plan are resolved – which could take several
9 years.⁶ The Debtor will assign to the Survivors' Trust the “**Assigned Insurance Interests**,”
10 which is defined by the Diocese Plan as “all rights, claims, interests, benefits, responsibilities and
obligations of the Debtor and RCWC (solely as to Released RCWC Claims) in the Non-Settling
Insurer Policies that are assignable under applicable law and to the fullest extent assignable under
applicable law ...”. The Committee believes that the insurance assignment in the Diocese Plan
is prejudicial to Abuse Claimants and could negatively impact the value of insurance available
from Non-Settling Insurers.

11 The Committee concludes that the Committee Plan is far superior in its treatment of Abuse
12 Claimants for at least four reasons.

13 *First*, the Committee Plan provides for the Debtor to contribute \$45.2 million more than
14 the Diocese Plan and in all events, in less time than provided for under the Diocese Plan measured
from the Effective Date.

15 *Second*, under the Committee Plan, Abuse Claimants holding claims against RCWC will
16 be permitted to continue prosecuting their claims and causes of action against RCWC in state
17 court unless RCWC exercises an option through which it can receive releases from Abuse
18 Claimants asserting claims against it by paying \$118.9 million to Abuse Claimants, which is \$88.9
19 million more than RCWC is required to pay under the Diocese Plan. But *RCWC has advised that*
20 *it will not participate in the Committee Plan*. The Committee estimates, but subject to further
review, that there may be as many as 120 Abuse Claims against RCWC, meaning RCWC would
be paying just \$250,000 per Abuse Claim under the Diocese Plan. The Committee believes Abuse
Claimants are likely to receive a larger recovery through state court litigation than the \$250,000
per Abuse Claimant recovery being offered by RCWC.

21 The Committee believes that few, if any, Survivors will agree to release RCWC in
22 connection with the Diocese Plan. It is therefore likely that RCWC will not participate under
23 either the Committee Plan or the Diocese Plan and that Survivors will retain the right to sue
RCWC for damages in state court under both Plans.

24 *Third*, the Committee believes that the insurance provisions of the Diocese Plan fail to
25 adequately protect the rights of Abuse Claimants by granting rights to Non-Settling Insurers to

26 advised the Committee that it will not contribute any funds or consideration to the Committee Plan under
any circumstances.

27 ⁶ Appeals would likely be filed by the Committee and/or the Debtor's insurers.

1 object to Abuse Claims when the Non-Settling Insurers do not hold such rights. The Non-Settling
2 Insurers cannot demonstrate an “injury in fact” if an Abuse Claim is allowed against the
3 Survivors’ Trust because no party has liability for those claims other than the Survivors’ Trust.
4 See Diocese Plan, § 9.6 (“[t]he Survivors’ Trust shall, as of the Effective Date, assume sole and
5 exclusive responsibility and liability for all Abuse Claims against the Released Parties, and such
6 Claims shall be paid by the Survivors’ Trust from the Survivors’ Trust Assets”); see
7 Survivors’ Trust Distribution Plan § 1.3 (“The Plan and the RCBO Survivors’ Trust Agreement
8 contemplate the creation of the Survivors’ Trust for satisfaction of the Abuse Claims. The Plan
9 and Survivors’ Trust Distribution Plan provide the sole and exclusive method by which holders
10 of Abuse Claims (both known and unknown) may recover against the Debtor, Contributing Non-
11 Debtor Catholic Entities, or Insurers.”). Without facing a concrete injury that is real and actual,
12 the Non-Settling Insurers lack standing to object to Abuse Claims.⁷

13 *Fourth*, the protection of children under diocesan supervision requires robust, sustained
14 and independent oversight mechanisms. While the Debtor has agreed to retain a Compliance
15 Monitor at the demand of the Committee, the Debtor’s proposal to retain a Compliance Monitor
16 for a limited five-year term fundamentally misunderstands the nature and scope of institutional
17 reform. In addition, the Debtor’s proposal that investigatory authority revert to the Bishop once
18 the Compliance Monitor’s term ends ignores the fundamental structural conflict of interest that
19 necessitated independent oversight in the first instance. Accordingly, the Committee’s Child
20 Protection Protocols provide for a default term of ten years after which certain duties and powers
21 vested in the Compliance Monitor will be assigned to a Compliance Advisory Board. In all
22 circumstances, investigations relating to allegations of sexual abuse will not become final until
23 an arbitrator determines that an Independent Professional Investigator completed a fair, fulsome
24 and non-prejudicial investigation.

25 ARTICLE III

26 FREQUENTLY ASKED QUESTIONS

27 1. *Why did the Diocese file a Chapter 11 Case?*

28 On May 8, 2023, the Diocese filed its chapter 11 case (the “**Chapter 11 Case**”) in the
United States Bankruptcy Court for the Northern District of California. The Diocese filed the
Chapter 11 Case to address and resolve claims arising out of sexual abuse asserted against the
Diocese in light of the State of California re-opening the window during which such claims could
be asserted.

Approximately 400 Abuse Claimants have asserted Abuse Claims seeking damages for
sexual abuse by individuals allegedly associated with the Diocese or related entities. Many Abuse
Claimants also filed lawsuits against the Diocese and other entities, including RCWC, related to
the Diocese before the Chapter 11 Case.

⁷ The Debtor and the Non-Settling Insurers maintain that the Non-Settling Insurers possess standing to object to Abuse Claims.

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

2. What is the Committee?

The Committee was appointed by the United States Trustee to represent Abuse Claimants' collective interests in the Chapter 11 Case. The Committee is comprised of nine survivors of sexual abuse asserting claims against the Diocese for the harm and trauma they suffered and continue to suffer to this day. The Committee hired legal counsel to advise it on bankruptcy and insurance matters and hired a financial advisor to aid in its investigation of the Diocese's assets.

3. What is a chapter 11 plan?

Chapter 11 of the Bankruptcy Code allows a debtor (in this case, the Diocese) to resolve claims against it through a plan of reorganization. Abuse Claimants and other creditors who hold claims that will not be paid in full are given an opportunity to vote to approve or reject a plan. This type of claim is referred to as an "impaired claim" by the Bankruptcy Code and in the Committee Plan. In this case, Abuse Claimants are entitled to vote on the Committee Plan. If enough Abuse Claimants vote to accept the Committee Plan, and the Bankruptcy Court finds that the Committee Plan meets other requirements of the Bankruptcy Code, the Bankruptcy Court may enter an order approving the Committee Plan. Bankruptcy Court approval of a plan is referred to as "confirmation" of the plan under bankruptcy law. Once confirmed and deemed effective, the terms of the Committee Plan become binding on all creditors.

4. What is the Disclosure Statement?

This Disclosure Statement is intended to provide you with sufficient information so that you can make an informed decision on whether to accept or reject the Committee Plan. This Disclosure Statement summarizes how the Committee Plan will affect your Abuse Claim against the Diocese and RCWC and the risks associated with confirmation and implementation of the Committee Plan and the Diocese Plan. It also explains the deficiencies in the Diocese Plan, which the Committee does not support.

5. How much does the Committee Plan propose to pay Abuse Claimants?

The Committee Plan provides that all Abuse Claims asserted against the Diocese will be channeled to, and paid from, the Survivors' Trust. The Survivors' Trust is a legal entity that will receive the settlement payments to be made by the Diocese (and RCWC, if it elects to make its contributions) an assignment of certain claims and causes of action of the Debtor under its insurance policies with any insurer that does not settle with the Diocese and the Committee before the Effective Date and will distribute settlement funds to Abuse Claimants.

Subject to the occurrence of the Effective Date, under the Committee Plan, the Survivors' Trust created for the benefit of Abuse Claimants will be funded with \$195.2 million from the Debtor, to be paid over 3.5 years from the Original Plan Filing Date of March 6, 2026. Payments due under the Committee Plan could, and likely will, be delayed if the Debtor, Non-Settling Insurers or some other party in interest appeals the Order confirming the Committee Plan.

Under the Committee Plan, Survivors holding claims against RCWC may continue to prosecute their claims against RCWC in state court unless RCWC opts to participate in the

1 Committee Plan.⁸ The Committee Plan also provides that the Diocese will assign to the
2 Survivors' Trust certain claims and causes of action of the Debtor in the Non-Settling Insurer
Policies.

3 **6. How did the Committee decide on the amount, and timing, of the Debtor**
4 **Contribution of \$195.2 million?**

5 Over the past 3 years, the Committee has frequently met with its counsel and professionals
6 to, among other things, investigate the size of the Debtor's estate, the value of the Debtor's assets,
7 the claims and causes of action that may exist and be pursued by the Committee for the benefit of
the Debtor's estate, ways through which the likelihood of future abuse within the Diocese may be
reduced, and a path out of chapter 11 providing for the fair and equitable treatment of Survivors.

8 The Committee has concluded that the Debtor has ample assets from which to make the
9 payments to the Survivors' Trust as proposed in the Committee Plan. The value of the Debtor's
10 real estate holdings alone total hundreds of millions of dollars. For example, as of July 1, 2025,
11 the Debtor's real estate valuation expert valued just 40 properties owned or controlled by the
Diocese (out of 230 properties that the Diocese owns) at \$174.3 million. The Committee's real
estate valuation expert valued roughly 30 properties owned or controlled by the Diocese, not
necessarily the same properties valued by the Debtor, for over \$500 million.

12
13 As a result of, among other things, consultation by and among the Committee and its
14 counsel and professionals, certain rulings of the Bankruptcy Court, the chances of prevailing on
15 certain issues being appealed to the District Court by the Committee, including the time and cost
16 of pursuing such appeal, the Committee's analysis of the Debtor and its estate and the wants and
17 desires of Survivors, including the form of Child Protection Protocols proposed by the Committee
18 and the form of the insurance assignment contemplated by the Committee Plan, the Committee
has determined, as a fiduciary to Survivors, that \$195.2 million represents a fair and equitable
contribution to the Survivors' Trust from the Debtor for a discharge of Abuse Claims, while also
allowing for additional recoveries from RCWC, a non-debtor, and the Debtor's insurance
companies for claims asserted against it.

19 The Committee Plan is neither predicated on the Debtor selling any particular piece of
20 real property nor does the Committee Plan require a loan of any kind, other than the postpetition
21 loan the Debtor has stated it will need to continue paying the administrative expenses of the
22 Chapter 11 Case. Rather, the Committee Plan is predicated on the guidance from the United
States Supreme Court, which has recognized that "[a] debtor can win a discharge of its debts if it
proceeds with honesty and places virtually all its assets on the table for its creditors." *Harrington*
v. Purdue Pharma L.P., 603 U.S. 204, 209 (2024).

23 The Committee has concluded that the Debtor can timely make the Debtor Contribution
24 under the Committee Plan . The Committee's conclusion is based, in part, on the flexibility

25 ⁸ Through the Committee Plan, the Committee offers RCWC an option to pay \$118.9 million to the Survivors'
26 Trust in 2 installments in consideration for releases of Abuse Claims asserted against it. As of the date of
27 this Disclosure Statement, RCWC has explicitly and unequivocally rejected the Committee Plan and has
28 advised the Committee that it will not contribute any funds or consideration to the Committee Plan under
any circumstances.

1 provided to the Debtor in determining how to fund the Committee Plan. The Debtor may choose
2 to fund the Committee Plan by using any number of assets, in any combination it chooses. For
example, the Debtor may:

- 3 (i) choose to sell the real property it has agreed to sell under the Diocese Plan, which
4 includes:
- 5 • twelve vacant real estate parcels titled in the name of the Debtor which are
not part of a larger parcel containing a Church or ministry-related building;
 - 6 • vacant portions of eighteen real estate parcels titled in the name of the
7 Debtor which the Debtor has determined may be liquidated while allowing
the Debtor to continue its mission;
 - 8 • Debtor-owned portions of twelve real property locations on which
9 Churches currently operate either as primary or secondary locations;
 - 10 • five residential homes owned by the Debtor and one residential home
11 owned by Adventus; and
 - 12 • certain other real estate currently being used in support of the Debtor's
13 ministry.

14 Debtor's Plan Summary, 7:16-23;8:1-4.

- 15 (ii) sell certain real estate it previously indicated might be sold to generate additional
cash, including the Livermore Property;
- 16 (iii) cluster, merge or close certain Churches;
- 17 (iv) use the funds owed to it from the Catholic Cathedral Corporation of the East Bay
18 under the CCCEB Note or commence an action against CCCEB for collection on
the CCCEB Note;
- 19 (v) reduce its operating reserves for a period of time to free up additional cash;
- 20 (vi) use the assets it asserts are restricted for their intended purpose and by doing so,
21 allow the Debtor to use unrestricted cash to make the Debtor Contribution;
- 22 (vii) borrow funds from its affiliates;
- 23 (viii) obtain a traditional commercial loan;
- 24 (ix) restructure its operations to achieve cost savings that would inure to the benefit of
Survivors;
- 25 (x) request that its affiliate, the Roman Catholic Communications Corporation of the
26 Bay Area dba Catholic Telemedia Network, increase the historical grants it
provides the Debtor; and
- 27
- 28

1 (xi) execute on the actions discussed in the Bishop’s May 8, 2023 letter to parishioners
and friends of the Diocese of Oakland in which he stated the Diocese must:

- 2 • “re-align our resources to meet the needs of our diocese, while addressing
3 claims coming through the bankruptcy process.”
- 4 • address the “current reality in our diocese,” by “focus[ing] on our mission
5 to serve people, not on maintenance of structures which no longer serve
6 our mission.”
- 7 • “right size our parishes to serve the faithful.” According to the Bishop,
8 “[t]his effort will require us to close some of our worship sites and re-
9 imagine how we use other locations.”
- 10 • use the Debtor’s Mission Alignment Process to help the “courts assess how
the Diocese can restructure and constitute a source of funds for settlements
of cases.”

11 The Committee’s conclusion is also based on: (i) the Debtor’s representation to the
12 Bankruptcy Court in July 2025 that it would sell real estate to fund this Chapter 11 Case, some of
13 which could be sold in 60-90 days; (ii) the Debtor’s ability to continue to fund this Chapter 11
14 Case through borrowings from its affiliates after it alleged, as early as October 2024, that it would
15 have a liquidity shortfall by the end of December 2024 and (iii) the Committee’s belief that the
16 Bishop has the ability to tax certain entities within his Diocese or otherwise direct, directly or
17 indirectly, certain actions they take.

18 In addition to the foregoing, the Committee Plan anticipates, **but is not reliant upon**, a
19 Bankruptcy Court ruling that certain assets the Debtor alleges are restricted are unrestricted in the
20 adversary proceeding captioned *The Official Committee of Unsecured Creditors of the Roman
Catholic Bishop of Oakland v. The Roman Catholic Bishop of Oakland and The Oakland
Parochial Fund, Inc.* (Adv. Pro. 24-04051 WJL) (the “**Restricted Asset Litigation**”). Through
the Restricted Asset Litigation, the Committee seeks a declaratory judgment that more than \$33.3
million held by the Debtor and its Churches are not held in trust and/or are donor restricted such
that those funds can be used to satisfy creditor claims. The Debtor asserts that the assets at issue
are restricted.

21 **7. How much does the Diocese Plan propose to pay Abuse Claimants?**

22 The Diocese has filed its own Plan of Reorganization, referred to as the Diocese Plan. The
23 Diocese Plan also provides that all Abuse Claims asserted against the Diocese will be channeled
24 to, and paid from, the Survivors’ Trust. Under the Diocese Plan, the Survivors’ Trust created for
the benefit of Abuse Claimants would be funded by:

- 25 (i) the Debtor in the amount of \$150 million; and

1 (ii) RCWC (provided it receives releases from Class 4 Claimants holding
2 Claims against it) in the amount of \$30 million for a total of \$180 million.⁹

3 The Diocese Plan provides for payments from the Debtor and RCWC (provided it receives
4 releases from Class 4 Claimants holding Claims against it) over 3.5 years from the Effective Date,
5 which has not yet occurred and will occur no earlier than July 2026, and likely will not occur until
6 all appeals of any Order confirming the Diocese Plan—which may, and likely will, be filed by
7 the Committee and/ or Non-Settling Insurers—are resolved, which could take several years. The
8 Diocese Plan also provides for the Debtor to assign to the Survivors’ Trust the “Assigned
9 Insurance Interests.” .

7 (i) **Does the Diocese Plan really “provide the highest per claim
8 average payout to survivors of any similarly-sized diocesan
9 bankruptcy filed in the United States”?**

9 *No.* The Debtor continues to tout the Diocese Plan as groundbreaking, asserting that, if
10 confirmed, the “[Debtor] Plan will ... provide the highest per claim average payout to survivors
11 of any similarly-sized diocesan bankruptcy filed in the United States.” *Executive Summary,*
12 *Frequently Asked Questions, and General Information Regarding Debtor’s Fourth Amended Plan*
13 *of Reorganization* [Dkt. No. 2654-1] (“**Debtor’s Plan Summary**”), 4:15–16. But the Committee
14 contends that comparing the Debtor’s proposed distribution to Abuse Claimants in this Chapter
15 11 Case to other diocesan bankruptcy cases to justify its fairness is wrong as a matter of law and
16 highly misleading. Even if the distributions made to Abuse Claimants in other bankruptcy cases
17 had relevancy when determining whether the Diocese Plan is fair and equitable—they do not—
18 the Debtor ignores precedents that do not support its narrative and instead relies on purported
19 comparables involving cases with materially different facts and circumstances that would plainly
20 and significantly affect the value of the underlying claims. The Debtor:

- 21 • Repeatedly fails to include settlements that took place outside of the bankruptcy
22 context in its analysis. These datapoints are a better indication of the value of
23 Abuse Claims. Indeed, settlements outside the bankruptcy context are typically
24 negotiated at arm’s length and are not limited by the Debtor’s ability to pay or
25 restrained by the amount of insurance available or level of cooperation from
26 insurers.
- 27 • Insists that the Diocese Plan be found fair and equitable because the proposed
28 distribution is measured by comparing it to distributions made to other survivors,
in other bankruptcy cases, pending in other jurisdictions, in cases with different
governing law, different estate assets, different insurance programs and different
historical jury verdicts and settlements. The Debtor also fails to factor into its
analysis whether the statute of limitations was open in prior cases, which is a
material factor in determining claim values.

26 ⁹ The Committee does not expect many Survivors holding Abuse Claims against RCWC will agree to grant
27 a release to RCWC as provided for in the Diocese Plan, and therefore the proposed RCWC contribution is
28 unlikely to be available for distribution to Survivors.

- Ignores that under applicable non-bankruptcy law, jury verdicts and individual case settlements are used to value Survivors' claims.
- Ignores the results of other diocesan bankruptcy cases that do not support its narrative.

In addition, the Debtor continues to assert that there are only 345 valid Abuse Claims filed in the Chapter 11 Case. The Committee disputes the Debtor's conclusion and contends that there are at least 375 facially valid Abuse Claims. The Debtor also asserts that the Survivors' Trust will distribute \$180 million. This assertion is inaccurate for several reasons:

First, even assuming a \$180 million contribution to the Survivors' Trust, the Debtor and RCWC propose to pay this amount over three and a half years, without interest, of the Effective Date, which date is currently unknown and unknowable, and thus, the net present value of the proposed settlement is less than \$180 million.

Second, the Debtor's calculation includes the \$7.7 million earmarked for Unknown Abuse Claimants; and

Third, RCWC is highly unlikely to receive a meaningful number of releases under the Diocese Plan. If Abuse Claimants do not grant RCWC a release under the Diocese Plan, RCWC will not contribute its \$30 million, leaving only \$142.3 million available to Class 4 Abuse Claimants in the Chapter 11 Case.

Assuming 375 Abuse Claimants, whom do not consent to a release of RCWC, and using the value of the Diocese Plan funding (excluding the Unknown Abuse Claim Reserve), in the amount of \$142.3 million, the average distribution to each Abuse Claimant is \$379,466, a far cry from the Debtor's assertion that the average distribution to Abuse Claimants is \$521,739.

In comparison, assuming (i) 375 Abuse Claimants and (ii) RCWC elects not to contribute to the Committee Plan, and using the value of the Committee Plan funding (excluding the Unknown Abuse Claim Reserve), in the amount of \$184.8 million, the average distribution to each Abuse Claimant under the Committee Plan is \$492,800.

(ii) Why does the Committee recommend that Abuse Claimants support the Committee Plan and reject the Diocese Plan?

For the reasons set forth above and in Article II of this Disclosure Statement, entitled "Executive Summary," the Committee recommends Abuse Claimants accept the Committee Plan and reject the Diocese Plan.

8. *How will the Committee Plan work?*

(i) Establishment of the Survivors' Trust

The Committee Plan establishes a Survivors' Trust for the benefit of Abuse Claimants. The Survivors' Trust will distribute funds to Abuse Claimants as set forth below and protect and

1 enforce Abuse Claimants' rights by continuing litigation against the Debtors' insurers so that they
2 are held liable for their contractual obligations. Certain Abuse Claimants may also seek to pursue
the insurers for liability.¹⁰

3 **(ii) Funding of the Survivors' Trust**

4 The Committee does not specify how the Debtor must fund the Committee Plan. As set
5 forth above, the Debtor may choose to fund the Committee Plan by using any number of its assets,
6 in any combination it chooses. Although the Committee Plan does not specify which actions the
7 Debtor should take to make the Debtor Contribution, attached as **Exhibit C** is one, of many,
8 examples through which the Debtor may choose to timely make the Debtor Contribution. Should
9 the Debtor take other actions to generate the cash needed to make the Debtor Contribution, the
need to sell the real estate contemplated by this example would change. For example, if the
Debtor chooses to assign the net proceeds of the sale of the Livermore Property to the Survivors'
Trust, the Debtor would not need to sell a number of the properties used in the Committee's
example.

10 **(iii) Method for Determining Payments to Abuse Claimants**

11 Funds will be distributed to Abuse Claimants under guidelines described in the
12 "Survivors' Trust Distribution Plan" which will be attached as a supplement to the Committee
13 Plan. The Survivors' Trust Distribution Plan provides guidelines for an independent claim
14 reviewer, the "Abuse Claims Reviewer," to analyze Abuse Claimants' Abuse Claims and award
15 each Allowed Abuse Claim a point score between 0 and 100 taking into account both the nature
16 of the abuse inflicted and the impact of abuse on each Abuse Claimant. The settlement funds will
17 be distributed based on the scores awarded by the Abuse Claims Reviewer.

18 The Committee believes that the process described in the Survivors' Trust Distribution
19 Plan is a fair and reasonable way to distribute the funds available for payment of Abuse Claims.
20 Under the Survivors' Trust Distribution Plan, Abuse Claimants may supplement their claims to
21 provide more information they believe the Abuse Claims Reviewer should consider. The
22 Survivors' Trust Distribution Plan also allows Abuse Claimants to appeal their award if they
23 believe the award is too low.

24 The Committee recognizes that each Abuse Claimants' trauma is unique and believes that
25 assessment by an independent evaluator provides a fair and efficient way to consider what
26 happened to each Abuse Claimant and the effects of the abuse on each Abuse Claimant. The
27 Committee recognizes that money alone is not sufficient to compensate Abuse Claimants for the
28 abuse they suffered and the decades of trauma each Abuse Claimants suffered because of the
abuse. The Committee also recognizes that excessive, onerous procedures for reviewing and
allocating payment for Abuse Claims would cause delay and expense that would cause Abuse
Claimants to wait longer to receive less money. For example, if evidentiary reviews (including
documents and witnesses) were required to assess each Abuse Claim, the Committee believes that
each review may take a minimum of 10-15 hours for a claims reviewer. In addition, Abuse

¹⁰ Distributions to Abuse Claimants may be subject to fee agreements between Holders of Abuse Claims and
their legal counsel. The Committee has no information on any such agreements. Legal counsel to Holders
of Abuse Claims must comply with Rules 1.5 and 1.5.1 of the California Rules of Professional Conduct and
Cal. Bus. & Prof. Code § 6147 in connection with any fees charged to Holders of Abuse Claims.

1 Claimants would have to spend time preparing documents, testimony, and expert reports. Rather
2 than force Abuse Claimants to wait longer for less money, the Committee believes the Survivors'
Trust Distribution Plan strikes the right balance of efficiency and fairness to Abuse Claimants.

3 Similar allocation processes have been used successfully in over 20 chapter 11 cases
4 involving other Roman Catholic dioceses and religious orders.

5 Notwithstanding the foregoing, Holders of Abuse Claims may elect to receive an
6 immediate payment of \$50,000.00 (the "**Immediate Payment**") in accordance with the
7 procedures set forth in the Committee Plan. If an Abuse Claimant elects to receive the Immediate
8 Payment, the payment will be made shortly after the Committee Plan becomes effective. That
9 date is indeterminate and may be meaningfully delayed as set forth herein. After receiving the
Immediate Payment, an Abuse Claimant is not entitled to any further distributions from the
Survivors' Trust and may not pursue any Abuse Claim against the Debtor, the Reorganized
Debtor, the Survivors' Trust, the Released Parties and the Insurers.

10 For all other Abuse Claimants, the Survivors' Trustee will make an initial distribution of
11 \$5,000.00 to Abuse Claimants holding Allowed Abuse Claims. Subsequently, as soon as
12 practicable once all Abuse Claims have been scored under the Survivors' Trust Distribution Plan
13 and any requests for reconsideration have been addressed, the Abuse Claims Reviewer will make
distributions to Abuse Claimants proportionally based on the scores awarded by the Abuse Claims
Reviewer, subject to certain adjustments as explained in the Survivors' Trust Distribution Plan.

14 By way of illustration only, if, after the Effective Date, there are ultimately 375 Allowed
15 Abuse Claims and the Survivors' Trust Assets total \$195.2 million, points awarded to an Abuse
16 Claimant under the Survivors' Trust Distribution Plan are translated into dollars under the
Committee Plan as follows:

- 17 • There are 375 Abuse Claimants holding Allowed Abuse Claims with an average
18 score of 50 points per Abuse Claim;
- 19 • 50 points per claim multiplied by 375 Abuse Claims yields 18,750 total points;
- 20 • A total distributable amount of \$195.2 million is available, meaning each point
21 would be valued at \$10,411 (\$195.2 million divided by 18,750 points); and thus
- 22 • Allowed Abuse Claims assigned 25, 50 and 75 points would receive projected total
23 recoveries of \$260,275, \$520,550 and \$780,825 from the Survivors' Trust,
respectively.

24 In contrast, if, after the Effective Date, there are ultimately 375 Allowed Abuse Claims
25 and the Survivors' Trust Assets total \$150 million as provided for by the Diocese Plan, points
awarded to an Abuse Claimant under the Survivors' Trust Distribution Plan are translated into
dollars under the Diocese Plan as follows:

- 26 • There are 375 claimants holding Allowed Abuse Claims with an average score of
27 50 points per claim;

- 50 points per claim multiplied by 375 claims yields 18,750 total points;
- A total distributable amount of \$150 million is available, meaning each point would be valued at \$8,000 (\$150 million divided by 18,750 points); and thus
- Allowed Abuse Claims assigned 25, 50 and 75 points would receive projected total recoveries of \$200,000, \$400,000 and \$600,000 from the Survivors' Trust, respectively.

The difference in treatment of Abuse Claims under the Committee Plan and the Diocese Plan *if RCWC elects not to contribute* under either Plan is summarized in this chart:

Points	Committee Plan	Diocese Plan
25	\$260,275	\$200,000
50	\$520,550	\$400,000
75	\$780,825	\$600,000

(iv) **Assignment of Insurance Claims to the Survivors' Trust**

Under the Committee Plan, if settlements acceptable to the Committee cannot be reached with all Insurers before confirmation of the Committee Plan, the Insurance Assignment effected by the Committee Plan provides certain Trust Claimants who choose the Litigation Option ("**Litigation Claimants**") may sue the Debtor (as a nominal party) in state court to recover against insurance coverage available to cover their Abuse Claims.

Litigation Claimants with claims within a Non-Settling Insurers' coverage periods may pursue claims insured by Non-Settling Insurers as authorized by the Survivors' Trustee in accordance with the Survivors' Trust Documents. The Survivors' Trust would retain the right to pursue causes of action of the Diocese against the Non-Settling Insurers and to settle with the Non-Settling Insurers on a global basis.

No later than the first anniversary of the Effective Date (i) Trust Claimants holding Abuse Claims against the Debtor may elect to pursue litigation against the Debtor (as nominal party only), Non-Settling Insurers and/or other parties and (ii) Trust Claimants that have executed and delivered a written form release of RCWC for all conduct occurring on or before the Effective Date of the Committee Plan (the "**RCWC Release Agreement**") may elect to pursue litigation against RCWC (as nominal party only if RCWC elects to participate in the Committee Plan), Non-Settling Insurers and/or other parties by filing the Litigation Option Notice.

Only those Trust Claimants who are authorized by the Survivors' Trustee are permitted to move forward with a Litigation Claim against the Debtor, RCWC (only if RCWC elects to participate in the Committee Plan), Non-Settling Insurer(s) and/or other parties. The Survivors' Trustee's right to authorize Litigation Claimants to proceed with their claims insured by Non-Settling Insurers as Litigation Claimants is intended to permit Litigation Claims to proceed in an orderly fashion and to minimize litigation expense. The Survivors' Trustee will permit certain Litigation Claims to continue prosecuting their claims based on a number of factors, all of which are intended to help best address and resolve the disputes between Non-Settling Insurers and the

1 Survivors' Trust. The Survivors' Trustee decision to allow Survivors to become Litigation
2 Claimants will consider at a minimum, but not exclusively, the following factors: (i) year(s) of
3 abuse; (ii) frequency, type, and severity of abuse; (iii) identity of perpetrator(s); (iv) status of case;
4 and (v) nature and extent of "notice" evidence. The Survivors' Trust Advisory Committee may
5 recommend additional criteria and make recommendations about litigation authorization. If the
Survivors' Trustee does not authorize a particular Abuse Claimant to proceed as a Litigation
Claimant, that Abuse Claimant may petition the Bankruptcy Court to overrule the Survivors'
Trustee's decision.

6 If the Survivors' Trustee enters into an Insurance Settlement Agreement with respect to a
7 Target Policy that covers a Litigation Claimant's Abuse Claim, such Claimant is entitled to an
8 enhanced Distribution (the "**Claim Enhancement**") as set forth below to his or her allocation
9 under the Survivors' Trust Distribution Plan, which enhanced amount will be payable from the
10 proceeds of the applicable Insurance Settlement Agreement. To the extent the Debtor and the
11 Committee enter into an Insurance Settlement Agreement before the Confirmation Date with
12 respect to a Target Policy that covers an Abuse Claim for which the automatic stay has been
13 modified or lifted by the Bankruptcy Court such that it may continue after the Petition Date, such
14 Abuse Claim will also be entitled to the Claim Enhancement. The Claim Enhancements are
15 independent of one another and are not intended to be cumulative. The Survivors' Trustee will
16 reserve sufficient amounts to fund such enhanced payments before making any Distribution of
17 Insurance Settlement Agreement proceeds to Abuse Claimants who are not Litigation Claimants.

18 The Claim Enhancement will be applied as follows:

- 19 • A Litigation Claimant will be entitled to an enhancement of 10% if the Survivors'
20 Trust negotiates an Insurance Settlement Agreement for a Target Policy of such
21 Litigation Claimant if the Insurance Settlement Agreement is entered into prior to
22 commencing litigation in such Litigation Claimant's case.
- 23 • A Litigation Claimant will be entitled to an enhancement of 25% if the Survivors'
24 Trust negotiates an Insurance Settlement Agreement for a Target Policy of such
25 Litigation Claimant if the Insurance Settlement Agreement is entered into after
26 litigation commences but before a deposition or interview of the Litigation
27 Claimant by opposing counsel in such Litigation Claimant's case.
- 28 • A Litigation Claimant will be entitled to an enhancement of 40% if the Survivors'
Trust negotiates an Insurance Settlement Agreement for a Target Policy of such
Litigation Claimant if the Insurance Settlement Agreement is entered into after a
deposition or interview of the Litigation Claimant by opposing counsel but before
commencement of a trial in such Litigation Claimant's case.
- A Litigation Claimant will be entitled to an enhancement of 50% if the Survivors'
Trust negotiates an Insurance Settlement Agreement for a Target Policy of such
Litigation Claimant if the Insurance Settlement Agreement is entered into on or
after the first day of a trial in such Litigation Claimant's case.

- A Litigation Claimant will be entitled to an enhancement of 100% if the Survivors' Trust negotiates an Insurance Settlement Agreement for a Target Policy of such Litigation Claimant if the Insurance Settlement Agreement is entered into after a Litigation Claim Award entered in favor of the Litigation Claimant in such litigation becomes final and non-appealable.

The Committee believes that the efforts of Litigation Claimants will materially enhance the Survivors' Trust's ability to pursue an appropriate settlement with Non-Settling Insurers and, therefore, enhancements for non-settling Litigation Claimants are appropriate under the circumstances.

In no event may a Litigation Claimant receive more than the total amount of his or her judgment from all sources. If, after accounting for recovery from parties other than the Survivors' Trust, a Litigation Claimant receives any amount in excess of the amount of the Litigation Claim Award, such amount will be recoverable by the Survivors' Trustee. In any case of a Trust Claimant who obtains a Litigation Claim Award, where the payment of any amounts payable to such Trust Claimant by (i) defendants in the Abuse Claim Litigation other than the Released Parties and/or (ii) one or more Non-Settling Insurers, when taken together with any distributions received by such Trust Claimant from the Survivors' Trust, would cause such Trust Claimant to receive more than the total amount of his or her Litigation Claim Award, then (a) all amounts to be paid under such Litigation Claim Award that would be in excess of such Litigation Claim Award will be paid to the Survivors' Trustee to be allocated for distribution to other Trust Claimants on account of their *pro rata* share of Survivors' Trust Assets, or (b) if such amounts are paid directly to the Litigation Claimant, such Litigation Claimant will immediately turn them over to the Survivors' Trustee; *provided, however*, any such Abuse Claimant is not barred by Section 9.9 of the Committee Plan from seeking extracontractual damages under the holding of *Hand* (defined below) and (iii) all defenses and the rights of any Non-Settling Insurer to oppose any such claim by an Abuse Claimant under *Hand* are fully preserved, including that *Hand* is not a correct statement of applicable law and that it would not apply to any such asserted claim.

The Survivors' Trust will make distributions of Survivors' Trust Assets to all Abuse Claimants without considering whether an Abuse Claim is or is not covered by an insurance policy. The reasons for this include (a) many Abuse Claims are covered by more than one Insurer and (b) the Settling Insurers are settling their liability with the Diocese as a whole and settlement payments made by the Settling Insurers include an unallocated portion to settle unfiled Abuse Claims and Abuse Claims the Diocese may assert for its own damages against each Insurer (including reimbursement of attorneys' fees and expenses, as well as other damages).

(v) **The Committee Plan's Enhanced Child Protection Protocols**

An integral part of the Committee Plan is the Child Protection Protocols. The Committee is steadfast in its determination to make sure that the harm that befell Abuse Claimants does not happen to the children within the Diocese's care now and in the future. To that end, the Committee requires the Debtor to retain a Compliance Monitor for a default term of ten years, with whether that term should be extended being submitted to an arbitrator if the Compliance Monitor and the Bishop cannot agree. In contrast, the Diocese Plan only provides for a five-year default term. In the Debtor's Child Protection Protocols, after the Compliance Monitor's term

ends, all powers, duties, and responsibilities of the Compliance Monitor revert to the Bishop. The Committee vehemently opposes this proposal. Time has shown that the Diocese needs an independent third-party to make certain the organization is doing everything within its power to keep children safe, including conducting independent investigations to make certain children are protected and the truth is never buried again. The Committee thus proposes that after the Compliance Monitor's term ends certain duties and powers vested in the Compliance Monitor be assigned to a Compliance Advisory Board. In all circumstances, accusations of sexual abuse by Clergy and diocesan personnel will not become final until an arbitrator determines that an Independent Professional Investigator has completed a fair, fulsome and non-prejudicial investigation.

(vi) **The Channeling Injunction**

The Committee Plan provides for a Channeling Injunction through which Abuse Claims against the Debtor and certain other parties will be enjoined from being asserted against them, but those claims may only be pursued against the Survivors' Trust. It is intended that the channeling of the Channeled Claims will inure to the benefit of the Released Parties and the Settling Insurers. The Channeling Injunction does not bar claims against any Non-Settling Insurer except to the extent a Non-Settling Insurer becomes a Settling Insurer.¹¹

ARTICLE IV

COMMITTEE PLAN OVERVIEW

A. Summary of Committee Plan's Treatment of Claims

The Committee Plan divides various creditors into classes. Individual claimants are classified based on the nature of their claims. The following chart summarizes the classification and proposed treatment of all claims and classes under the Committee Plan. Please refer to the Committee Plan for a fuller description of the treatment of creditors.

Under the Committee Plan, the classes of claims against the Debtor will be as follows:

Class	Class Description	Status	Voting Rights
Class 1	RCC Secured Claim	Unimpaired	Non-voting Deemed to accept
Class 2	Priority Unsecured Claims, other than non-classified claims set forth in Article III	Unimpaired	Non-voting Deemed to accept
Class 3	General Unsecured Claims	Unimpaired	Non-voting

¹¹ The Committee Plan defines "**Channeled Claims**" to mean "any Abuse Claim against a Released Party or any Settling Insurer arising from, in connection with, or related to an Abuse Claim, or any of the Abuse Insurance Policies issued by any Settling Insurers, including Abuse Related Contribution Claims, including (a) an Abuse Claim against any Person who personally committed an act or acts of Abuse resulting in a Claim against the Debtor or any Non-Debtor Catholic Entity; (b) any Claim (including any Abuse Claim) held by a Non-Settling Insurer against any Released Party other than the Debtor or the Reorganized Debtor; or (c) any Claim for which a Released Party is covered or allegedly covered by a Non-Settling Insurer Policy.

Class	Class Description	Status	Voting Rights
			Deemed to accept
Class 4	Abuse Claims	Impaired	Eligible to vote
Class 5	Unknown Abuse Claims	Impaired	Eligible to vote via the Unknown Abuse Claims Representative
Class 6	Non-Abuse Litigation Claims	Unimpaired	Non-voting Deemed to accept
Class 7A	Abuse Related Contribution Claims Related to Class 4 Claims	No recovery	Non-voting Deemed to reject
Class 7B	Abuse Related Contribution Claims Related to Class 5 Claims	No recovery	Non-voting Deemed to reject

The only class of creditors permitted to vote on the Committee Plan are Class 4 Abuse Claims and Class 5 Unknown Abuse Claims, through the vote of the Unknown Abuse Claims Representative. The Committee Plan seeks to satisfy the rights of Abuse Claimants in two ways. First, the Committee Plan ensures that the Debtor uses more of its assets to pay Abuse Claimants, including making certain the Debtor's insurance rights are pursued vigorously. Second, the Committee Plan sets forth nonmonetary provisions designed to assist Abuse Claimants in healing and ensure – to the maximum extent possible – that abuse does not continue.

B. Committee Plan's Treatment of Abuse Claims

To compensate Abuse Claimants, the Committee Plan establishes the Survivors' Trust which will be funded with Survivors' Trust Assets. The Survivors' Trustee will liquidate the Survivors' Trust Assets and distribute the proceeds to the Holders of Abuse Claims and Unknown Abuse Claims under the procedures contained the Survivors' Trust Distribution Plan. The Survivors' Trust will be created for the purpose of paying distributions to Holders of Allowed Class 4 and Class 5 Claims, the two Classes of Abuse Claims under the Committee Plan.

(i) Cash Contributions to the Committee Plan¹²

The Survivors' Trust will be funded by the Debtor in the amount of \$195.2 million payable over 3.5 years from the Original Plan Filing Date of March 6, 2026, to be paid as follows:

- Effective Date: \$33.1 million;
- Year 1: \$6 million;
- Year 2: \$77.7 million;

¹² If RCWC opts to participate in the Committee Plan, RCWC will contribute an additional \$118.97 million to the Survivors' Trust payable as follows:

- Effective Date: \$70 million; and
- Year 2: \$48.9 million.

RCWC has advised that it does not support the Committee Plan and will elect not to receive releases or make any payments to the Survivors' Trust.

- Year 3: \$46.3 million; and
- Year 3.5: \$80.9 million.

On the Effective Date, the Survivors' Trust will segregate \$5 million into the Unknown Abuse Claims Reserve for the benefit of Holders of Class 5 Claims and then increase the amount in the Unknown Abuse Claims Reserve by \$1.3 million within one year after the Effective Date and by \$1.4 million within two years of the Effective Date, for a total of \$7.7 million.

(ii) **Disclosure Regarding Non-Debtor Catholic Entities**

RCWC, the Roman Catholic Cemeteries of the Diocese of Oakland ("**RCC**"), and Adventus (collectively, the "**Non-Debtor Catholic Entities**") have each explicitly and unequivocally rejected the Committee Plan. None of these entities support the Committee Plan, and they have advised that they will not contribute any funds or consideration to the Committee Plan under any circumstances. The Committee has removed all references to Adventus contributing the proceeds of the sale of the Livermore Property from the Committee Plan but has retained its offer to RCWC to provide consensual third-party releases in accordance with the terms of the Committee Plan. RCWC may reject that offer.

(iii) **The Committee Plan's Insurance Assignment**

The Committee Plan further contemplates an assignment of certain of the Debtor's claims and causes of action to the Survivors' Trust under its insurance policies with Non-Settling Insurers. This assignment will allow Abuse Claimants to pursue additional recoveries against Non-Settling Insurers through litigation in state court and the Survivors' Trust to continue litigating the Coverage Action. At present, there are no Settling Insurers.¹³

Although the Survivors' Trust will need to pay certain fees and expenses of litigation with Non-Settling Insurers, the Committee believes the value of the Debtor's insurance assets is far more valuable than the amount that would need to be incurred to prosecute that litigation. The Committee Plan is designed to allow for a full and fair opportunity for Abuse Claimants to realize the value of those assets, while preserving all of the Non-Settling Insurers' rights, claims and defenses against such claims.

The Committee believes that the Committee Plan is insurance neutral. The Non-Settling Insurers argue that the Committee Plan is not insurance neutral. The Committee disagrees: the Committee's Survivors' Trust Distribution Plan has no impact on post-confirmation litigation against the Non-Settling Insurers. Instead, it simply sets forth how the monetary value of Survivors' Trust distributions will be determined by the Abuse Claims Reviewer and the Survivors' Trustee solely for purposes of distributing Survivors' Trust Assets. The distributions and Survivors' Trust Distribution Plan scoring have no impact on the Non-Settling-Insurers'

¹³ Certain Underwriters at Lloyd's, London and Certain London Market Insurance Companies ("**LMI**") contend that because this assignment is subject to the terms and conditions of the insurance policies, the assignment cannot give Abuse Claimants any greater right to pursue additional recoveries against Non-Settling Insurers. LMI also contend that any assignment that purports to grant the Abuse Claimants greater rights to pursue additional recoveries would make the Committee Plan non-confirmable.

1 rights or obligations, which are determined solely under their policies and applicable law. See
2 Committee Plan § 8.3.1 (“With respect to Non-Settling Insurers, nothing in the Plan, the Plan
3 Documents, the Confirmation Order, or the Survivors’ Trust Documents, including any provision
4 that purports to be preemptory or supervening, shall in any way operate to, or have the effect of,
5 impairing, altering, supplementing, changing, expanding, decreasing, or modifying (i) the terms
6 and conditions of an Abuse Insurance Policy, (ii) the rights and obligations of the Debtor, its
Estate or the Reorganized Debtor and any Non-Settling Insurers (and third-party claims
administrators) under the Abuse Insurance Policies, or (iii) the coverage or benefits provided
under the Abuse Insurance Policies.”).¹⁴

7 Under the Committee Plan, if an insurer does not settle, all of the insurer’s liability and
8 coverage defenses are preserved with respect to post-confirmation litigation:

9 Nothing in the Plan, the Plan Documents, the Confirmation Order,
10 or the Survivors’ Trust Documents shall diminish or impair, or be
11 deemed to diminish or impair, the rights of any Non-Settling Insurer
12 to defend any Abuse Claim or to assert any claim, defense, right, or
13 counterclaim in connection with any Abuse Claim or Abuse
Insurance Policy in accordance with applicable law ...

14 Committee Plan § 8.3.2.

15 Stated otherwise, a Non-Settling Insurer may not be liable for an Abuse Claim post-
16 confirmation unless (i) a judgment is obtained in the underlying State Court Action against the
17 Debtor or other co-insured parties; and (ii) coverage is then established for that judgment through
18 an insurance coverage lawsuit. Non-Settling Insurers are entitled to both (i) defend the Debtor
and other co-insured parties against the underlying lawsuits; and (ii) contest coverage for those
lawsuits through separate litigation, subject to the terms of their policies and applicable law. For
these reasons, the Committee Plan is insurance neutral and any insurance-related objections
should be overruled. The Non-Settling Insurers will have an opportunity to argue otherwise at the
plan confirmation hearing.

19 **C. The Committee Plan’s Child Protection Protocols**

20 The Committee Plan further contemplates meaningful enhancements to the Debtor’s
21 existing protocols and practices for the protection of youth and vulnerable adults embodied in the
22 *Child Protection Protocols for the Roman Catholic Bishop of Oakland, California* attached to the
23 Committee Plan as Schedule 1.1.31. The meaningful distinctions between the Committee’s Child
Protection Protocols and the Debtor’s Child Protection Protocols are discussed in the Executive
Summary above.

24 _____
25 ¹⁴ LMI contend that the Committee Plan is internally inconsistent because: (1) section 13.1 of the Committee
26 Plan does not state that it is not binding on insurers and does not limit the rights of insurers and (2) third
27 parties may be authorized under the Committee Plan to assert coverage positions against insurers. LMI
28 contend that the Committee Plan cannot be confirmed if it has any binding effect on insurers or limits their
rights in any way, or authorizes Abuse Claimants to bring coverage claims that are not authorized under
applicable state law.

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

ARTICLE V

DIOCESE PLAN OVERVIEW

A. Summary of Diocese Plan’s Treatment of Claims

The Diocese Plan, like the Committee Plan, divides various creditors into classes. Individual claimants are classified based on the nature of their claims. The following chart summarizes the classification and proposed treatment of all claims and classes under the Diocese Plan.

Class	Class Description	Status	Voting Rights
Class 1	RCC Secured Claim	Impaired	Non-voting; deemed to accept
Class 2	Priority Unsecured Claims, other than non-classified claims set forth in Article III	Unimpaired	Non-voting; deemed to accept
Class 3	General Unsecured Claims	Impaired	Eligible to vote
Class 4	Abuse Claims	Impaired	Eligible to vote
Class 5	Unknown Abuse Claims	Impaired	Eligible to vote via the Unknown Abuse Claims Representative
Class 6	Non-Abuse Litigation Claims	Impaired	Eligible to vote
Class 7A	Abuse Related Contribution Claims Related to Class 4 Claims	No recovery	Non-voting; deemed to reject
Class 7B	Abuse Related Contribution Claims Related to Class 5 Claims	No recovery	Non-voting; deemed to reject

B. Diocese Plan’s Treatment of Abuse Claims

(i) Cash Contributions to the Diocese Plan

The Diocese Plan also establishes a Survivors’ Trust which will be funded with Survivors’ Trust Assets. The Survivors’ Trustee will liquidate the Survivors’ Trust Assets and distribute the proceeds to the Holders of Abuse Claims and Unknown Abuse Claims under the procedures contained the Debtor’s Survivors’ Trust Distribution Plan. The Survivors’ Trust will be created under the Diocese Plan for the purpose of paying distributions to Holders of Class 4 and Class 5 Claims.

The Survivors’ Trust will be funded with (a) \$150 million in cash contributed by the Debtor over a 3.5-year period and (b) \$30 million in cash contributed by RCWC through an escrow arrangement which will distribute funds to be made available to Abuse Claimants if those Abuse Claimants asserting claims against RCWC grant RCWC post-confirmation releases. The Debtor will also contribute and assign to the Survivors’ Trust the “Assigned Insurance Interests” (defined above). An Unknown Abuse Claims Reserve for the benefit of Holders of Class 5 Claims will be established, which will be funded with \$7.7 million.

1 Because it is unlikely that RCWC will receive the requisite releases, the Survivors' Trust
2 will receive the following contributions from the Debtor on the following schedule:

- 3 • Effective Date: \$40 million.
- 4 • Year 1: \$7.2 million.
- 5 • Year 2: \$4.7 million.
- 6 • Year 3.5: \$98.1 million.

7 The Debtor's contribution to the Survivors' Trust will be facilitated, in part, by an
8 additional \$40 million new-money loan from Debtor affiliate, RCC, as part of a refinance of an
9 anticipated \$55 million new money loan provided to the Debtor after the Petition Date.
10 Remaining amounts will come from the Debtor's unrestricted cash and proceeds raised from
11 future sales of real estate owned by the Debtor or Adventus, one of the Non-Debtor Catholic
12 Entities. RCWC's contribution would come from unrestricted cash and proceeds raised from the
13 future sale of real estate owned by RCWC. Should RCWC make its full contribution, the
14 contributions from the Debtor and RCWC to the Survivors' Trust will be \$180 million in the
15 aggregate.

16 The Committee recommends that Survivors do not agree to grant RCWC releases of its
17 liability under the Diocese Plan. If Survivors accept this recommendation, the total value paid
18 under the Diocese Plan will be \$150 million from the Debtor and Survivors will retain their rights
19 to sue RCWC in state court.

20 The Committee believes the Debtor fails to use a large portion of its assets to satisfy Abuse
21 Claims. In an effort to satisfy the Bankruptcy Code's requirement that creditors receive at least
22 as much under the Diocese Plan than if the Debtor were hypothetically liquidated, the Debtor
23 continues to mistakenly insist that it need not include all of its assets because it cannot be forced
24 to sell its real estate. *See* Debtor's Plan Summary, 11;12-14 ("The sale of real property on which
25 a Church currently sits and operates, or which is used in its ministry, would not happen in a forced
26 liquidation under chapter 7 of the Bankruptcy Code."). The Debtor is mistaken.

27 **First**, in accordance with the civil law of California, judgments against religious
28 institutions are treated no differently than those against nonprofit and for-profit entities, and real
property may be attached to satisfy the claims of creditors.

Second, the First Amendment does not shield the Debtor's assets, including its real estate
holdings, from consideration under the hypothetical liquidation test.

Third, Congress did not carve out certain assets, including properties of religious
organizations, from inclusion in section 1129(a)(7)'s best interests test.

The Diocese Plan provides for RCWC to pay \$30 million to the Survivors' Trust
contingent on receiving the RCWC Releases. The Committee projects that there may be
approximately 120 Abuse Claims against RCWC, meaning it would be paying \$250,000 per
Abuse Claim. The Committee urges Abuse Claimants not to grant RCWC a release because its

1 proposed payment dramatically undervalues its liability. *First*, prior settlements of Abuse Claims
2 by the Diocese and RCWC averaged \$1.7 million per claim (adjusted for inflation). Even this per
3 claim amount does not reflect what an Abuse Claimant might receive if he or she were to litigate
4 their claim in California state court. *Second*, RCWC owns millions of dollars in assets, including
cash, investments, and unencumbered real estate. Thus, a contribution far greater than \$250,000
per Abuse Claimant is required before any Abuse Claimant grants RCWC a release.

5 **(ii) The Diocese Plan’s Treatment of Insurance Claims**

6 The Diocese Plan allows Non-Settling Insurers to become Settling Insurers if they agree
7 to make a cash contribution to the Survivors’ Trust. Settlement proceeds resulting therefrom
8 would be used to further supplement recoveries to Trust Claims. To the extent no settlement with
9 a particular Non-Settling Insurer is achieved, the Diocese Plan establishes a framework for post-
confirmation litigation for Trust Claimants seeking recovery from Non-Settling Insurers through
the Litigation Option.

10 **C. The Diocese Plan’s Child Protection Protocols**

11 While the Diocese Plan also provides for certain child protection protocols, the Debtor’s
12 proposal to retain a Compliance Monitor for a limited five-year term fundamentally
13 misunderstands the nature and scope of institutional reform. In addition, the Debtor’s proposal
14 that investigatory authority revert to the Bishop once the Compliance Monitor’s term ends ignores
the fundamental structural conflict of interest that necessitated independent oversight in the first
instance.

15 **ARTICLE VI**

16 **CONFIRMATION REQUIREMENTS AND
17 RISK FACTORS OF THE COMMITTEE PLAN**

18 **A. General Confirmation Requirements**

19 The Bankruptcy Code requires that, in order to confirm the Committee Plan, the
20 Bankruptcy Court must make a series of findings on the Committee Plan and the Committee,
21 including that: (i) the Committee Plan classifies Claims in a permissible manner; (ii) the
22 Committee Plan complies with applicable provisions of the Bankruptcy Code; (iii) the Committee
23 has complied with applicable provisions of the Bankruptcy Code; (iv) the Committee propose the
24 Committee Plan in good faith and not by any means forbidden by law; (v) the disclosures required
25 by section 1125 of the Bankruptcy Code have been made; (vi) the Committee Plan has been
26 accepted by the requisite votes of Creditors (except to the extent that cramdown is available under
27 section 1129(b) of the Bankruptcy Code); (vii) the Committee Plan is feasible and confirmation
28 is unlikely to be followed by the liquidation or the need for further financial reorganization of the
Debtor; (viii) the Committee Plan is in the “best interests” of all holders of Claims in an Impaired
Class by providing to such holders on account of their Claims property of a value, as of the
Effective Date, that is not less than the amount that such holder would receive or retain in a chapter
7 liquidation, unless each holder of a Claim in such Class has accepted or otherwise consented to
the Committee Plan; and (ix) all U.S. Trustee Fees and expenses payable under 28 U.S.C. § 1930,

1 as determined by the Bankruptcy Court at the Confirmation Hearing, have been paid or the
2 Committee Plan provides for the payment of such fees on the Effective Date.

3 **B. Best Interests Test**

4 Confirmation of a plan of reorganization requires that each holder of a claim in an
5 impaired class must either: (i) accept the plan or (ii) receive or retain under the plan property of
6 a value, as of the effective date, that is not less than the value such holder would receive or retain
7 if the debtor was liquidated under Chapter 7 of the Bankruptcy Code. The Debtor takes the
8 position that it is exempt from meeting this standard; the Committee disagrees. If the standard
9 does apply, the Debtor argues that only certain of its assets need to be considered as part of the
10 test. Again, the Committee disagrees. The Committee urges all Abuse Claimants to vote for the
11 Committee Plan and to simultaneously vote to reject the Diocese Plan. The Committee anticipates
12 that all Abuse Claimants will accept or otherwise consent to the Committee Plan and reject the
13 Diocese Plan. Thus, even if the Court disagrees with the Committee's legal arguments with
14 respect to whether the Debtor is required to meet the hypothetical liquidation test, the Committee
15 Plan can proceed to confirmation while the Diocese Plan must overcome this legal hurdle.

16 **C. Financial Feasibility**

17 To confirm a plan, the Bankruptcy Code requires that a Bankruptcy Court find that
18 confirmation of the plan is unlikely to be followed by liquidation or the need to further financially
19 reorganize the Debtor (the "**Feasibility Test**"). For a plan to meet this test, the Bankruptcy Court
20 must determine there is a reasonable likelihood that the reorganized debtor will possess the
21 working capital and other resources necessary to meet its obligations under the plan. Based upon
22 the financial projections attached as **Exhibit D**¹⁵ and the assumptions set forth therein, the
23 Committee believes that the Reorganized Debtor will be able to timely make all distributions
24 required by the Committee Plan and to fund its operations going forward and, therefore, that
25 confirmation of the Committee Plan is unlikely to be followed by liquidation or the need for
26 further reorganization.

27 ***THE FEASIBILITY OF THE COMMITTEE PLAN IS NOT WHOLLY RELIANT ON
28 ANY SINGLE FUNDING SOURCE. IT IS NOT WHOLLY RELIANT ON THE DEBTOR
SECURING AN EXIT FACILITY LOAN, NOR DOES IT CONTEMPLATE SUCH A LOAN,
AND IT IS NOT WHOLLY RELIANT ON THE SALE OF CERTAIN REAL PROPERTY.***

The Committee will establish at Plan confirmation that the Debtor has sufficient assets to
timely make the payments under the Committee Plan if it chooses to do so..

D. Certain Risk Factors

ALL HOLDERS OF IMPAIRED CLAIMS SHOULD READ AND CAREFULLY
CONSIDER THE RISK FACTORS SET FORTH BELOW AS WELL AS THE OTHER

¹⁵ The Committee has not filed financial projections with this Disclosure Statement because the Debtor has
not filed its financial projections in support of the Diocese Plan. After the Debtor does so, the Committee
will promptly file its projections which will be based on the Debtor's projections as modified to incorporate
assumptions underlying the Committee Plan.

1 INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT (AND SCHEDULES
2 AND EXHIBITS) BEFORE DETERMINING WHETHER AND HOW TO VOTE ON THE
3 COMMITTEE PLAN. IF ANY OF THE FOLLOWING RISKS ACTUALLY OCCURS, THE
4 COMMITTEE PLAN MAY NOT BE CONFIRMED BY THE BANKRUPTCY COURT AND/
5 OR CREDITOR RECOVERIES COULD BE LOWER THAN OTHERWISE DESCRIBED
6 HEREIN. THE RISKS AND UNCERTAINTIES BELOW ARE NOT EXHAUSTIVE, BUT
7 REPRESENT THE RISKS THAT THE COMMITTEE BELIEVES ARE MATERIAL. THERE
8 MAY BE ADDITIONAL RISKS THAT THE COMMITTEE CURRENTLY CONSIDERS NOT
9 TO BE MATERIAL OR WHICH THE COMMITTEE IS CURRENTLY UNAWARE.

10
11 **1. *Failure to Satisfy Vote Requirement***

12 If the Committee obtains the requisite votes to accept the Committee Plan in accordance
13 with the requirements of the Bankruptcy Code, the Committee intends, as promptly as practicable
14 thereafter, to seek confirmation of the Committee Plan. In the event that sufficient votes are not
15 received to confirm the Committee Plan, the Committee may be forced to pursue an alternative
16 Committee Plan or the Committee may seek a dismissal of the case.

17
18 **2. *The Committee's Assumptions and Estimates May Prove Incorrect***

19 The Committee has relied on many of the Debtor's assumptions on the aggregate number
20 and amount of non-Abuse Claims in each Class, the projected expenses incurred to date or to be
21 incurred in connection with the confirmation of the Diocese Plan and Committee Plan and the
22 Debtor's representations that it will procure a post-petition loan to finance the payment of its
23 administrative expenses. There can be no guarantee, however, that the Committee's assumptions
24 and estimates regarding these amounts will prove to be accurate. In addition, the Committee has
25 not yet commenced discovery in connection with the Diocese Plan. The information the
26 Committee learns through discovery may impact the Committee's projections and certain other
27 assumptions made herein.

28 The Committee believes that the Debtor has more than sufficient assets at its disposal to
timely and fully make the Debtor Contribution. There can be no guarantee, however, that the
Committee's assumptions and estimates regarding the Debtor's ability to timely pay the Debtor
Contribution will prove to be accurate.

3. *Risk of Non-Confirmation*

Even if all impaired classes accept or could be deemed to have accepted the Committee
Plan, the Committee Plan might not be confirmed by the Bankruptcy Court. Section 1129 of the
Bankruptcy Code lists requirements for confirmation, including (a) that the confirmation of the
Committee Plan not be followed by the need for a further liquidation or reorganization; (b) that
the value of distributions to dissenting holders not be less than the value of distributions to such
holders if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code and (c) that the
Committee Plan and the Committee otherwise comply with applicable provisions of the
Bankruptcy Code. Although the Committee believes the Committee Plan will meet all applicable
tests, there is no assurance that the Bankruptcy Court will reach the same conclusion.

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

4. The Diocese Plan May be Confirmed and the Committee Plan May Not be Confirmed

While the Committee believes the Diocese Plan may not be confirmed as a matter of law and fact, the Diocese disagrees and will attempt to have the Diocese Plan confirmed. It is possible that the Bankruptcy Court will approve the Diocese Plan and deny confirmation of the Committee Plan. If that were to occur, the Committee and/or Non-Settling Insurers would likely appeal such decision. But, ultimately, if the Bankruptcy Court’s decision is affirmed, creditors will be bound by the Diocese Plan.

5. The Diocese May Seek to Dismiss the Chapter 11 Case if the Committee Plan is Confirmed and the Diocese Plan is Not Confirmed

Under the Committee Plan, the Committee has the right to waive certain conditions which must occur before the Committee Plan becomes effective. If the Committee chooses to waive the condition that the Committee Plan be confirmed by a Final Order, the Debtor has indicated that it would move to dismiss the Bankruptcy Case. If the Diocese Plan is not confirmed, the Diocese may also seek to dismiss the Chapter 11 Case. But, before the Chapter 11 Case may be dismissed in either circumstance, the Bankruptcy Court must find that dismissal is in the best interests of creditors.

6. Post Confirmation Litigation Against the Diocese

If the Bankruptcy Court confirms the Committee Plan, the Debtor has indicated that it will likely appeal entry of the Confirmation Order. Even if the Bankruptcy Court’s Confirmation Order is affirmed on a final basis, the Debtor may choose not to timely make the Initial Debtor Contribution, any of the Additional Debtor Contributions or otherwise comply with its obligations under the Committee Plan. Under the Committee Plan, the failure of the Debtor or Reorganized Debtor to timely pay the Initial Debtor Contribution or any of the Additional Debtor Contributions to the Survivors’ Trust or otherwise comply with its obligations under the Committee Plan constitutes an event of default.

Upon an event of default, (i) the Initial Debtor Contribution and all Additional Debtor Contributions will become immediately due and payable and (ii) the Survivors’ Trust may, without notice to the Debtor or Reorganized Debtor, (a) foreclose on the Debtor Contribution Deeds of Trust, (b) commence suit in a court of competent jurisdiction for entry of a judgment against the Debtor and/or the Reorganized Debtor for all outstanding obligations due from the Debtor and/or the Reorganized Debtor to the Survivors’ Trust under the Committee Plan, (c) file the Case Dismissal Notice, or (d) may, with the consent of the Survivors’ Trust Advisory Committee, restructure the timing and terms of payment of the Initial Debtor Contribution and any or all of the Additional Debtor Contributions.

If the Survivors’ Trustee elects to file the Case Dismissal Notice, creditors and parties in interest will be notified that the Debtor and/ or the Reorganized Debtor has failed to comply with its obligations under the Committee Plan and the Survivors’ Trustee has determined, in consultation with the Survivors’ Trust Advisory Committee, not to seek to enforce its rights, claims and Causes of Action against the Debtor and/or Reorganized Debtor, and that dismissal of the Chapter 11 Case is in the best interests of creditors.

1 If the Survivors' Trustee elects to foreclose on the Debtor Contribution Deeds of Trust
2 and/ or commence suit in a court of competent jurisdiction for entry of a judgment against the
3 Debtor and/or the Reorganized Debtor for all outstanding obligations due from the Debtor and/or
4 the Reorganized Debtor to the Survivors' Trust under the Committee Plan, the Debtor will likely
oppose any such actions. If the Debtor does so, distributions to Survivors will be delayed and
remain uncertain.

5 ***In light of the foregoing, the Bankruptcy Court has observed that the Committee Plan***
6 ***may be more challenging to consummate than the Diocese Plan, assuming both plans were***
7 ***approved by a Final Order. Abuse Claimants should consider this risk when casting a ballot***
8 ***on the Committee Plan and the Diocese Plan.***

9 In addition, the timing of the payments due from the Debtor to the Survivors' Trust may
10 be impacted by if, and/ or when, the Committee prevails in the Restricted Asset Litigation.
11 Litigation is inherently uncertain and thus the Bankruptcy Court may hold that some or all of the
12 \$33.3 million in question is unavailable to pay creditor claims. Even if that is the case, the
13 Committee has concluded that the Debtor can timely make all of the payments under the
14 Committee Plan.

15 ***7. The Debtor and Certain Non-Debtor Catholic Entities Will Raise***
16 ***Objections to Confirmation***

17 The Debtor and certain Non-Debtor Catholic Entities will object to confirmation of the
18 Committee Plan. The Debtor and certain Non-Debtor Catholic Entities do not support the
19 Committee Plan and contest many of the legal positions taken by the Committee and/or factual
20 statements made herein. Although the Committee does not believe there will be any merit to such
21 objections or assertions, if any, because the Committee Plan complies with federal and state law,
22 ultimately, the Bankruptcy Court will decide any contested legal or factual issues, and there is no
23 guarantee that those issues will be decided in the Committee's favor. Confirmation is not assured
24 in light of the Debtor's and certain Non-Debtor Catholic Entities' opposition, however strongly
25 the Committee believes the Committee Plan can and should be confirmed.

26 ***8. Non-Settling Insurers Will Raise Objections to Confirmation***

27 Non-Settling Insurers will likely object to confirmation of the Committee Plan by
28 asserting that the Committee Plan impermissibly alters their contractual rights, duties and
obligations under their Insurance Policies. Although the Committee does not believe there is any
merit to such objections or assertions—because the Committee Plan does not alter the rights,
claims and defenses of the Non-Settling Insurers and otherwise complies with federal and state
law—if the Non-Settling Insurers prevail on such contentions, the Bankruptcy Court might find
that the Committee Plan is not proposed in good faith, is not feasible or otherwise not confirmable.
Non-Settling Insurers will also oppose the Insurance Assignment.

The Insurance Assignment effected by the Committee Plan provides certain Litigation
Claimants with the opportunity to liquidate their claims against the Debtor (as a nominal party)
by way of a judgment in the tort system and then seek to recover the amount of their judgment
under any applicable insurance policies of the Debtor. The ability of Litigation Claimants to
monetize their judgment through recovery from Non-Settling Insurers on account of the Assigned

1 Insurance Interests is a fundamental aspect of the Committee Plan that the Committee believes
2 has value for such Claimants in the form of contractual rights (i.e., the potential insurance
3 coverage for the judgement under the insurance policies) and potential extracontractual rights
(i.e., through existing and potential future causes of action for bad faith against the Non-Settling
Insurers).

4 The Debtor recently amended its complaint in the insurance declaratory judgment action
5 captioned *In re: The Roman Catholic Bishop of Oakland Insurance Adversary Proceeding*
Litigation, Case Nos. 3:24-cv 00709-JSC, 3:24-cv-00711-JSC (N.D. Cal.) (the “**Coverage**
6 **Action**”) to add bad faith claims against certain Insurers for, among other conduct, failing to
7 accept reasonable settlement offers within those Insurers’ policy limits. The bad faith claims
8 asserted by the Debtor in the Coverage Action will be assigned to the Survivors’ Trust under the
Committee Plan. The Non-Settling Insurers will contest the viability of those bad faith claims
and have moved to strike the recently amended complaint.

9 The Committee also contends that Litigation Claimants may be able to assert potential
10 direct bad faith claims against any of the Debtor’s insurers should an insurer fail in good faith to
11 pay a covered judgment after the Effective Date based on the decision in *Hand v. Farmers Ins.*
Exch., 23 Cal. App. 4th 1847 (1994) (“**Hand**”). Section 5.14 of the Committee Plan reserves the
12 rights of Litigation Claimants to assert such bad faith claims directly based on potential future
actions by the Insurers after the Effective Date based on the *Hand* decision.

13 The Insurers contest whether any bad faith claims could be successfully asserted by
14 Litigation Claimants, whether directly or through assignment from the Debtor. The Insurers
15 assert, *inter alia*, that the Debtor will not be negatively affected by any post Effective Date future
Insurer actions and therefore will not have a bad faith cause of action against the Insurers capable
16 of assignment post Effective Date. The Insurers further contest whether *Hand* is a correct
statement of California law such that Litigation Claimants may hold a direct bad faith cause of
17 action against any Insurers. They also assert that supposed future bad faith claims based on things
that have not yet happened are speculative. If the Insurers’ contentions in this regard are upheld
18 by a court in future litigation, Litigation Claimants that obtain a covered judgment against the
Debtor in name only could recover money from the Non-Settling Insurers under any applicable
19 insurance policy up to the limits of those policies, but would be unable to recover any
extracontractual damages (i.e., damages in addition to the insurance coverage provided under the
20 insurance policies) based on any future acts or omissions by the Non-Settling Insurers. The
Committee believes the Insurers’ position is not an accurate statement of the law, and certain
21 conduct by Insurers that allegedly violate obligations to act in good faith would survive
confirmation of the Committee Plan, such as the obligation to pay a covered judgment, and that
22 an Insurer’s violation of that obligation could give rise to a direct bad faith cause of action on the
23 part of Litigation Claimants.

24 As recognized by the Bankruptcy Court in its *Memorandum Concerning Certain Issues*
Raise During January 21, 2025 Hearing on Approval of Disclosure Statement [Dkt No. 1673],
25 the outcome of the dispute related to potential, future bad faith claims is not merely uncertain, it
26 is unlikely to be determinable at confirmation, and likely cannot be determined until such time (if
27 ever) that an Insurer is alleged to have acted in bad faith, which may occur, if at all, years after
the occurrence of the Effective Date in this case. Similarly, the viability of the bad faith claims
28

1 asserted by the Debtor in the Coverage Action will be decided by the District Court, not the
2 Bankruptcy Court, and will likely not be decided until after the Effective Date.

3 **9. *Post-Confirmation Litigation with Non-Settling Insurers May Not Result***
4 ***in Additional Recovery***

5 The Committee Plan provides for the assignment to the Survivors' Trust of Assigned
6 Insurance Interests against Non-Settling Insurers. The Non-Settling Insurers are likely to assert
7 factual and legal defenses to both their coverage obligations and to the underlying liability of the
8 Debtor and/ or RCWC. Litigation of such issues against Non-Settling Insurers through the
9 Litigation Option could be protracted and expensive, with certain fees and expenses being paid
10 out of the funds contributed by the Debtor to the Survivors' Trust. In addition, there is no
11 guarantee that the Survivors' Trust will prevail in enforcing any of the Assigned Insurance
12 Interests it receives under the Committee Plan against Non-Settling Insurers. In the event the
13 Non-Settling Insurers successfully defend against their coverage obligations and/or to the
14 underlying liability of the Debtor and/ or RCWC, if any, the Debtor Contribution, the RCWC
15 Contribution, if it elects to make such contribution, and any settlement payments from Settling
16 Insurers would be the sole source of recovery for Abuse Claims and those contributions would be
17 reduced by the fees and expenses of litigation with the Non-Settling Insurers.

18 **10. *Risk of Delay or Non-Occurrence of the Effective Date***

19 If the Committee Plan is approved by the Bankruptcy Court, the Committee expects the
20 Debtor and/or the Non-Settling Insurers to appeal the Confirmation Order. In such case, the
21 Effective Date of the Committee Plan will be delayed and if the Debtor and/ or the Non-Settling
22 Insurers prevail on their appeal, the Effective Date will not occur.¹⁶

23 **11. *Uncertainty of Value***

24 The value of Abuse Claimants' distributions from the Survivors' Trust will depend, in
25 part, on the risks outlined above and to the extent those risks materialize. In addition, the
26 resolution of appeals, causes of action held by the Survivors' Trust and the reconciliation,
27 liquidation and allowance of Abuse Claims may require considerable time, during which time
28 interest will not accrue on allowed claims in the subject classes. These delays could affect or
reduce the ultimate value of any recovery. The ultimate realized value of insurance assets may
be different than the values assigned to such policies.

12. *Certain Federal Income Tax Considerations*

THE INCOME TAX LAWS APPLICABLE TO RECEIVING A DISTRIBUTION OR
DEDUCTING A LOSS FROM A BANKRUPT ESTATE ARE COMPLEX. THE SUMMARY
DESCRIPTION OF TAX CONSEQUENCES BELOW IS FOR GENERAL INFORMATIONAL
PURPOSES ONLY AND IS SUBJECT TO SIGNIFICANT UNCERTAINTIES.

¹⁶ LMI contend that the Committee Plan cannot be confirmed. LMI contend that if the Bankruptcy Court confirms (i.e., approves) the Committee Plan, the Committee Plan will be reversed on appeal. The Committee disputes these contentions by LMI.

1 THE COMMITTEE HAS NOT REQUESTED A RULING FROM THE INTERNAL
2 REVENUE SERVICE NOR HAS THE COMMITTEE OBTAINED AN OPINION OF
3 COUNSEL WITH RESPECT TO THESE MATTERS. THUS, NO ASSURANCE CAN BE
4 GIVEN AS TO THE TAX CONSEQUENCES OF THE COMMITTEE PLAN.

4 THE DISCUSSION CONTAINED IN THIS DISCLOSURE STATEMENT AS TO
5 FEDERAL TAX CONSIDERATIONS IS NOT INTENDED OR WRITTEN TO BE USED,
6 AND CANNOT BE USED, FOR AVOIDING PENALTIES.

6 NO REPRESENTATIONS ARE MADE REGARDING THE PARTICULAR TAX
7 CONSEQUENCES OF THE COMMITTEE PLAN TO ANY HOLDER OF A CLAIM OR ANY
8 OTHER ENTITY OR PERSON. EACH HOLDER OF A CLAIM SHOULD CONSULT ITS
9 TAX PROFESSIONAL TO UNDERSTAND FULLY THE FEDERAL, STATE AND LOCAL
10 AND FOREIGN TAX CONSEQUENCES OF THE COMMITTEE PLAN.

9 The following summary is a general discussion of certain of the potential Federal income
10 tax consequences of the Committee Plan. The summary is based on relevant provisions of the
11 Internal Revenue Code of 1986, as amended (the "Tax Code"), the applicable Treasury
12 Regulations promulgated thereunder (the "Treasury Regulations"), judicial authority, published
13 rulings, and such other authorities considered relevant now in effect, all of which are subject to
14 change.

13 The Federal income tax consequences to any creditor may be affected by matters not
14 discussed below. Nor does the summary address all categories of creditors, some of which may
15 be subject to special rules not addressed herein. There also may be state, local, or foreign tax
16 considerations applicable to each creditor or the Debtor.

16 (i) Tax Consequences to Creditors

17 A creditor that receives cash in satisfaction of its claim will generally recognize a gain or
18 loss in an amount equal to the difference between (i) the amount of cash received by such creditor
19 in respect of its claim (excluding any cash received in respect of a claim for accrued interest) and
20 (ii) the creditor's tax basis in its claim.

20 The character of any gain or loss recognized as long-term or short-term capital gain or
21 loss or as ordinary income or loss will be determined by a number of factors, including, among
22 other things, the tax status of the creditor, whether the claim constitutes a capital asset in the hands
23 of the creditor, whether the claim has been held for more than one year, and whether and to what
24 extent the creditor has claimed a bad debt deduction (or charged a reserve for bad debts) with
25 respect to the claim.

24 The Committee anticipates that distributions to Class 4 and 5 Claimants will, in all
25 instances, constitute payment for damages on account of personal physical injuries or sickness
26 arising from an occurrence, within the meaning of Section 104(a)(2) of the Tax Code. The
27 Committee has not, however, fully analyzed such tax issues and cannot (and does not hereby)
28 make any assurances or representations regarding the anticipated tax treatment of Class 4 and 5
Claims.

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

2. Dismissal of the Chapter 11 Case

If the Committee Plan is not confirmed, the Diocese or another party in interest may seek to dismiss the Chapter 11 Case. After appropriate notice and a hearing, the Bankruptcy Court may grant the request and dismiss the Chapter 11 Case. Dismissal of the Chapter 11 Case would restore, or attempt to restore, all parties to the position they were in just before the Petition Date.

Upon dismissal of the Chapter 11 Case, the protection of the Bankruptcy Code would be lost, potentially resulting in an expensive and time-consuming process of negotiation and protracted litigation between the Diocese and individual Abuse Claimants and between the Diocese and its Insurers. Therefore, the Committee believes that dismissal of the Chapter 11 Case is not a preferable alternative to confirming the Committee Plan. However, the Committee believes that dismissal is a preferable alternative to confirmation of the Diocese Plan. The treatment afforded Abuse Claims thereunder make dismissal, even with its attendant cost and delay, a more fair and equitable option than cram down as Survivors would be able to pursue their claims against the Debtor and RCWC in state court and could satisfy those claims from the assets of the Debtor and RCWC, including their substantial insurance assets. The Diocese disagrees with the Committee’s conclusion because, among other reasons, it believes there will be a race to the courthouse where those Survivors who are first to try their case will be treated better than those who do not promptly try their case. At present, 6 trials are scheduled to begin through 2027 and over 300 state law actions commenced against the Diocese.

3. Chapter 7 Liquidation is Not a Viable Alternative

Pursuant to 11 U.S.C. § 1112(c), if a debtor is “not a moneyed corporation,” a debtor’s Chapter 11 case cannot be converted to a Chapter 7 case without the debtor’s consent. The Diocese, as a non-for-profit entity, is not a moneyed corporation, and may not be forced to convert its Chapter 11 Case to a Chapter 7 case. Thus, conversion to Chapter 7 is not a viable alternative to the Committee Plan.

Dated: April 15, 2026

**LOWENSTEIN SANDLER LLP
BURNS BAIR LLP
KELLER BENVENUTTI KIM LLP**

By: /s/ Gabrielle L. Albert
Gabrielle L. Albert

Exhibit A

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

1 **LOWENSTEIN SANDLER LLP**

2 Jeffrey D. Prol (admitted *pro hac vice*)
3 Brent Weisenberg (admitted *pro hac vice*)
4 One Lowenstein Drive
5 Roseland, NJ 07068
6 Tel: (973) 597-2500
7 Email: jprol@lowenstein.com
8 Email: bweisenberg@lowenstein.com

BURNS BAIR LLP

Timothy W. Burns (admitted *pro hac vice*)
Jesse J. Bair (admitted *pro hac vice*)
10 East Doty Street, Suite 600
Madison, WI 53703-3392
Tel: (608) 286-2808
Email: tburns@burnsbair.com
Email: jbair@burnsbair.com

5 **KELLER BENVENUTTI KIM LLP**

6 Tobias S. Keller (Cal. Bar No. 151445)
7 Jane Kim (Cal. Bar No. 298192)
8 Gabrielle L. Albert (Cal. Bar No. 190895)
9 101 Montgomery Street, Suite 1950
10 San Francisco, CA 94104
11 Tel: (415) 496-6723
12 Email: tkeller@kbkllp.com
13 Email: jkim@kbkllp.com
14 Email: galbert@kbkllp.com

*Special Insurance Counsel for Official
Committee of Unsecured Creditors*

*Attorneys for Official Committee of
Unsecured Creditors*

12 **UNITED STATES BANKRUPTCY COURT**
13 **NORTHERN DISTRICT OF CALIFORNIA**
14 **OAKLAND DIVISION**

14 *In re:*
15 THE ROMAN CATHOLIC BISHOP OF
16 OAKLAND, a California corporation sole,
17 Debtor.

Case No. 23-40523 WJL
Chapter 11
Judge: Hon. William J. Lafferty

18 **THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS'**
19 **FIRST AMENDED PLAN OF REORGANIZATION,**
20 **DATED APRIL 15, 2026**

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

	Page
INTRODUCTION.....	1
Article I DEFINITIONS AND RULES OF INTERPRETATION	1
1.1. Definitions.....	1
1.2. Construction of Terms.....	23
1.3. Appendices and Plan Documents	24
Article II SUMMARY OF CLASSIFICATION OF CLAIMS.....	24
2.1. Claims Provided for Herein.....	24
2.2. Unclassified Claims.....	24
2.3. Claims Classification.....	25
Article III TREATMENT OF UNCLASSIFIED CLAIMS: ADMINISTRATIVE CLAIMS, PRIORITY TAX CLAIMS AND UNITED STATES TRUSTEE’S FEES	25
3.1. Administrative Expense Claims	25
3.2. Priority Tax Claims	27
3.3. Fee Claims.....	27
3.4. Cure Claims.....	28
3.5. United States Trustee Fees	28
Article IV TREATMENT OF CLASSIFIED CLAIMS	28
4.1. Class 1 – Secured Claim of RCC	28
4.2. Class 2 – Priority Unsecured Claims.....	28
4.3. Class 3 – General Unsecured Claims	29
4.4. Class 4 – Abuse Claims.....	29
4.5. Class 5 – Unknown Abuse Claims	31
4.6. Class 6 – Non-Abuse Litigation Claims.....	32
4.7. Class 7A – Abuse Related Contribution Claims Related to Class 4 Claims.....	32
4.8. Class 7B – Abuse Related Contribution Claims Related to Class 5 Claims.....	32

	Page
1 Article V DISPUTED CLAIMS AND CLAIM DISTRIBUTIONS.....	33
2 5.1. Single Claim.....	33
3 5.2. Claims Objections	33
4 5.3. Treatment of Disputed Non-Abuse Claims.....	33
5 5.4. Late Filed Claims	34
6 5.5. Claim Estimation.....	34
7 5.6. No Distribution to Disallowed Claims	35
8 5.7. Timing of Distributions to Allowed Non-Abuse Claims	35
9 5.8. Transfers of Claims	35
10 5.9. Prepayment.....	35
11 5.10. Delivery of Distributions.....	35
12 5.11. Unclaimed Distributions	36
13 5.12. No Interest	36
14 5.13. Provisions Governing Unimpaired Claims	36
15 5.14. Additional Terms Regarding Class 4 and Class 5 Claims	36
16 Article VI VOTING ON THE PLAN	37
17 6.1. Voting Classes.....	37
18 6.2. Elimination of Vacant Classes	37
19 6.3. Effect of Objections	37
20 Article VII EXECUTORY CONTRACTS AND UNEXPIRED LEASES	37
21 7.1. Prior Orders	37
22 7.2. Assumption of Contracts and Unexpired Leases	37
23 7.3. Rejection of Contracts.....	39
24 Article VIII INSURANCE ASSIGNMENT AND OTHER INSURANCE MATTERS.....	40
25 8.1. The Insurance Assignment	40
26 8.2. Insurance Coverage for Abuse Claims.....	41
27	
28	

	Page
1	8.3. Preservation of the Rights of Non-Settling Insurers 44
2	8.4. Scope of Plan Injunctions..... 49
3	8.5. Non-Settling Insurers’ Contribution Claims Against Settling Insurers 50
4	8.6. Cooperation 50
5	8.7. Reductions In Non-Settling Insurers’ Liability..... 51
6	8.8. Settling Insurers..... 51
7	8.9. The Coverage Action 53
8	Article IX THE SURVIVORS’ TRUST 53
9	9.1. Creation of the Survivors’ Trust, Appointment of Survivors’ Trustee, and
10	Survivors’ Trust Advisory Committee 53
11	9.2. Appointment and Powers of the Survivors’ Trustee 55
12	9.3. Property and Funding of the Survivors’ Trust 57
13	9.4. Unknown Abuse Claims Reserve..... 62
14	9.5. Vesting 63
15	9.6. Survivors’ Trust Assumption of Liabilities for Abuse Claims 63
16	9.7. Right to Elect to Receive an Immediate Payment..... 65
17	9.8. Method of Determination of Abuse Claims and Rights of Abuse Claimants to
18	Choose to Pursue Litigation..... 66
19	9.9. Limits on Judgment Amount. 70
20	9.10. Provisions for Preliminary Distribution to Holders of Allowed Abuse Claims..... 71
21	9.11. Compensation and Reimbursement of Expenses to Survivors’ Trustee and
22	Survivors’ Trust Professionals..... 71
23	9.12. Excess Survivors’ Trust Assets 72
24	9.13. Indemnification of Debtor, Reorganized Debtor and RCWC 72
25	9.14. Modification of Survivors’ Trust Documents 72
26	Article X CONDITIONS TO CONFIRMATION AND EFFECTIVENESS OF THE PLAN
27 72
28	10.1. Conditions to Confirmation..... 72

	Page
1	10.2. Conditions to Effectiveness..... 73
2	10.3. Waiver of Conditions 74
3	10.4. Revocation of the Plan 74
4	Article XI RESERVED 75
5	Article XII MEANS FOR IMPLEMENTING THE PLAN..... 75
6	12.1. Revesting..... 75
7	12.2. Non-Monetary Commitment to Healing and Reconciliation 75
8	12.3. Treatment of Actions and Causes of Action 75
9	12.4. Continued Existence..... 76
10	12.5. The Survivors’ Trust 76
11	12.6. Post-Effective Date Prosecution of Non-Abuse Litigation Claims..... 76
12	12.7. Document Access 77
13	12.8. Bankruptcy Procedure and Transition..... 78
14	12.9. Post-Petition Deposits 79
15	12.10. Other Actions 79
16	12.11. General Settlement 79
17	12.12. Closing of the Case 80
18	Article XIII EFFECT OF PLAN CONFIRMATION 81
19	13.1. Binding Effect of Confirmation 81
20	13.2. Ratification 81
21	13.3. Discharge of Claims 81
22	13.4. Confirmation Injunction..... 83
23	13.5. Injunction Against Interference with the Plan..... 83
24	13.6. Exculpation..... 83
25	13.7. Injunction Related to Exculpation..... 84
26	13.8. Releases by the Debtor 85
27	
28	

	Page
1	13.9. Injunction Related to Discharge 85
2	13.10. Disallowed Claims 86
3	13.11. Channeling Injunction 86
4	13.12. Provisions Relating to the Channeling Injunction..... 88
5	13.13. Effect of Channeling Injunction 89
6	13.14. Exclusion Regarding Non-Settling Insurers..... 89
7	Article XIV MODIFICATION 90
8	14.1. Modification of the Plan..... 90
9	14.2. Correction of Defects 90
10	14.3. Savings Clause 90
11	14.4. Remedy of Defects 90
12	Article XV RETENTION OF JURISDICTION 90
13	15.1. Scope of the Bankruptcy Court’s Retained Jurisdiction 90
14	15.2. Failure of Bankruptcy Court to Exercise Jurisdiction..... 92
15	Article XVI MISCELLANEOUS PROVISIONS..... 92
16	16.1. Enforcement 92
17	16.2. Exemption from Certain Transfer Taxes and Recording Fees 92
18	16.3. Effectuating Documents 92
19	16.4. Governing Law..... 93
20	16.5. Integration 93
21	16.6. Inconsistency 93
22	16.7. Section Headings..... 93
23	16.8. Severability..... 93
24	Article XVII REQUEST FOR CONFIRMATION 94
25	17.1. Confirmation Pursuant to § 1129(b)..... 94
26	
27	
28	

1 INTRODUCTION

2 This Plan of Reorganization, dated April 15, 2026 (as amended, modified or supplemented
3 from time to time, the "Plan"),¹ is proposed by the Official Committee of Unsecured Creditors (the
4 "Committee") of The Roman Catholic Bishop of Oakland, a California corporation sole, the debtor
5 and debtor in possession (the "Debtor" or "RCBO") in the above-captioned chapter 11 bankruptcy
6 case (the "Chapter 11 Case"). Holders of Claims (as those terms are defined below) may refer to
7 the Disclosure Statement (defined below) for a summary and description of the Plan. The
8 Committee is the proponent of this Plan within the meaning of Section 1129 of title 11 of the United
9 States Code, as amended from time to time and as in effect during the Chapter 11 Case (the
10 "Bankruptcy Code").

11 ARTICLE I

12 DEFINITIONS AND RULES OF INTERPRETATION

13 1.1. *Definitions.* As used in this Plan, unless defined in the above Introduction or
14 elsewhere in the Plan, capitalized terms shall have the meanings set forth in this Section 1.1. Any
15 term not otherwise defined herein but defined in the Bankruptcy Code or the Federal Rules of
16 Bankruptcy Procedure as amended from time to time and as in effect during the Chapter 11 Case
17 (the "Bankruptcy Rules") will have the meaning given to that term in the Bankruptcy Code or the
18 Bankruptcy Rules, as applicable. The following definitions apply in this Plan:

19 1.1.1. "Abuse Claim Discharge Date" means the date upon which the Debtor
20 receives a discharge with respect to an Abuse Claim, as determined in accordance with the
21 provisions of Section 13.3.2 of the Plan.

22 1.1.2. "Abuse Claim" means any Claim relating to, in whole or in part, directly
23 or indirectly, an act of Abuse committed by any Person before the Effective Date for which the
24 Debtor or any its agents, employees, or representatives is allegedly responsible. Except as otherwise
25 provided herein, the term "Abuse Claim" includes Unknown Abuse Claims and Trust Claims but
26 not Abuse Related Contribution Claims.

27
28 ¹ For the avoidance of doubt, the terms "hereof" and/or "herein" as used in this Plan are references to this entire Plan.

1 1.1.3. “**Abuse Claimant**” means a Holder of an Abuse Claim.

2 1.1.4. “**Abuse Claims Reviewer**” means the Person chosen by the Committee to
3 review Abuse Claims and allocate to each Allowed Abuse Claim a percentage of the Survivors’
4 Trust recovery pool based on numerical scaling factors (but not based on alleged dollar value of the
5 Claim), except for those Abuse Claims held by Abuse Claimants who have elected to receive an
6 Immediate Payment, in accordance with the procedures set forth in the Survivors’ Trust Documents.
7 The identity of the Abuse Claims Reviewer shall be disclosed in a Plan Supplement.

8 1.1.5. “**Abuse Insurance Policies**” means any insurance policy alleged in the
9 Coverage Action or in any Abuse Claim Litigation (as defined in Section 9.8.4 of the Plan) to
10 provide insurance coverage for any Abuse Claim.

11 1.1.6. “**Abuse Related Contribution Claim**” means any Person’s Claim against
12 any other Person for contribution, indemnity, equitable indemnity, subrogation, or equitable
13 subrogation, or reimbursement, or any other indirect or derivative recovery, arising because such
14 Person has paid or defended against any Abuse Claim including, but not limited to, a Joint Tortfeasor
15 or the like, but excluding any claim by an Insurer for contribution or similar relief.

16 1.1.7. “**Abuse**” means sexual conduct or misconduct, sexual abuse or
17 molestation, sexual exploitation, indecent assault and/or battery, rape, pedophilia, ephebophilia,
18 sexually related psychological or emotional harm, humiliation, anguish, shock, sickness, disease,
19 disability, dysfunction, or intimidation, any other sexual misconduct or injury, contacts or
20 interactions of a sexual nature, including the use of photography, video, or digital media, or other
21 physical abuse or bullying without regard to whether such physical abuse or bullying is of a sexual
22 nature, between a child and an adult, between a child and another child, or between a non-consenting
23 adult and another adult, in each instance without regard to whether such activity involved explicit
24 force, whether such activity involved genital or other physical contact, and whether there is or was
25 any associated physical, psychological, or emotional harm to the child or non-consenting adult.

26 1.1.8. “**Additional RCWC Contributions**” has the meaning ascribed to such
27 term in Section 9.3.2.1 of this Plan.

28 1.1.9. “**Administrative Expense Claim**” means any right to payment

1 constituting a cost or expense of administration of the Chapter 11 Case under Sections 503(b) and
2 507(a)(1) of the Bankruptcy Code, including, without limitation, any actual and necessary costs and
3 expenses of preserving the Estate of the Debtor, any actual and necessary costs and expenses of the
4 Debtor's operations, and any indebtedness or obligations incurred or assumed by the Debtor in
5 connection with the conduct of its business, but not including Fee Claims, Cure Claims, or U.S.
6 Trustee Fees. Administrative Expense Claims are further described in in Section 3.1 below.

7 1.1.10. "**Administrative Expense Claims Bar Date**" means the date that is 45
8 days after the Effective Date.

9 1.1.11. "**Affiliate**" shall have the meaning set forth in Section 101(2) of the
10 Bankruptcy Code.

11 1.1.12. "**Allowed**" means, with reference to any Claim, proof of which was timely
12 and properly filed or deemed timely filed by a Final Order, or if no Proof of Claim was filed, which
13 has been or hereafter is listed by the Debtor in the Schedules, as liquidated in amount and not
14 disputed or contingent and, in each case, as to which: (i) no objection to allowance has been
15 interposed within the applicable period fixed by this Plan, the Bankruptcy Code, the Bankruptcy
16 Rules, or the Bankruptcy Court, or (ii) an objection has been interposed and such Claim has been
17 allowed, in whole or in part, by a Final Order. Notwithstanding the foregoing, pursuant to the
18 Survivors' Trust Distribution Procedures, the Survivors' Trustee shall have the sole authority to
19 deem any untimely Abuse Claim Allowed even if such Claim was not filed by the Bar Date.

20 1.1.13. "**Assigned Insurance Interests**" means all rights, claims, interests,
21 benefits, responsibilities and obligations of the Debtor, RCWC (solely as to Abuse Claims the
22 Holders of which have executed and delivered an RCWC Release Agreement) and the Non-Debtor
23 Catholic Entities (solely as to Abuse Claims the Holders of which have provided a release to the
24 Non-Debtor Catholic Entities) in the Non-Settling Insurer Policies, including, without limitation,
25 Insurance Claims, subject to the terms hereof including without limitation Articles VIII and IX of
26 the Plan and the provisions of the Plan concerning the Litigation Option.

27 1.1.14. "**Assumed Employee Benefit Plans**" means any written contracts,
28 agreements, policies, programs, and plans (including any related trust or other funding vehicle)

1 governing any obligations relating to compensation, reimbursement, indemnity, health care benefits,
2 disability benefits, deferred compensation benefits, travel benefits, vacation and sick leave benefits,
3 paid time off, savings, severance benefits, retirement benefits, welfare benefits, relocation programs,
4 life insurance, and accidental death and dismemberment insurance, including written contracts,
5 agreements, policies, programs, and plans for bonuses and other incentives or compensation for the
6 current and former officers, employees, and priests, as applicable, of the Debtor, but excluding the
7 Priest Long-Term Care Plan and the SERP.

8 1.1.15. “**Assumption Objection**” means an objection to assumption or cure of an
9 Executory Contract, as described in Sections 7.2.2 and 7.2.3 herein.

10 1.1.16. “**Avoidance Actions**” means any and all rights to recover or avoid transfers
11 or Liens under Chapter 5 of the Bankruptcy Code or otherwise, including Sections 506(d), 541, 542,
12 543, 544, 545, 547, 548, 549, 550 or 553 of the Bankruptcy Code, or otherwise under the Bankruptcy
13 Code or under similar or related state or federal statutes and common law, including all preference,
14 fraudulent conveyance, fraudulent transfer, and/or other similar avoidance claims, rights, and causes
15 of action, whether or not litigation has been commenced as of the Effective Date to prosecute such
16 Avoidance Actions; subject, however, to any releases thereof provided in this Plan, the Confirmation
17 Order, or any other Final Order of the Bankruptcy Court.

18 1.1.17. “**Ballot**” means the form of ballot approved by the Bankruptcy Court for
19 each Class of Claims entitled to vote on this Plan, as sent to all creditors entitled to vote on this Plan,
20 whereby such creditors are permitted to indicate their vote to accept or reject this Plan.

21 1.1.18. “**Bankruptcy Code**” has the meaning ascribed to such term in the
22 Introduction Section of this Plan.

23 1.1.19. “**Bankruptcy Court**” means the United States Bankruptcy Court for the
24 Northern District of California, Oakland Division, having jurisdiction over the Chapter 11 Case.

25 1.1.20. “**Bankruptcy Rules**” has the meaning ascribed to such term in Section 1.1
26 of this Plan.

27 1.1.21. “**Bar Date Order**” means the *Order Establishing Deadlines for Filing*
28 *Proofs of Claim and Approving the Form and Manner of Notice Thereof* [Dkt. No. 293], entered by

1 the Bankruptcy Court on July 25, 2023, and as expressly amended and as may be expressly amended
2 from time to time.

3 1.1.22. “**Business Day**” means any day other than a Saturday, Sunday or any “legal
4 holiday” as defined in Bankruptcy Rule 9006(a).

5 1.1.23. “**Case Dismissal Notice**” means a notice which may be filed with the
6 Bankruptcy Court by the Survivors’ Trustee upon an Event of Default under this Plan. The Case
7 Dismissal Notice shall inform creditors and parties in interest that the Debtor and/ or the
8 Reorganized Debtor has failed to comply with its obligations under this Plan and the Survivors’
9 Trustee has determined, in consultation with the Survivors’ Trust Advisory Committee, not to seek
10 to enforce its rights, claims and Causes of Action against the Debtor and/or Reorganized Debtor but
11 rather, determined that dismissal of the Chapter 11 Case is in the best interests of creditors. A
12 proposed order dismissing the Chapter 11 Case shall be attached to the Case Dismissal Notice,
13 which order may be entered by the Bankruptcy Court without any further notice or a hearing.

14 1.1.24. “**Cash**” means the legal tender of the United States of America, or its
15 equivalent.

16 1.1.25. “**Cause of Action**” means any action, claim, cause of action, controversy,
17 demand, right, action, Lien, indemnity, guaranty, suit, obligation, liability, damage, judgment,
18 account, defense, offset, power, privilege, license, and franchise of any kind or character
19 whatsoever, whether known, unknown, contingent or non-contingent, matured or unmatured,
20 suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured,
21 assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract
22 or in tort, in law, or in equity or pursuant to any other theory of law. For the avoidance of doubt,
23 “Cause of Action” includes: (a) any right of setoff, counterclaim, or recoupment and any claim for
24 breach of contract or for breach of duties imposed by law or in equity; (b) the right to object to
25 Claims; (c) any Claim pursuant to Section 362 or Chapter 5 of the Bankruptcy Code; (d) any claim
26 or defense including fraud, mistake, duress, and any other defenses set forth in Section 558 of the
27 Bankruptcy Code; (e) any state or foreign law fraudulent transfer or similar claim; (f) any cause of
28 action asserted by the Debtor in the Coverage Action; and (g) any cause of action described on the

1 Debtor's Schedules or Statements of Financial Affairs.

2 1.1.26. "**CCCEB Note**" means that certain Promissory Note dated as of April 16,
3 2009, payable by CCCEB to the Debtor, as amended, modified, or restated including by that certain
4 Amendment #1 to Promissory Note dated as of January 1, 2014, by and between the Debtor and
5 CCCEB, and that certain Amendment #1 to Promissory Note dated as of February 1, 2017, by and
6 between the Debtor and CCCEB.

7 1.1.27. "**CCCEB**" means the Catholic Cathedral Corporation of the East Bay.

8 1.1.28. "**Channeled Claim**" means any Abuse Claim against a Released Party or
9 any Settling Insurer arising from, in connection with, or related to an Abuse Claim, or any of the
10 Abuse Insurance Policies issued by any Settling Insurers, including Abuse Related Contribution
11 Claims, including (a) an Abuse Claim against any Person who personally committed an act or acts
12 of Abuse resulting in a Claim against the Debtor or any Non-Debtor Catholic Entity; (b) any Claim
13 (including any Abuse Claim) held by a Non-Settling Insurer against any Released Party other than
14 the Debtor or the Reorganized Debtor; or (c) any Claim for which a Released Party is covered or
15 allegedly covered by a Non-Settling Insurer Policy.

16 1.1.29. "**Channeling Injunction**" means the injunction imposed pursuant to
17 Section 13.11 of this Plan and the Confirmation Order.

18 1.1.30. "**Chapter 11 Case**" has the meaning ascribed to such term in the
19 Introduction Section of this Plan.

20 1.1.31. "**Child Protection Protocols**" means the Child Protection Protocols for
21 the Roman Catholic Bishop of Oakland, California which shall be implemented not later than the
22 Effective Date, a copy of which is attached as Schedule 1.1.31.

23 1.1.32. "**Churches**" means the individual Catholic churches within the Diocese of
24 Oakland, each of which is part of the corporation sole that is the Debtor, and each of which is listed
25 on Schedule 1.1.32 attached hereto.

26 1.1.33. "**Claim Enhancement**" has the meaning ascribed to such term in Section
27 9.8.4.2 of this Plan.

28 1.1.34. "**Claim**" shall have the meaning set forth in Section 101(5) of the

1 Bankruptcy Code.

2 1.1.35. “**Claims Bar Date**” means, including without limitation for Claims arising
3 under Section 503(b)(9) of the Bankruptcy Code, and in accordance with the terms of the Bar Date
4 Order, (i) for all Claims other than Claims of Governmental Units, September 11, 2023, at 5:00 p.m.
5 Pacific Time, and (ii) for Claims of Governmental Units, November 6, 2023, at 5:00 p.m. Pacific
6 Time.

7 1.1.36. “**Claims Objection Deadline**” means the deadline for objecting to a
8 Claim, which shall be on the date that is the later of: (a) 12 months after the Effective Date, and (b)
9 such other period of limitation as may be specifically fixed by the Debtor or the Reorganized Debtor,
10 as applicable, or by an order of the Court for objecting to such Claims. For the avoidance of doubt,
11 the Claims Objection Deadline shall not apply to Abuse Claims or Non-Settling Insurers who agree
12 to defend against any Abuse Claim Holder who elects the Litigation Option; *provided, however,*
13 Non-Settling Insurers shall only assert objections and defenses to an Abuse Claim in the appropriate
14 non-bankruptcy forum following the election of the Holder of such Abuse Claim of the Litigation
15 Option as defined in Section 9.8.4 hereof.

16 1.1.37. “**Class**” means a category of Holders of Claims as set forth in Section 2.3
17 of this Plan, under Section 1122(a) of the Bankruptcy Code.

18 1.1.38. “**Committee**” has the meaning ascribed to such term in the Introduction
19 Section of this Plan.

20 1.1.39. “**Confirmation Order**” means an Order of the Bankruptcy Court
21 confirming the Plan under Section 1129 of the Bankruptcy Code. A form of the Confirmation Order
22 shall be filed no later than April 29, 2026 or such other date as set by the Bankruptcy Court.

23 1.1.40. “**Confirmation**” means the entry of the Confirmation Order on the docket
24 of the Chapter 11 Case.

25 1.1.41. “**Contribution**” has the meaning ascribed to such term in Section 8.4 of
26 this Plan.

27 1.1.42. “**Coverage Action**” means the proceeding captioned *In re: The Roman*
28 *Catholic Bishop of Oakland Insurance Adversary Proceeding Litigation*, Case Nos. 3:24-cv- 00709-

1 JSC & 3:24-cv-00711-JSC (N.D. Cal.) and all adversary proceedings consolidated thereunder.

2 1.1.43. “**Creditor**” shall have the meaning set forth in Section 101(10) of the
3 Bankruptcy Code.

4 1.1.44. “**Cure Amount**” means all amounts, including an amount of \$0.00,
5 required to cure any monetary default under any Executory Contract or Unexpired Lease (or any
6 lesser amount agreed to by the counterparty to an Executory Contract or Unexpired Lease of the
7 Debtor) to be assumed by the Debtor under Sections 365 or 1123 of the Bankruptcy Code.

8 1.1.45. “**Cure Claim**” means a monetary Claim arising out of the Debtor’s
9 default(s) under any Executory Contract or Unexpired Lease at the time such contract or lease is
10 assumed by the Debtor pursuant to Section 365 of the Bankruptcy Code.

11 1.1.46. “**Debtor Contribution Deeds of Trust**” has the meaning ascribed to such
12 term in Section 9.3.1.6 of this Plan.

13 1.1.47. “**Debtor Contribution**” has the meaning ascribed to such term in Section
14 9.3.1 of this Plan.

15 1.1.48. “**Debtor**” has the meaning ascribed to such term in the Introduction Section
16 of this Plan.

17 1.1.49. “**Defense Costs Reserve**” means the separate, segregated account created
18 by the Survivors’ Trustee in the amount of \$3 million to fund the reasonable and necessary out of
19 pocket attorneys’ fees, costs and other expenses of the Debtor and RCWC (solely as to Abuse Claims
20 the Holders of which have executed and delivered an RCWC Release Agreement) in connection
21 with their participation in any litigation prosecuted by a Class 4 or Class 5 Claimant in accordance
22 with, and subject to, this Plan.

23 1.1.50. “**DIP Facility**” means any Debtor-in-Possession financing obtained by the
24 Debtor prior to the Effective Date pursuant to Section 364 of the Bankruptcy Code.

25 1.1.51. “**DIP Obligations**” means all amounts outstanding under the DIP Facility.

26 1.1.52. “**Disallowed**” means, with respect to any Claim, a Claim or any portion
27 thereof that: (a) has been disallowed by a Final Order, (b) is listed on the Schedules as having a
28 value of zero dollars or as contingent, disputed, or unliquidated and as to which no Proof of Claim

1 or request for payment of an Administrative Expense Claim was timely filed or deemed timely filed
2 pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or otherwise
3 deemed timely filed under applicable law or this Plan, (c) is not listed on the Schedules and as to
4 which no Proof of Claim or request for payment of an Administrative Expense Claim was timely
5 filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or
6 any Final Order of the Court or otherwise deemed timely filed under applicable law or this Plan, (d)
7 has been withdrawn by agreement of the Debtor and the Holder thereof, or (e) has been withdrawn
8 by the Holder thereof. Any Claim or portion of a Claim not Disallowed shall be either Allowed or
9 Disputed as provided in the Plan.

10 1.1.53. “**Disclosure Statement**” means the disclosure statement for this Plan
11 approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code and
12 Bankruptcy Rule 3017 (including all schedules and exhibits thereto), as such disclosure statement
13 may be amended or modified from time to time.

14 1.1.54. “**Disputed**” means, with reference to any Claim: (i) a Claim as to which
15 an objection has been filed and which objection has not either been withdrawn, determined by a
16 Final Order, or otherwise finally resolved pursuant to the Plan; or (ii) a Claim specifically stated
17 herein to be Disputed.

18 1.1.55. “**District Court**” means the United States District Court for the Northern
19 District of California having jurisdiction over the Coverage Action.

20 1.1.56. “**Effective Date**” means the first Business Day after Confirmation of the
21 Plan on which all conditions precedent to the effectiveness of the Plan have either been (a) satisfied
22 or (b) waived pursuant to Sections 10.2 and 10.3 of the Plan, respectively.

23 1.1.57. “**Entity**” shall have the meaning set forth in Section 101(15) of the
24 Bankruptcy Code.

25 1.1.58. “**Estate**” means the estate created for the Debtor in this Chapter 11 Case
26 under Section 541 of the Bankruptcy Code.

27 1.1.59. “**Event of Default**” means the failure of the Debtor or the Reorganized
28 Debtor to (i) timely make any payments required under this Plan and/ or (ii) to timely perform,

1 observe and/ or comply with any other term, covenant, warranty, obligation, provision,
2 representation, or agreement contained in this Plan or the Plan Documents.

3 1.1.60. “**Excluded Party**”: means (i) any individual who personally committed
4 an act of Abuse that resulted or would result in an Abuse Claim against the Debtor or any Released
5 Party, but solely in his or her capacity as an abuser; (ii) Joint Tortfeasors, unless such Joint
6 Tortfeasor is identified as a Released Party in the Plan Documents, (iii) a successor or predecessor
7 of the Debtor to the extent of such successor’s or predecessor’s independent liability for an act or
8 acts of Abuse, (iv) the Holy See and (v) any religious order or other Entity that is an affiliate of or
9 associated with the Roman Catholic Church (other than the Debtor, the Reorganized Debtor and the
10 Released Parties); *provided, however*, that neither of the following is an “Excluded Party”: (a) any
11 Person claiming to be an insured (as a named insured, additional insured, or otherwise) under any
12 of the Settling Insurer Policies and/or (b) any Person who has actually or allegedly acquired or been
13 assigned the right to make a Claim for coverage under any of the Settling Insurer Policies.

14 1.1.61. “**Exculpated Parties**” means each of the following in their capacity as
15 such, to the extent permitted under applicable Ninth Circuit law, including without limitation
16 *Blixseth v. Credit Suisse*, 961 F.3d 1074 (9th Cir. 2020): (a) the Debtor, including the Churches, (b)
17 the Reorganized Debtor, including the Churches, (c) the Committee, (d) the Committee’s members,
18 (e) the College of Consultors of the Diocese of Oakland and each of its members, (f) The Diocese
19 of Oakland Finance Council and each of its members, (g) the Presbyteral Council of the Diocese of
20 Oakland and each of its members, (h) the Mediators, (i) the Unknown Abuse Claims Representative,
21 and (j) for each of the foregoing, their respective officers, directors, agents, employees, equity
22 holders, attorneys, financial advisors, accountants, and other duly authorized employed
23 Professionals in this Chapter 11 Case.

24 1.1.62. “**Exculpation Clause**” means Section 13.6 of this Plan.

25 1.1.63. “**Exculpation**” means the treatment of an Exculpated Party under, or the
26 effect of, the Exculpation Clause.

27 1.1.64. “**Executory Contract Cure Schedule**” means the schedule to be filed by
28 the Debtor as part of a Plan Supplement setting forth the amount the Debtor asserts is required to be

1 paid pursuant to Section 365(b)(1) of the Bankruptcy Code in connection with the Debtor's
2 assumption of any Executory Contract.

3 1.1.65. "**Executory Contract Rejection Schedule**" means a schedule to be filed
4 by the Debtor as part of a Plan Supplement identifying any Executory Contracts to be rejected by
5 the Debtor as of the Effective Date of the Plan.

6 1.1.66. "**Executory Contract**" means a contract to which the Debtor is a party that
7 is subject to assumption or rejection under Sections 365 or 1123 of the Bankruptcy Code.

8 1.1.67. "**Fee Claim**" means a Claim under Sections 328, 330, 331, 503, or 1103 of
9 the Bankruptcy Code for compensation of a Professional or other Entity for services provided to the
10 Debtor or Committee, or expenses incurred in the course of providing services to the Estate, during
11 the Chapter 11 Case.

12 1.1.68. "**File,**" "**Filed,**" or "**Filing**" means file, filed, or filing with the Bankruptcy
13 Court in the Chapter 11 Case or in the District Court in the Coverage Action.

14 1.1.69. "**Final Decree**" means the decree contemplated under Bankruptcy Rule
15 3022.

16 1.1.70. "**Final Determination**" has the meaning ascribed to such term in Section
17 9.8.2 of this Plan.

18 1.1.71. "**Final Distribution**" has the meaning ascribed to such term in Section
19 9.8.3.4 of this Plan.

20 1.1.72. "**Final Order**" means an order or judgment of the Bankruptcy Court (or
21 any other court) entered by the Bankruptcy Court (or any other court) on the docket in the Chapter
22 11 Case (or the docket of such other court), which has not been reversed, stayed, modified, amended,
23 or vacated, and as to which: (a) the time to appeal, petition for *certiorari*, or move for a new trial,
24 stay, reargument, or rehearing has expired and as to which no appeal, petition for *certiorari*, or
25 motion for new trial, stay, reargument, or rehearing shall be pending, or (b) if an appeal, writ of
26 *certiorari*, new trial, stay, reargument, or rehearing thereof has been sought, such order or judgment
27 of the Bankruptcy Court (or other court) shall have been affirmed by the highest court to which such
28 order was appealed, or *certiorari* shall have been denied, or a new trial, stay, reargument, or

1 rehearing shall have been denied or resulted in no modification of such order, and the time to take
2 any further appeal, petition for *certiorari*, or move for a new trial, stay, reargument, or rehearing
3 shall have expired, as a result of which such order shall have become final in accordance with
4 Bankruptcy Rule 8002; *provided, however*, that the possibility that a motion under Rule 60 of the
5 Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed
6 relating to such order shall not cause an order not to be a Final Order.

7 1.1.73. “**General Unsecured Claim**” means an Unsecured Claim that is not an
8 Abuse Claim, Unknown Abuse Claim, or Non-Abuse Litigation Claim.

9 1.1.74. “**Governmental Unit**” shall have the meaning set forth in Section 101(27)
10 of the Bankruptcy Code.

11 1.1.75. “**Hand**” has the meaning ascribed to such term in Section 5.14 of this Plan.

12 1.1.76. “**Holder**” means a Person or Entity with ownership or legal control of a
13 Claim, including without limitation an Abuse Claim.

14 1.1.77. “**Immediate Payment Election Deadline**” has the meaning ascribed to
15 such term in Section 9.7 of this Plan.

16 1.1.78. “**Immediate Payment Notice**” means a notice to Holders of Abuse Claims
17 informing them of their right to elect the Immediate Payment, which may be signed and returned to
18 the Survivors’ Trustee to indicate the election of a Holder to receive the Immediate Payment in lieu
19 of any further distributions. The Immediate Payment Notice will be filed as a Plan Supplement and
20 approved under the Confirmation Order.

21 1.1.79. “**Immediate Payment**” means a one-time irrevocable and indefeasible
22 distribution of \$50,000 paid to an Abuse Claimant who elects the Immediate Payment option from
23 the Survivors’ Trust on the terms and conditions set forth in this Plan.

24 1.1.80. “**Impaired**” means, with respect to a Class of Claims, a Class of Claims
25 that is not Unimpaired.

26 1.1.81. “**Initial Debtor Contribution**” has the meaning ascribed to such term in
27 Section 9.3.1 of this Plan.

28 1.1.82. “**Initial Determination**” has the meaning ascribed to such term in Section

1 9.8.1 of this Plan.

2 1.1.83. “**Initial Distribution**” has the meaning ascribed to such term in Section
3 9.8.3.2 of this Plan.

4 1.1.84. “**Initial RCWC Contribution**” has the meaning ascribed to such term in
5 Section 9.3.2.1 of this Plan.

6 1.1.85. “**Initial Reserve**” has the meaning ascribed to such term in Section 9.8.3.2
7 of this Plan.

8 1.1.86. “**Insurance Assignment**” means the transaction described in Section 8.1
9 of the Plan, subject to the terms of the Plan, the Abuse Insurance Policies, and applicable law.

10 1.1.87. “**Insurance Claims**” means all Claims, causes of action and enforceable
11 rights against a Non-Settling Insurer whether sounding in contract, tort, or otherwise, including
12 equity and bad faith, held by: (a) the Debtor for any reason related to any Abuse Claim asserted or
13 alleged against the Debtor, including those for (i) indemnity and payment of any such Abuse Claim;
14 (ii) any Non-Settling Insurer’s failure or refusal to provide insurance coverage for any such Abuse
15 Claim under any Insurance Policy; (iii) any Non-Settling Insurer’s tortious or wrongful claims
16 handling including the failure or refusal of any Non-Settling Insurer to timely compromise and settle
17 any such Abuse Claims against the Debtor pursuant to any Abuse Insurance Policy, (iv) to the extent
18 not otherwise encompassed by Section (iii) above, any Non-Settling Insurer’s failure or refusal to
19 reasonably settle such Abuse Claims, and (v) the interpretation or enforcement of the terms of any
20 Abuse Insurance Policy as it pertains to any of the foregoing; and (b) any Settling Insurers, RCWC
21 (solely as to Abuse Claims the Holders of which have provided have executed and delivered an
22 RCWC Release Agreement) and the Non-Debtor Catholic Entities (solely as to Abuse Claims the
23 Holders of which have provided a release to the Non-Debtor Catholic Entities) for any reason related
24 to any Abuse Claim against any Settling Insurers, RCWC and the Non-Debtor Catholic Entities,
25 whether independently or jointly liable with the Debtor on such Abuse Claim, including for (i)
26 indemnity and payment of any such Abuse Claim, (ii) any Non-Settling Insurer’s failure or refusal
27 to provide insurance coverage under any Insurance Policy for any such Abuse Claim against the
28 Debtor, RCWC (solely as to Abuse Claims the Holders of which have executed and delivered an

1 RCWC Release Agreement), the Non-Debtor Catholic Entities (solely as to Abuse Claims the
2 Holders of which have provided a release to the Non-Debtor Catholic Entities) or a Settling Insurer,
3 (iii) any Non-Settling Insurer’s tortious or wrongful claims handling including the failure or refusal
4 of any Non-Settling Insurer to timely compromise and settle any such Abuse Claims against RCWC
5 (solely as to Abuse Claims the Holders of which have executed and delivered an RCWC Release
6 Agreement) or the Non-Debtor Catholic Entities (solely as to Abuse Claims the Holders of which
7 have provided a release to the Non-Debtor Catholic Entities) pursuant to any Insurance Policy, (iv)
8 to the extent not otherwise encompassed by Section (iii) above, any Non-Settling Insurer’s failure
9 or refusal to reasonably settle such Abuse Claims, and (v) the interpretation or enforcement of the
10 terms of any Insurance Policy as it pertains to any of the foregoing. The term “Insurance Claim”
11 also includes any Claims or causes of action related to any Assigned Insurance Interests.

12 1.1.88. “**Insurance Recoveries**” means the rights to any proceeds of an Abuse
13 Insurance Policy, whether pursuant to the policy outright, an Insurance Settlement Agreement, or a
14 judgment, award, decree, or other court or administrative order.

15 1.1.89. “**Insurance Settlement Agreement**” means any settlement agreement
16 among (i) the Debtor, a Settling Insurer and the Committee, if an Insurance Settlement Agreement
17 is executed and approved by a final, non-appealable order of the Bankruptcy Court before the
18 Effective Date, or (ii) the Survivors’ Trust and any Settling Insurer, if executed after the Effective
19 Date.

20 1.1.90. “**Insurers**” means the defendants in the Coverage Action. For the
21 avoidance of doubt, this term, whether or not qualified with “Settling” or “Non-Settling,” shall
22 include the California Insurance Guarantee Association.

23 1.1.91. “**Joint Tortfeasor**” means any Person, other than the Debtor, who is
24 alleged to be a joint tortfeasor with the Debtor and/or any Released Party in connection with the
25 Abuse or alleged Abuse giving rise to an Abuse Claim.

26 1.1.92. “**Judgment Reduction**” has the meaning ascribed to such term in Section
27 8.4 of this Plan.

28 1.1.93. “**Lien**” means any mortgage, pledge, deed of trust, assessment, security

1 interest, lease, lien, adverse claim, levy, charge or other encumbrance of any kind, including any
2 “lien” as defined in Section 101(37) of the Bankruptcy Code, or a conditional sale contract, title
3 retention contract or other contract to give any of the foregoing.

4 1.1.94. “**Litigation Claim Award**” means a judgment or verdict determining that
5 the Debtor, RCWC (but solely if RCWC has elected to make the RCWC Contribution) and/or any
6 Released Party is/are liable to a Litigation Claimant on account of a Litigation Claim.

7 1.1.95. “**Litigation Claim**” means a Trust Claim authorized to be litigated against
8 the Debtor, RCWC (but solely if RCWC has elected to make the RCWC Contribution) and a
9 Released Party in accordance with this Plan and the Plan Documents.

10 1.1.96. “**Litigation Claimant Agreement**” means the agreement, to be filed as a
11 Plan Supplement, which must be executed by a Litigation Claimant under Section 8.2 of this Plan
12 before litigating a Litigation Claim.

13 1.1.97. “**Litigation Claimant**” means a Trust Claimant who has elected the
14 Litigation Option.

15 1.1.98. “**Litigation Option Notice**” has the meaning ascribed to such term in
16 Section 9.8.4 of this Plan. The Litigation Option Notice will be filed as a Plan Supplement.

17 1.1.99. “**Litigation Option**” means a Trust Claimant’s election to pursue a
18 Litigation Claim as authorized by Section 8.2.2 of the Plan.

19 1.1.100. “**Mediators**” means, individually and collectively: (i) the Honorable
20 Christopher Sontchi (Ret.), Sontchi, LLC; (ii) Jeffrey Krivis, Mediation Offices of Jeffrey Krivis;
21 (iii) Timothy Gallagher, The Gallagher Law Group; and (iv) the Honorable Randall J. Newsome
22 (Ret.), Randall Newsome ADR.

23 1.1.101. “**Non-Abuse Claims**” means all Claims pending against the Debtor
24 asserting Causes of Action unrelated to Abuse, including Non-Abuse Litigation Claims.

25 1.1.102. “**Non-Abuse Litigation Claims**” means Claims arising out of litigation
26 pending against the Debtor prior to the Petition Date asserting Non-Abuse Claims.

27 1.1.103. “**Non-Abuse Litigation Reserve**” means the Cash reserve to be
28 established by the Reorganized Debtor pursuant to Section 12.7.2 of the Plan to pay Non-Abuse

1 Litigation Claims.

2 1.1.104. “**Non-Debtor Catholic Entity**” means any of the following: RCC, the
3 Oakland Parochial Fund, Lumen Christi Academies of the Roman Catholic Diocese of Oakland,
4 CCCEB, The Oakland Society for the Propagation of the Faith, Catholic Charities of the Diocese of
5 Oakland, Inc. (d/b/a Catholic Charities of the East Bay), Catholic Church Support Services (d/b/a
6 Catholic Management Services), Furrer Properties, Inc., Adventus, Catholic Foundation for the
7 Diocese of Oakland, Christ the Light Cathedral Corporation, or any religious order.

8 1.1.105. “**Non-Settling Insurer Policy**” means any Abuse Insurance Policy issued
9 by a Non-Settling Insurer.

10 1.1.106. “**Non-Settling Insurer**” means any insurer who issued a Non-Settling
11 Insurer Policy who has not executed a final and binding settlement agreement with the Debtor, with
12 the consent of the Committee, by the Effective Date.

13 1.1.107. “**Original Plan Filing Date**” means March 6, 2026.

14 1.1.108. “**Payment Obligations**” has the meaning ascribed to such term in Section
15 8.4 of this Plan.

16 1.1.109. “**Person**” shall have the meaning set forth in Section 101(41) of the
17 Bankruptcy Code.

18 1.1.110. “**Petition Date**” means May 8, 2023, the date on which the Chapter 11
19 Case commenced in the Bankruptcy Court.

20 1.1.111. “**Plan Documents**” means this Plan, the Plan Supplement, all appendices
21 and exhibits to the forgoing, the Survivors’ Trust Documents, the Confirmation Order, and any other
22 documents created, executed, or entered into pursuant to the Plan.

23 1.1.112. “**Plan Payment Period**” has the meaning ascribed to such term in Section
24 9.3.1.3 of this Plan.

25 1.1.113. “**Plan Supplement**” means the compilation of documents and forms of
26 documents, schedules, and exhibits to the Plan (as amended, supplemented, or modified from time
27 to time in accordance with the terms hereof and the Bankruptcy Code and the Bankruptcy Rules),
28 to be Filed no later than April 29, 2026 or such other date as may be set by the Court, including

1 without limitation the following: (a) the form of the Survivors' Trust Agreement; (b) the form of
2 the Survivors' Trust Distribution Plan; (c) the form of the RCWC Release Agreement; (d) the form
3 of the RCWC Escrow Agreement; (e) the form of the Litigation Claimant Agreement; (f) the form
4 of the Litigation Option Notice and (g) the form of the Immediate Payment Notice. The term "Plan
5 Supplement" also includes (a) the Schedule of Assumed Executory Contracts and Unexpired Leases
6 and the Executory Contract Rejection Schedule (if any), both of which will be filed on no less than
7 14 days' notice to all creditors and parties in interest.

8 1.1.114. "**Plan**" has the meaning ascribed to such term in the Introduction Section
9 of this Plan.

10 1.1.115. "**Post-Confirmation Notice List**" means the list of Persons or Entities to
11 receive notice of matters after the Confirmation Date, specifically: (a) the Reorganized Debtor; (b)
12 the Survivors' Trustee; (c) the Office of the United States Trustee; (d) Persons against whom relief
13 is sought; and (e) Persons who request notice of such matters through a written request that is filed
14 with the Bankruptcy Court and served on the Debtor not earlier than the Confirmation Date.

15 1.1.116. "**Post-Effective Date Insurance Settlement**" has the meaning ascribed to
16 such term in Section 9.2.8 of this Plan.

17 1.1.117. "**Preliminary Abuse Claim Allowance Deadline**" means the date that is
18 60 days following the Effective Date, or if such date is not a Business Day, then the next Business
19 Day thereafter.

20 1.1.118. "**Priest Long-Term Care Plan**" means the long-term care plan maintained
21 by the Debtor for priests employed by the Debtor, Churches, and Non-Debtor Catholic Entities.

22 1.1.119. "**Priority Tax Claim**" means any Claim of a Governmental Unit under
23 Section 507(a)(8) of the Bankruptcy Code.

24 1.1.120. "**Priority Unsecured Claim**" means any Claim against the Debtor that is
25 entitled to priority in right of payment under Section 507(a) of the Bankruptcy Code, other than an
26 Administrative Expense Claim or a Priority Tax Claim.

27 1.1.121. "**Privileged Communications**" has the meaning ascribed to such term in
28 Section 8.6 of this Plan.

1 1.1.122. “**Professional**” means any Person or Entity employed by the Debtor, the
2 Committee, or the Estate in the Chapter 11 Case under Sections 327 or 1103 of the Bankruptcy
3 Code, any of the Mediators, or any Person or Entity seeking compensation or reimbursement of
4 expenses under Section 503(b)(4) of the Bankruptcy Code.

5 1.1.123. “**Proof of Claim**” means a Claim, along with any supporting
6 documentation, Filed against the Debtor in the Chapter 11 Case.

7 1.1.124. “**Protected Parties**” means the Debtor, the Reorganized Debtor and the
8 Settling Insurers.

9 1.1.125. “**RCBO**” has the meaning ascribed to such term in the Introduction Section
10 of this Plan.

11 1.1.126. “**RCC**” means the Roman Catholic Cemeteries of the Diocese of Oakland,
12 a non-profit religious corporation.

13 1.1.127. “**RCWC Claimant**” has the meaning ascribed to such term in Section
14 9.3.2.5 of this Plan.

15 1.1.128. “**RCWC Contribution Deeds of Trust**” has the meaning ascribed to such
16 term in Section 9.3.2.8 of this Plan.

17 1.1.129. “**RCWC Escrow Agreement**” means an escrow agreement between
18 RCWC, the Survivors’ Trustee, and the RCWC Escrow Agent, which shall be in substantially the
19 form filed with the Plan Supplement.

20 1.1.130. “**RCWC Escrow**” means an escrow account administered pursuant to the
21 terms of the RCWC Escrow Agreement by a third-party escrow agent who shall be identified in the
22 RCWC Escrow Agreement (the “**RCWC Escrow Agent**”). For the avoidance of doubt, the RCWC
23 Escrow Agent shall not be a Non-Debtor Catholic Entity.

24 1.1.131. “**RCWC Release Agreement**” means the RCWC Release Agreement, to
25 be filed as a Plan Supplement, by which a Holder of an Abuse Claim may consensually release
26 RCWC, including its current and former directors, managers, officers, employees, predecessors,
27 successors, assigns, managed accounts or funds, agents, advisory board members, financial
28 advisors, partners, attorneys, accountants, investment bankers, consultants, and other professionals,

1 of any and all Claims that have been asserted or might be asserted by such Holder based on any
2 conduct occurring before the Effective Date of the Plan in consideration for RCWC paying the
3 RCWC Contribution.

4 1.1.132. “**RCWC**” means the Roman Catholic Welfare Corporation of Oakland, a
5 non-profit religious corporation. This definition includes any school RCWC managed, manages,
6 administered, administers, operated, or operates.

7 1.1.133. “**Rejection Claim**” means a Claim for rejection damages arising out of the
8 rejection of an Executory Contract or Unexpired Lease by the Debtor, whether the rejection occurs
9 through an order of the Bankruptcy Court approving a motion to reject an Executory Contract or
10 Unexpired Lease or through confirmation of this Plan or any other chapter 11 plan.

11 1.1.134. “**Rejection Claims Bar Date**” means, as to a particular Rejection Claim,
12 the date that is the earlier of (a) 60 calendar days following the entry of an order rejecting an
13 Executory Contract or Unexpired Lease, the rejection of which gave rise to the Rejection Claim, or
14 (b) 30 days after entry of the Confirmation Order.

15 1.1.135. “**Released Parties**” means collectively: (a) the Debtor; (b) the
16 Reorganized Debtor; (c) the Churches, none of whom are separately incorporated from the Debtor
17 and whose releases under the Plan shall be one and the same as, and not separate from or in addition
18 to, the releases of the Debtor and Reorganized Debtor and (d) with respect to each of the foregoing
19 Persons and Entities in clauses (a) through (c), such Person and their, or such Entity and its, current
20 and former directors, managers, officers, employees, predecessors, successors, assigns, managed
21 accounts or funds, agents, advisory board members, financial advisors, partners, attorneys,
22 accountants, investment bankers, consultants, and other professionals; *provided, however*, this term
23 expressly excludes (i) any Person accused of committing a physical act of Abuse upon an Abuse
24 Claimant or their predecessor(s)-in-interest, (ii) any Non-Debtor Catholic Entity (except that RCWC
25 may receive the releases granted in the RCWC Release Agreement pursuant to Section 9.3.2 of the
26 Plan) and (iii) any Catholic diocese or archdiocese other than the Debtor or Reorganized Debtor.

27 1.1.136. “**Releases**” means the release of any Claim or Cause of Action in favor of
28 Released Parties as set forth in Section 13.8 of the Plan given by the persons or entities listed in

1 subparagraphs (a) through (b) of this Section of the Plan (collectively, the “**Releasing Parties**”):
2 (a) the Released Parties; and (b) with respect to each of the foregoing Persons and Entities in clause
3 (a), such Person and their, or such Entity and its, current and former directors, managers, officers,
4 employees, equity holders (regardless of whether such interests are held directly or indirectly),
5 interest holders, predecessors, successors, and assigns, subsidiaries, affiliates, managed accounts or
6 funds, and each of their respective current and former equity holders, officers, directors, managers,
7 principals, shareholders, members, management companies, fund advisors, employees, agents,
8 advisory board members, financial advisors, partners, attorneys, accountants, investment bankers,
9 consultants, representatives, and other professionals. For the avoidance of doubt, (i) “Releasing
10 Parties” excludes Non-Settling Insurers and (ii) Non-Settling Insurers are not giving any Releases
11 to Released Parties under the Plan.

12 1.1.137. “**Reorganized Debtor**” means the Debtor upon the occurrence of the
13 Effective Date and thereafter.

14 1.1.138. “**Review Determination**” has the meaning ascribed to such term in Section
15 9.8.2 of this Plan.

16 1.1.139. “**Schedules**” means, to the extent required, the schedules of assets and
17 liabilities, schedules of Executory Contracts and Unexpired Leases, and statements of financial
18 affairs Filed by the Debtor under Section 521 of the Bankruptcy Code, as the same may have been
19 amended, modified, or supplemented from time to time.

20 1.1.140. “**Secured**” means, when referring to a Claim, a Claim: (a) secured by a
21 Lien on property in which the Estate has an interest, which Lien is valid, perfected, and enforceable
22 pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff
23 pursuant to Section 553 of the Bankruptcy Code, to the extent of the value of the Creditor’s interest
24 in an Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable,
25 as determined pursuant to Section 506(a) of the Bankruptcy Code; or (b) otherwise Allowed by the
26 Plan as a Secured Claim.

27 1.1.141. “**SERP**” means the Diocese of Oakland Priests Supplemental Retirement
28 Plan.

1 1.1.142. “**Settling Insurer Policy**” means any Abuse Insurance Policy issued by a
2 Settling Insurer.

3 1.1.143. “**Settling Insurer**” means any insurer with whom (i) the Debtor and
4 RCWC have, with the written consent of the Committee, executed a settlement agreement as of the
5 Effective Date, or (ii) the Survivors’ Trust executes a settlement agreement after the Effective Date.

6 1.1.144. “**Survivors’ Trust Advisory Committee**” means the Entity created under
7 Section 9.1.3 of the Plan.

8 1.1.145. “**Survivors’ Trust Agreement**” means the agreement establishing the
9 Survivors’ Trust in conformity with the provisions of the Plan approved in the Confirmation Order
10 and entered into by the Reorganized Debtor on behalf of the Survivors’ Trust Beneficiaries and the
11 Survivors’ Trustee on the Effective Date, pursuant to the terms of the Plan. A copy of the Survivors’
12 Trust Agreement will be filed as a Plan Supplement.

13 1.1.146. “**Survivors’ Trust Assets**” means collectively, whether contributed on or
14 after the Effective Date, and including all proceeds thereof, (i) the Debtor Contribution, (ii) the
15 Debtor Contribution Deeds of Trust, (iii) the RCWC Contribution (if any), (iv) the RCWC
16 Contribution Deeds of Trust, (v) any proceeds of Insurance Settlement Agreements realized by the
17 Debtor (before the Effective Date) or the Survivors’ Trust (after the Effective Date), (vi) the
18 Assigned Insurance Interests and (vii) all Causes of Action against CCCEB, including, but not
19 limited to, Causes of Action for CCCEB’s failure to pay the amounts due under the CCCEB Note.

20 1.1.147. “**Survivors’ Trust Beneficiaries**” means Holders of Allowed Class 4 and
21 Class 5 Claims.

22 1.1.148. “**Survivors’ Trust Distribution Plan**” means the plan and guidelines for
23 distributing liquid assets of the Survivors’ Trust to Abuse Claimants and Unknown Abuse Claims,
24 the form of which will be filed as a Plan Supplement.

25 1.1.149. “**Survivors’ Trust Documents**” means all documents necessary to
26 establish and administer the Survivors’ Trust, including, without limitation, the Survivors’ Trust
27 Agreement and the Survivors’ Trust Distribution Plan.

28 1.1.150. “**Survivors’ Trust**” means the trust created for the benefit of the

1 Survivors' Trust Beneficiaries in accordance with this Plan, the Confirmation Order, and the
2 Survivors' Trust Agreement.

3 1.1.151. "**Survivors' Trustee**" means the Person chosen by the Committee to serve
4 as trustee of the Survivors' Trust in accordance with the terms of the Plan, the order confirming the
5 Plan, and the Survivors' Trust Documents, or any of their successors.

6 1.1.152. "**Target Policy**" means any Insurance Policy issued by a Non-Settling
7 Insurer that is alleged to afford coverage for any Litigation Claim.

8 1.1.153. "**Tax Code**" means the Internal Revenue Code of 1986, as amended.

9 1.1.154. "**Third Amended Disclosure Statement**" means the *Third Amended*
10 *Disclosure Statement for Debtor's Third Amended Plan of Reorganization* filed in the Chapter 11
11 Case at docket number 1874, including all exhibits and schedules thereto and references therein.

12 1.1.155. "**Treasury Regulations**" has the meaning ascribed to such term in Section
13 9.1.3 of this Plan.

14 1.1.156. "**Trust Claimant**" means the Holder of a Trust Claim.

15 1.1.157. "**Trust Claims**" means the Abuse Claims of Holders who have not elected
16 to receive an Immediate Payment, which Claims shall be reviewed and allocated a percentage of the
17 Survivors' Trust recovery pool based on numerical scaling factors (but not based on alleged dollar
18 value of the Claim) by the Abuse Claims Reviewer pursuant to the procedures set forth in the
19 Survivors' Trust Documents.

20 1.1.158. "**U.S. Trustee Fees**" means quarterly fees owed to the U.S. Trustee under
21 28 U.S.C. § 1930(a)(6).

22 1.1.159. "**U.S. Trustee**" means the Office of the United States Trustee for Region
23 17, which includes the Northern District of California.

24 1.1.160. "**Unclassified Claims**" has the meaning ascribed to such term in Section
25 2.2 of this Plan.

26 1.1.161. "**Unexpired Lease**" means a lease of nonresidential real property to which
27 the Debtor is a party that is subject to assumption or rejection under Sections 365 or 1123 of the
28 Bankruptcy Code.

1 1.1.162. “**Unimpaired**” means, with respect to a Class of Claims, a Claim that is
2 unimpaired within the meaning of Section 1124 of the Bankruptcy Code, including without
3 limitation through payment in full in Cash.

4 1.1.163. “**Unknown Abuse Claim**” means an Abuse Claim arising out of an alleged
5 act of sexual abuse that occurred on or before the Effective Date for which (a) no Proof of Claim
6 was Filed or deemed timely Filed on or before the Claims Bar Date, or (b) a Proof of Claim was
7 Filed after the Claims Bar Date or otherwise submitted to the Survivors’ Trustee, if such Abuse
8 Claim was not untimely under California state law (*e.g.*, not discovered or reasonably discoverable
9 before the Claims Bar Date, or subject to a new law re-opening the claims window).

10 1.1.164. “**Unknown Abuse Claims Representative**” means Joshua Hogan, or any
11 other Person or Entity appointed by the Court to represent the interests of Holders of Unknown
12 Abuse Claims, including without limitation for actions to be taken on behalf of Holders of Unknown
13 Abuse Claims under this Plan.

14 1.1.165. “**Unknown Abuse Claims Reserve**” means the reserve established on the
15 Effective Date pursuant to the Survivors’ Trust Documents for the benefit of Holders of Class 5
16 Claims.

17 1.1.166. “**Unsecured Claim**” means a Claim, including without limitation an Abuse
18 Claim or Unknown Abuse Claim, which is not an Administrative Claim, Fee Claim, Priority Claim,
19 Priority Tax Claim, or Secured Claim.

20 1.1.167. “**Voting Deadline**” means the date established by the Bankruptcy Court by
21 which ballots to accept or reject this Plan must be filed.

22 1.2. ***Construction of Terms***

23 1.2.1. The singular of any of the foregoing definitions includes the plural and vice
24 versa where the context so requires, “includes” and “including” are not limiting, “may not” is
25 prohibitive and not permissive, and “or” is not exclusive.

26 1.2.2. A term used in the Plan, whether or not capitalized, that is not defined in
27 the Plan but that is used in the Bankruptcy Code, or the Bankruptcy Rules has the meaning assigned
28 to the term in the Bankruptcy Code or Bankruptcy Rules, as applicable.

1 2.3. **Claims Classification.** A Claim is classified in a particular Class only to the extent
 2 that the Claim qualifies within the description of that Class and is classified in other Classes to the
 3 extent that any remainder of the Claim qualifies within the description of such other Classes. For
 4 purposes of this Plan, the Classes of Claims against the Debtor shall be as follows:

Class	Class Description	Status	Voting Rights
Class 1	RCC Secured Claim	Unimpaired	Non-voting Deemed to accept
Class 2	Priority Unsecured Claims, other than non-classified claims set forth in Article III	Unimpaired	Non-voting Deemed to accept
Class 3	General Unsecured Claims	Unimpaired	Non-voting Deemed to accept
Class 4	Abuse Claims	Impaired	Eligible to vote
Class 5	Unknown Abuse Claims	Impaired	Eligible to vote via the Unknown Abuse Claims Representative
Class 6	Non-Abuse Litigation Claims	Unimpaired	Non-voting Deemed to accept
Class 7A	Abuse Related Contribution Claims Related to Class 4 Claims	No recovery	Non-voting Deemed to reject
Class 7B	Abuse Related Contribution Claims Related to Class 5 Claims	No recovery	Non-voting Deemed to reject

ARTICLE III

TREATMENT OF UNCLASSIFIED CLAIMS: ADMINISTRATIVE CLAIMS, PRIORITY TAX CLAIMS AND UNITED STATES TRUSTEE'S FEES

21 The following Claims shall not be classified hereunder but shall be entitled to the treatment
 22 set forth in this Article.

3.1. **Administrative Expense Claims**

24 3.1.1. *Treatment of DIP Obligations Claim.* Except to the extent that the Holder
 25 of an Allowed DIP Obligations Claim agrees to a less favorable treatment, the Holder of an Allowed
 26 DIP Obligations Claim, if any, shall receive, on the Effective Date, in full satisfaction, settlement,
 27 and release of, and in exchange for, such Claim, Cash in an amount equal to the unpaid amount of
 28 such Allowed DIP Obligations Claim.

1 3.1.2. *Treatment of Administrative Expense Claims.* Except to the extent a Holder
2 of an Allowed Administrative Expense Claim agrees to less favorable treatment with respect to such
3 Allowed Administrative Expense Claim, each Holder of an Allowed Administrative Expense Claim
4 shall receive, on account of and in full and complete settlement, release and discharge of, and in
5 exchange for, such Claim, payment of Cash in an amount equal to such Allowed Administrative
6 Expense Claim on or as soon as reasonably practicable after the later of: (a) the Effective Date; (b)
7 the first Business Day after the date that is 30 calendar days after the date such Administrative
8 Expense Claim becomes an Allowed Administrative Expense Claim; (c) such other date(s) as such
9 Holder and the Debtor or the Reorganized Debtor shall have agreed; or (d) such other date ordered
10 by the Bankruptcy Court; *provided, however,* Allowed Administrative Expense Claims arising in
11 the ordinary course of the Debtor's operations during the Chapter 11 Case may be paid by the Debtor
12 or the Reorganized Debtor (as applicable) in the ordinary course of business and in accordance with
13 the terms and conditions of the particular agreements governing such obligations, course of dealing,
14 course of operations, or customary practice.

15 3.1.3. *Administrative Expense Claims Bar Date.* Except as provided for herein
16 or in any order of the Bankruptcy Court, and subject to Section 503(b)(1)(D) of the Bankruptcy
17 Code, Holders of Administrative Expense Claims, other than a Fee Claim or a Claim for U.S.
18 Trustee Fees, accruing on or before the Confirmation Date must file and serve on the Debtor requests
19 for the payment of such Claims not previously Allowed by a Final Order in accordance with the
20 procedures specified in the Confirmation Order, on or before the Administrative Expense Claims
21 Bar Date, or such Claims shall be automatically Disallowed, forever barred from assertion, and
22 unenforceable against the Debtor or the Reorganized Debtor, the Estate, or their property without
23 the need for any objection or further notice to, or action, order, or approval of the Bankruptcy Court,
24 and any such Claims shall be deemed fully satisfied, released, and discharged. Administrative
25 Expense Claims representing obligations incurred by the Debtor or Reorganized Debtor (as
26 applicable) after the date and time of the entry of the Confirmation Order shall not be subject to
27 application to the Bankruptcy Court and may be paid by the Debtor or Reorganized Debtor (as
28 applicable) in the ordinary course of business and without Bankruptcy Court approval.

1 3.2. **Priority Tax Claims.** The legal and equitable rights of Holders of Priority Tax
2 Claims are Unimpaired under the Plan. Except to the extent a Holder of an Allowed Priority Tax
3 Claim agrees to less favorable treatment, each Holder of an Allowed Priority Tax Claim shall receive
4 on account of and in full and complete settlement, release and discharge of, and in exchange for,
5 such Allowed Priority Tax Claim, Cash in an amount equal to such Allowed Priority Tax Claim on,
6 or as soon thereafter as is reasonably practicable, the later of: (a) the Effective Date, to the extent
7 such Claim is an Allowed Priority Tax Claim on the Effective Date; (b) the first Business Day after
8 the date that is 30 days after the date such Priority Tax Claim becomes an Allowed Priority Tax
9 Claim; and (c) the date such Allowed Priority Tax Claim is due and payable in the ordinary course
10 as such obligation becomes due; *provided, however*, that the Debtor and Reorganized Debtor each
11 reserves the right to prepay all or a portion of any such amounts at any time under this option without
12 penalty or premium.

13 3.3. **Fee Claims.** All Professionals or other Entities requesting the final allowance and
14 payment of a Fee Claim for services rendered during the period from the Petition Date to and
15 including the Effective Date shall File final applications for allowance and payment of such Fee
16 Claims no later than the first Business Day that is 45 days after the Effective Date. Objections to
17 any Fee Claim must be Filed and served on the Reorganized Debtor and the applicable Professional
18 no later than the first Business Day that is 30 days after the Filing of the final fee application that
19 relates to the Fee Claim (unless otherwise agreed by the Debtor or the Reorganized Debtor, as
20 applicable, and the Professional requesting allowance and payment of a Fee Claim). An Allowed
21 Fee Claim, including any amounts previously held back by Order of the Bankruptcy Court, shall be
22 paid in full, in Cash, in such amounts as are Allowed by the Bankruptcy Court no later than the first
23 Business Day that is 21 calendar days after the entry of a Final Order Allowing the Fee Claim. The
24 Reorganized Debtor is authorized to pay compensation for services rendered or reimbursement of
25 expenses incurred by its Professionals after the Effective Date in the ordinary course and without
26 the need for Bankruptcy Court approval. Unless otherwise directed by the Bankruptcy Court, all
27 Professionals filing final fee applications shall comply with the *Order Appointing Fee Examiner*
28 *and Establishing Procedures for Review of Interim and Final Fee Applications Filed by Estate*

1 *Professionals* [Dkt. No. 1122] entered in the Chapter 11 Case, including any subsequent
2 amendments.

3 3.4. ***Cure Claims.*** Cure Claims shall be paid in full in accordance with, and at such times
4 as are set forth in, Section 7.2 of the Plan.

5 3.5. ***United States Trustee Fees.*** To the extent any U.S. Trustee Fees have become due
6 before the Effective Date and have not previously been paid, then such fees shall be paid pursuant
7 to 11 U.S.C. § 1129(a)(12) and 28 U.S.C. § 1930. Any U.S. Trustee Fees relating to the period from
8 and after the Effective Date shall be paid as provided in Section 12.9.4 of the Plan.

9 **ARTICLE IV**

10 **TREATMENT OF CLASSIFIED CLAIMS**

11 4.1. ***Class 1 – Secured Claim of RCC***

12 4.1.1. *Description.* Class 1 shall consist of the Allowed Secured Claim of RCC.

13 4.1.2. *Treatment.* Except to the extent RCC agrees to less favorable treatment of
14 its Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for its
15 Allowed Secured Claim, RCC shall receive payment in full of the amount of its Allowed Secured
16 Claim in accordance with the RCC Prepetition Loan Documents.

17 4.1.3. *Impairment and Voting.* Class 1 is Unimpaired under the Plan.

18 4.2. ***Class 2 – Priority Unsecured Claims***

19 4.2.1. *Description.* Class 2 shall consist of all Allowed Priority Unsecured
20 Claims, other than non-classified claims set forth in Article III.

21 4.2.2. *Treatment.* Except to the extent a Holder of an Allowed Priority Unsecured
22 Claim agrees to less favorable treatment of such Claim, in full and final satisfaction, settlement,
23 release, and discharge of and in exchange for such Allowed Priority Unsecured Claim, each such
24 Holder shall receive payment in Cash in an amount equal to such Allowed Priority Unsecured Claim,
25 payable on or as soon as reasonably practicable after the later of (a) the Effective Date, (b) the date
26 when such Priority Unsecured Claim becomes an Allowed Priority Unsecured Claim, or (c) the date
27 on which the Holder of such Priority Unsecured Claim and the Debtor or Reorganized Debtor, as
28 applicable, shall otherwise agree in writing.

1 4.2.3. *Impairment and Voting.* Class 2 is Unimpaired under the Plan. Each
2 Holder of a Class 2 Claim is conclusively presumed to have accepted the Plan under Section 1126(f)
3 of the Bankruptcy Code and was not entitled to vote on the Plan.

4 4.3. ***Class 3 – General Unsecured Claims***

5 4.3.1. *Description.* Class 3 shall consist of all Allowed General Unsecured
6 Claims. Class 3 does not include Abuse Claims.

7 4.3.2. *Treatment.* Except to the extent a Holder of an Allowed General
8 Unsecured Claim (including an Allowed Rejection Claim) agrees to less favorable treatment, in full
9 and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed
10 General Unsecured Claim, each such Holder shall receive payment in Cash in an amount equal to
11 such Allowed General Unsecured Claim on the Effective Date; *provided, however*, that if a General
12 Unsecured Claim is not Allowed as of the Effective Date, it shall be paid on the date that is 21 days
13 after the date such General Unsecured Claim becomes an Allowed General Unsecured Claim.

14 4.3.3. *Impairment and Voting.* Class 3 is Unimpaired under the Plan. Each
15 Holder of a Class 3 Claim is not entitled to vote to accept or reject this Plan.

16 4.4. ***Class 4 – Abuse Claims***

17 4.4.1. *Description.* Class 4 shall consist of all Allowed Abuse Claims, other than
18 Unknown Abuse Claims.

19 4.4.2. *Treatment.* This Plan creates the Survivors' Trust to fund payments to
20 Holders of Allowed Abuse Claims entitled to such payments under the Plan and the Survivors' Trust
21 Documents. Except to the extent a Holder of an Allowed Abuse Claim agrees to less favorable
22 treatment of such Claim, in full and final satisfaction, settlement, release, and discharge of and in
23 exchange for such Allowed Abuse Claim, each such Holder shall receive their allocable share of the
24 Survivors' Trust Assets at the time and in the manner set forth in Articles VIII and IX hereof and
25 the Survivors' Trust Documents. It is intended that any payment on an Allowed Abuse Claim will
26 constitute payment for damages on account of personal physical injuries or sickness arising from an
27 occurrence, within the meaning of Section 104(a)(2) of the Tax Code.

28 4.4.3. Holders of Abuse Claims shall be forever enjoined and estopped from

1 prosecuting any outstanding, or filing any future, litigation, Claims, or Causes of Action arising out
2 of or related to such Abuse Claims against any of the Released Parties and may not proceed in any
3 manner against any of the Released Parties in any forum whatsoever, including any state, federal,
4 or non-U.S. court or any administrative or arbitral forum, and are required to pursue such Abuse
5 Claims solely against the Survivors' Trust as provided in the Survivors' Trust Documents; *provided*,
6 *however*, that, pursuant to Section 8.2.2 of the Plan, following authorization to proceed as a
7 Litigation Claimant pursuant to the terms of the Plan Documents, Holders of Abuse Claims whose
8 Claims potentially implicate an Abuse Insurance Policy issued by a Non-Settling Insurer (including,
9 but not limited to, occurring during the coverage period of an Abuse Insurance Policy issued by a
10 Non-Settling Insurer) may pursue their Abuse Claims in a court of competent jurisdiction against
11 the Debtor and any other defendant in accordance with the terms hereof (which action to pursue an
12 Abuse Claims by the Holder of an Abuse Claim may include the continuation of an action
13 commenced by such Holder of an Abuse Claim against the Debtor and other co-defendants, as
14 applicable, prior to the Petition Date, or the commencement of a new action to the extent no such
15 action to pursue an Abuse Claim was commenced by the Holder of such Abuse Claim prior to the
16 Petition Date). The Non-Settling Insurer with respect to any applicable Abuse Insurance Policy
17 shall be able to assert each and every available defense (including any insurance coverage defenses)
18 under applicable Law or the applicable Abuse Insurance Policy relating to any Abuse Claim;
19 *provided, further* that nothing in this Section 4.4 shall impair the rights of any Non-Settling Insurer
20 set forth in Article VIII of the Plan; *provided, further*, that any such Claims are subject to the terms
21 of the Plan and that Claims against the Debtor or a Released Party may be paid solely from the
22 Survivors' Trust Assets and the Non-Settling Insurer(s), and the Holders of such Claims shall have
23 no recovery whatsoever at any time against any Released Party or any property or interest in property
24 of any Released Party beyond Insurance Recoveries.

25 4.4.4. To preserve coverage under any Non-Settling Insurer's Abuse Insurance
26 Policies and potential bad faith rights, Holders of Class 4 Claims specifically reserve, and do not
27 release, any Claims they may have against the Debtor, the Reorganized Debtor, or any other
28 Released Party that implicate coverage under any Non-Settling Insurer's Abuse Insurance Policies,

1 but recovery is limited to the proceeds of the Non-Settling Insurer's Abuse Insurance Policies and
2 all other damages (including extra-contractual damages), awards, judgments over policy limits,
3 penalties, punitive damages and attorney's fees and costs that may be recoverable against any Non-
4 Settling Insurer because of their conduct regarding Insurance Coverage for, or defense or settlement
5 of, any Abuse Claim, and recoveries for any such judgments or awards will be against only the Non-
6 Settling Insurer and the Survivors' Trust in accordance with the Plan and the Survivors' Trust
7 Documents and not at any time against any Released Party or any property or interest in property of
8 any Released Party, beyond available Insurance Recoveries. Class 4 Claims will not be released or
9 enjoined as against the Debtor, the Reorganized Debtor, or any other Released Party for any Abuse
10 Claim that may be covered under any Non-Settling Insurer's Abuse Insurance Policies until such
11 Claims are settled with the Debtor, the Reorganized Debtor, any other Released Party and such Non-
12 Settling Insurer or are fully adjudicated, resolved, and subject to Final Order, but recovery is limited
13 as described above.

14 4.4.5. *Impairment and Voting.* Class 4 Claims are Impaired under the Plan.
15 Unless otherwise ordered by the Bankruptcy Court, each Holder of a Class 4 Claim is entitled to
16 vote to accept or reject the Plan.

17 4.5. ***Class 5 – Unknown Abuse Claims***

18 4.5.1. *Description.* Class 5 shall consist of all Allowed Unknown Abuse Claims.

19 4.5.2. *Treatment.* The Unknown Abuse Claims Reserve shall be established on
20 the Effective Date pursuant to the Survivors' Trust Documents. Except to the extent a Holder of an
21 Allowed Unknown Abuse Claim agrees to less favorable treatment of such Claim, in full and final
22 satisfaction, settlement, release, and discharge of and in exchange for such Allowed Unknown
23 Abuse Claim, each such Holder shall receive their allocable share of the Unknown Abuse Claims
24 Reserve at the time and in the manner set forth in Articles VIII and IX hereof and the Survivors'
25 Trust Documents. It is intended that any payment on an Allowed Unknown Abuse Claim will
26 constitute payment for damages on account of personal physical injuries or sickness arising from an
27 occurrence, within the meaning of Section 104(a)(2) of the Tax Code.

28 4.5.3. *Impairment and Voting.* Class 5 Claims are Impaired under the Plan.

1 Unless otherwise ordered by the Bankruptcy Court, the Unknown Abuse Claims Representative is
2 entitled to vote to accept or reject the Plan on behalf of all Holders of Class 5 Claims.

3 4.6. ***Class 6 – Non-Abuse Litigation Claims***

4 4.6.1. *Description.* Class 6 shall consist of all Allowed Non-Abuse Litigation
5 Claims.

6 4.6.2. *Treatment.* This Plan creates the Non-Abuse Litigation Reserve to fund
7 payments to Holders of Allowed Non-Abuse Litigation Claims in accordance with Section 12.7 of
8 the Plan. Except to the extent a Holder of an Allowed Non-Abuse Litigation Claim agrees to less
9 favorable treatment of such Claim, in full and final satisfaction, settlement, release, and discharge
10 of and in exchange for such Allowed Non-Abuse Litigation Claim, each such Holder shall receive
11 their allocable share of the Non-Abuse Litigation Reserve.

12 4.6.3. *Impairment and Voting.* Class 6 Claims are Unimpaired under the Plan.
13 Each Holder of a Class 6 Claim is deemed to accept the Plan.

14 4.7. ***Class 7A – Abuse Related Contribution Claims Related to Class 4 Claims***

15 4.7.1. *Description.* Class 7A shall consist of all Abuse Related Contribution
16 Claims against the Debtor arising out of a Class 4 Claim.

17 4.7.2. *Treatment.* All Class 7A Claims shall be Disallowed.

18 4.7.3. *Impairment and Voting.* Class 7A Claims are Impaired under the Plan.
19 Holders of Class 7A Claims shall not receive a distribution under this Plan and are therefore deemed
20 to reject the Plan.

21 4.8. ***Class 7B – Abuse Related Contribution Claims Related to Class 5 Claims***

22 4.8.1. *Description.* Class 7B shall consist of all Abuse Related Contribution
23 Claims against the Debtor arising out of a Class 5 Claim.

24 4.8.2. *Treatment.* All Class 7B Claims shall be Disallowed.

25 4.8.3. *Impairment and Voting.* Class 7B Claims are Impaired under the Plan.
26 Holders of Class 7B Claims shall not receive a distribution under this Plan and are therefore deemed
27 to reject the Plan.

28

1 **ARTICLE V**

2 **DISPUTED CLAIMS AND CLAIM DISTRIBUTIONS**

3 5.1. **Single Claim.** Except as otherwise provided by this Plan, a Person who holds
4 multiple Allowed Claims based on the same indebtedness or obligation shall be deemed to have
5 only one Allowed Claim against the Estate in an amount equal to the largest of all such similar
6 Claims for the purposes of voting and distribution under the Plan.

7 5.2. **Claims Objections.**

8 5.2.1. **Who May Object.** Subject to the terms of this Section 5.2, any party in
9 interest shall be entitled to object to Non-Abuse Claims to the extent permitted under Section 502(a)
10 of the Bankruptcy Code, and the Holder of any Non-Abuse Claim to which an objection is made is
11 entitled to assert their defenses to such objection.

12 5.2.2. **Objections to Abuse Claims.** From and after the Effective Date, only the
13 Survivors' Trustee may object to Abuse Claims and solely in accordance with the Survivors' Trust
14 Documents; *provided, however*, the Non-Settling Insurers shall be entitled to defend against any
15 Litigation Claim in the non-bankruptcy court system based upon any of the objections that could
16 otherwise have been asserted in the Chapter 11 Case, as provided in Articles VIII and IX hereof.

17 5.2.3. **Time for Objections to Non-Abuse Claims.** The Reorganized Debtor may
18 File an objection to any Claim at any time through the closing of the Chapter 11 Case. For all other
19 parties in interest, an objection to a Claim must be Filed on or before the Claims Objection Deadline.

20 5.2.4. **Disputed Claim.** Upon the filing of an objection to a Claim, the Claim shall
21 be a Disputed Claim.

22 5.3. **Treatment of Disputed Non-Abuse Claims.** Until such time as an unliquidated,
23 contingent, or unliquidated or contingent portion of a Non-Abuse Claim becomes Allowed or is
24 Disallowed, such Claim will be treated as a Disputed Claim for all purposes related to Plan
25 distributions. No distribution shall be made on account of any Disputed Claim unless and until all
26 objections to such Disputed Claim have been settled or withdrawn or have been determined by an
27 order which has become a non-appealable order, and the Disputed Claim has become an Allowed
28 Claim. In the event that Disputed Claims in Class 2 or Class 3 are pending at the time of a

1 distribution under the Plan, the Reorganized Debtor shall maintain a reasonable reserve for such
2 Disputed Claims. No distribution of such reserved funds for a Disputed Claim shall be made until
3 such Disputed Claim has been resolved by order of the Court or compromise consistent with the
4 terms of the Plan and the Bankruptcy Code

5 5.4. **Late Filed Claims.** Any Claim, other than an Abuse Claim, for which the Bar Date
6 Order required a Proof a Claim to be submitted, but for which Claim no Proof of Claim was
7 submitted, on or before their applicable Claims Bar Date, or which are not otherwise deemed timely
8 or Allowed by order of the Bankruptcy Court, shall receive no distribution under this Plan. Such
9 Claims shall be deemed Disallowed Claims and shall be expunged. The submission of a Ballot shall
10 not constitute an amendable informal Proof of Claim or an amendment to a previously filed Proof
11 of Claim or scheduled Claim. Any amendment to an otherwise timely filed Proof of Claim must be
12 Filed on or before the Confirmation Date, provided that the foregoing shall not waive or modify the
13 right of any party in interest to object to amendment of a Claim before the Confirmation Date. The
14 Survivors' Trust Documents shall govern the treatment of Class 4 Claims filed after the Claims Bar
15 Date, provided the Class 4 Claim has not previously been deemed timely filed by the Bankruptcy
16 Court. The Unknown Abuse Claims Representative need not submit or File a Proof of Claim on
17 behalf of Holders of Class 5 Claims as a prerequisite to vote on the Plan or for any Class 5 Claims
18 to be deemed Allowed. Holders of Class 5 Claims, if any, shall submit their Claims in accordance
19 with the procedure for submitting Unknown Abuse Claims under the Survivors' Trust Documents.

20 5.5. **Claim Estimation.** To effectuate distributions pursuant to the Plan and avoid undue
21 delay in the administration of the Plan, the Reorganized Debtor and/ or the Committee shall have
22 the right to seek an order of the Court pursuant to Section 502(c) of the Bankruptcy Code as to any
23 Disputed Claim, other than Class 4 or Class 5 Claims, estimating or limiting: (i) the amount that
24 must be withheld from or reserved for distribution purposes on account of such Disputed Claim, (ii)
25 the amount of such Claim for allowance or disallowance purposes, or (iii) the amount of such Claim
26 for any other purpose permitted under the Bankruptcy Code. Whether any such Claim is subject to
27 estimation pursuant to Section 502(c) of the Bankruptcy Code, and the timing and procedures for
28 such estimation proceedings, if any, shall be determined by the Court pursuant to applicable law.

1 5.6. **No Distribution to Disallowed Claims.** No distribution shall be made on account of
2 any Claim which (i) is not an Allowed Claim in whole or in part, or (ii) has otherwise been deemed
3 or determined to be a Disallowed Claim.

4 5.7. **Timing of Distributions to Allowed Non-Abuse Claims.**

5 5.7.1. *Next Business Day.* Whenever any distribution to be made pursuant to the
6 Plan would otherwise be due on a day other than a Business Day, such distribution shall be due on
7 the immediately succeeding Business Day.

8 5.7.2. *Timeliness.* Any distribution to be made by the Reorganized Debtor
9 pursuant to the Plan or agreements entered into pursuant to the Plan, or by the Survivors' Trust
10 pursuant to the Plan or Survivors' Trust Documents or agreements entered into pursuant to either,
11 shall be deemed to have been timely made if made within 15 days after the time therefor specified
12 in the Plan or such other agreements between the Holder of a Claim and the Debtor, Reorganized
13 Debtor, or Survivors' Trust, as applicable. No additional interest shall accrue or be paid with respect
14 to any distribution as a consequence of such distribution not having been made on the date specified
15 therefor herein. For the avoidance of doubt, this Section does not modify the terms of assumed
16 Executory Contracts or Unexpired Leases of non-residential real property.

17 5.8. **Transfers of Claims.** As of the close of business on the Confirmation Date, there
18 shall be no further changes in the record Holders of Claims for purposes of distributions under the
19 Plan unless the Reorganized Debtor (as to all Claims other than Class 4 and Class 5 Claims) or the
20 Survivors' Trustee (as to Class 4 and Class 5 Claims) otherwise agree. Neither the Reorganized
21 Debtor nor the Survivors' Trustee shall have any obligation to recognize any unapproved transfer
22 of Claims occurring after the Confirmation Date.

23 5.9. **Prepayment.** Notwithstanding anything to the contrary herein or in the Plan
24 Documents, the Reorganized Debtor may prepay all or any portion of an Allowed Claim payable by
25 the Reorganized Debtor or a note issued by the Debtor or Reorganized Debtor in payment of an
26 Allowed Claim at any time without charge or penalty.

27 5.10. **Delivery of Distributions.** Distributions to Holders of Allowed Claims, other than
28 Class 4 or Class 5 Claims, will be sent to (i) the addresses set forth in any written notice of address

1 change delivered to the Debtor or the Reorganized Debtor after the date of any related Proof of
2 Claim; (ii) the address set forth on such Holder's Proof of Claim Filed with the Court; (iii) the
3 address set forth on the Schedules, if no Proof of Claim has been filed and no notice of change of
4 address has been received; or (iv) the last known address reflected in the Debtor's books and records.
5 Distributions to Abuse Claimants and Unknown Abuse Claimants from the Survivors' Trust Assets
6 will be made in accordance with the Survivors' Trust Documents.

7 5.11. **Unclaimed Distributions.** If a Holder of an Allowed Claim cannot be located after
8 reasonable effort or otherwise fails to accept a distribution within 90 days following the date of such
9 distribution, then the distribution to such Holder shall be canceled and there shall be no further
10 distributions required with respect to such Claim.

11 5.12. **No Interest.** Unless otherwise specifically provided for in the Plan, by applicable
12 law (including Section 506(b) of the Bankruptcy Code), or agreed to by the Debtor or the
13 Reorganized Debtor (as applicable): (i) interest shall not accrue or be paid on any Claim, and no
14 Holder of any Claim shall be entitled to interest accruing on and after the Petition Date on account
15 of any Claim; and (ii) without limiting the foregoing, interest shall not accrue on or be paid on any
16 Disputed Claim in respect of the period from the Effective Date to the date a final distribution is
17 made when and if such Disputed Claim becomes an Allowed Claim.

18 5.13. **Provisions Governing Unimpaired Claims.** Except as otherwise provided in the
19 Plan, nothing will affect the Debtor's or the Reorganized Debtor's rights and defenses with respect
20 to any Unimpaired Claims, including, but not limited to, all rights with respect to legal and equitable
21 defenses to, or setoffs or recoupments against, such Unimpaired Claims.

22 5.14. **Additional Terms Regarding Class 4 and Class 5 Claims.** Except as otherwise
23 provided herein, terms for resolution of and distribution in connection with Abuse Claims in Class
24 4 or Class 5 shall be as provided in the Survivors' Trust Documents. For the avoidance of doubt,
25 (i) any such Abuse Claimant shall not recover in the aggregate from the Survivors' Trust and any
26 Non-Settling Insurer an amount greater than the amount of the judgment issued by the applicable
27 court of competent jurisdiction on the underlying Abuse Claim, (ii) any such Abuse Claimant is not
28 barred by this Section 5.14 from seeking extracontractual damages under the holding of *Hand v.*

1 *Farmers Ins. Exchange*, 23 Cal. App.4th 1847 (1994) (“**Hand**”) and (iii) all defenses and the rights
2 of any Non-Settling Insurer to oppose any such claim by an Abuse Claimant under *Hand* are fully
3 preserved, including that *Hand* is not a correct statement of applicable law and that it would not
4 apply to any such asserted claim.

5 **ARTICLE VI**

6 **VOTING ON THE PLAN**

7 6.1. ***Voting Classes.*** Only Holders of Claims in Classes 4 and 5 are Impaired and entitled
8 to vote to accept or reject the Plan. Class 1, 2 and 3 Claims are Unimpaired, and the Holders of
9 such Claims are presumed to accept the Plan. Class 7A and 7B Claims are Impaired, and Holders
10 of such Claims are presumed to reject the Plan. A Class shall have accepted this Plan if this Plan is
11 accepted by at least two-thirds in the aggregate dollar amount, and more than one- half in number
12 of Holders, of the Allowed Claims of such Class that have voted to either accept or reject the Plan.

13 6.2. ***Elimination of Vacant Classes.*** Any Class of Claims that does not have a Holder of
14 an Allowed Claim or a Claim temporarily Allowed by the Bankruptcy Court for purposes of voting
15 as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes
16 of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the
17 Plan by such Class pursuant to Section 1129(a)(8) of the Bankruptcy Code.

18 6.3. ***Effect of Objections.*** If an objection to a Non-Abuse Claim is filed before the
19 deadline established for voting on the Plan, the Holder of such Claim cannot vote and any Ballot
20 submitted by such Holder shall not be counted unless the Court, after notice and hearing, either
21 overrules the objection or orders that the Claim be Allowed for voting purposes.

22 **ARTICLE VII**

23 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

24 7.1. ***Prior Orders.*** All orders of the Court entered in the Chapter 11 Case authorizing the
25 assumption or rejection of Executory Contracts or Unexpired Leases pursuant to Section 365 of the
26 Bankruptcy Code are hereby ratified.

27 7.2. ***Assumption of Contracts and Unexpired Leases.***

28 7.2.1. ***Contracts to be Assumed.*** The Executory Contracts listed in Schedule 7.2.1,

1 which will be filed as a Plan Supplement, shall be assumed as of the Effective Date pursuant to
2 Section 365 of the Bankruptcy Code by confirmation of this Plan. Entry of the Confirmation Order
3 shall constitute approval, pursuant to Sections 365(a) and 1123 of the Bankruptcy Code, for the
4 assumption of each Executory Contract assumed under this Section 7.2. Each Executory Contract
5 assumed by the Debtor will re-vest in and be fully enforceable by the Reorganized Debtor in
6 accordance with its terms, except as such terms are modified by the provisions of the Plan or any
7 order of the Bankruptcy Court authorizing and providing for its assumption, or by applicable law.

8 7.2.2. *Employee Benefits.* On the Effective Date, all Assumed Employee Benefit
9 Plans are deemed to be, and shall be treated as, Executory Contracts under this Plan, and shall be
10 assumed as of the Effective Date. All outstanding payments which are accrued and unpaid as of the
11 Effective Date pursuant to the Assumed Employee Benefit Plans shall be made by the Reorganized
12 Debtor on the later of (i) the Effective Date, (ii) as soon as practicable thereafter, or (iii) when
13 otherwise due under the applicable Assumed Employee Benefit Plan. Such assumption shall have
14 the effect of curing and reinstating the rights of the employee beneficiaries and shall result in the
15 full release and satisfaction of any Claims and Causes of Action against the Debtor or defaults by
16 the Debtor arising under any Assumed Employee Benefit Plan at any time before the Effective Date.
17 Any Proofs of Claim filed with respect to an Assumed Employee Benefit Plan shall be deemed
18 Disallowed Claims and expunged, without further notice to or action, order, or approval of the
19 Bankruptcy Court.

20 7.2.3. *Assumption of Other Contracts.* Except for any Executory Contract: (i)
21 previously rejected by order of the Bankruptcy Court, (ii) subject to a pending motion to reject
22 before the Bankruptcy Court, (iii) previously expired or terminated pursuant to its own terms, or (iv)
23 treated otherwise under this Plan, each Executory Contract entered into by the Debtor prior to the
24 Petition Date shall be assumed, unless and except as otherwise provided in the Plan, Confirmation
25 Order, or Insurance Settlement Agreement.

26 7.2.4. *Cure Amount and Payment.* As to each assumed Executory Contract, unless
27 an Assumption Objection is filed no later than the deadline set forth below, the cure amount required
28 under Section 365(b)(1) of the Bankruptcy Code shall be the amount set forth on the Executory

1 Contract Cure Schedule, as it may be amended from time to time prior to Confirmation, or no
2 payment if such Executory Contract is not listed on the Executory Contract Cure Schedule (for the
3 avoidance of doubt, unless a different amount is set forth on the Executory Contract Cure Schedule,
4 the Debtor contends that no cure payment is required). Such payment shall be made by the Debtor
5 in full in Cash on the later of the Effective Date or when any Assumption Objection regarding the
6 cure amount for the applicable Executory Contract is resolved by the Bankruptcy Court, or on such
7 other terms as the parties to each such Executory Contract may otherwise agree.

8 7.2.5. *Objections to Assumption and Cure.* Any Person who is a party to an
9 Executory Contract assumed under the Plan that objects to assumption or the cure amount must File
10 with the Court and serve upon interested parties an Assumption Objection. An Assumption
11 Objection shall be accompanied by a declaration or other sufficient evidence setting forth the basis
12 for any objection to assumption of that party's Executory Contract or Unexpired Lease, including
13 without limitation as to the cure amount, on or before the later of: (i) the deadline set for filing of
14 objections to confirmation of the Plan, or (ii) 7 days after the filing of the Executory Contract Cure
15 Schedule (or any amendment thereto affecting such executory contract). Any Entity that fails to
16 timely file and serve an Assumption Objection will be deemed to waive any and all objections to
17 the proposed assumption of its Executory Contract. A hearing on the Assumption Objections will
18 take place at the hearing on Confirmation, or as soon thereafter as the Court is available.

19 7.3. ***Rejection of Contracts.***

20 7.3.1. *Rejected Contracts.* Any Executory Contract or Unexpired Lease listed in
21 the Executory Contract Rejection Schedule attached as Schedule 7.4.1, which will be filed as a Plan
22 Supplement, shall be rejected as of the Effective Date. Entry of the Confirmation Order shall
23 constitute the approval, pursuant to Section 365(a) of the Bankruptcy Code, of the rejection of such
24 Executory Contracts and Unexpired Leases pursuant to the provisions of the Plan.

25 7.3.2. *Bar Date for Rejection Claims.* Any Claim arising out of the rejection of
26 an Executory Contract or Unexpired Lease shall be a Disallowed Claim and forever barred and shall
27 not be enforceable against the Debtor, the Reorganized Debtor, the Estate, or the Survivors' Trust
28 and shall not be entitled to any distribution under the Plan, unless a Proof of Claim for such rejection

1 Claim is filed and served on the Reorganized Debtor within 21 days after the later of (a) the entry
2 of an order of the Court approving the rejection of the Executory Contract or Unexpired Lease or
3 (b) the Confirmation Date; *provided* that nothing contained in this Plan shall extend any deadline
4 previously approved by the Court for a Person to file a Proof of Claim with respect to any Executory
5 Contract or Unexpired Lease previously rejected in the Chapter 11 Case.

6 7.3.3. *Treatment of Rejection Claims.* Any Claim arising from the rejection of an
7 Executory Contract or Unexpired Lease shall be classified and treated as a Class 3 General
8 Unsecured Claim against the Debtor.

9 ARTICLE VIII

10 INSURANCE ASSIGNMENT AND OTHER INSURANCE MATTERS

11 8.1. *The Insurance Assignment.* Subject to the rights of the Non-Settling Insurers set
12 forth herein, including Sections 8.2 and 8.3 of this Plan, in addition to the Debtor Contribution and
13 contributions from RCWC being paid to the Survivors' Trust through the RCWC Escrow (if any),
14 the Assigned Insurance Interests shall be automatically and without further act or deed assigned and
15 transferred to the Survivors' Trust on the Effective Date (the "**Insurance Assignment**") and the
16 Insurance Assignment shall become effective. The Insurance Assignment shall not be construed as
17 an assignment of the Non-Settling Insurer Policies but rather an assignment of the Debtor's and
18 RCWC's rights and interests (but solely as to Abuse Claims the Holders of which have executed
19 and delivered an RCWC Release Agreement) in the Non-Settling Insurer Policies for the Abuse
20 Claimants and the Survivors' Trust to directly receive proceeds and remedies for Insurance Claims
21 available under the Non-Settling Insurers' Abuse Insurance Policies, notwithstanding any anti-
22 assignment provision in or incorporated into any such Abuse Insurance Policy. Upon the assignment
23 of the Assigned Insurance Interests to the Survivors' Trust, Abuse Claimants shall have the right to
24 either receive a distribution of their individual allocable shares of contributions to the Survivors'
25 Trust, pursue all available insurance coverage and remedies for Insurance Claims under the Non-
26 Settling Insurer Policies pursuant to, and in accordance with, applicable law and the terms of the
27 Non-Settling Insurer Policies, or both, all as set forth in Article IX hereof. Upon the assignment of
28 the Assigned Insurance Interests to the Survivors' Trust, recourse to the Released Parties shall be

1 limited to the Assigned Insurance Interests and any other rights or interests expressly granted to the
2 Survivors' Trust under this Plan. In furtherance of the Insurance Assignment:

3 8.1.1. The Insurance Assignment is made free and clear of all Claims, Liens,
4 encumbrances, or Causes of Action of any nature whatsoever pursuant to Section 363(f) of the
5 Bankruptcy Code, except for rights and defenses of the Non-Settling Insurers, including available
6 limits of liability for coverage of certain types of claims under one or more of the Abuse Insurance
7 Policies that may have been reduced by certain prepetition payments made by an Insurer under any
8 of the Abuse Insurance Policies.

9 8.1.2. The Survivors' Trust shall be solely responsible for satisfying, to the extent
10 required under applicable law or the Abuse Insurance Policies, any premiums, deductibles, self-
11 insured retentions, and fronting obligations arising in any way out of any and all Abuse Claims.

12 8.1.3. Upon the effectiveness of the Insurance Assignment, the Survivors' Trust
13 shall have whatever obligations, if any, that exist under the Abuse Insurance Policies under
14 applicable law, including without limitation all notice obligations required under the Abuse
15 Insurance Policies and applicable law pertaining to Abuse Claims; *provided, however*, that the
16 Survivors' Trust's assumption of such responsibility shall not relieve the Debtor, the Reorganized
17 Debtor or the Released Parties from their respective obligations under the Abuse Insurance Policies
18 as provided under applicable Law.

19 8.1.4. The Insurance Assignment is absolute upon the occurrence of the Effective
20 Date, and requires no further action by the Released Parties, the Survivors' Trust, the Bankruptcy
21 Court, the Non-Settling Insurers, or any other Entity.

22 8.1.5. The Insurance Assignment shall be governed by, and construed in
23 accordance with, the Bankruptcy Code and the laws of the state of California, without regard to
24 conflict of law principles.

25 8.1.6. Subject to the terms hereof, the Insurance Assignment shall be effective to
26 the maximum extent permissible under applicable law and the terms of the Abuse Insurance Policies.

27 8.2. ***Insurance Coverage for Abuse Claims.***

28 8.2.1. As set forth in Article IX of this Plan, Abuse Claimants who do not elect

1 to receive an Immediate Payment may elect the Litigation Option. An Abuse Claimant may only
2 litigate coverage of such Holder's Abuse Claim under the Non-Settling Insurer's Abuse Insurance
3 Policy(ies) by electing the Litigation Option.

4 8.2.2. At any time prior to the earlier to occur of the first anniversary of the
5 Effective Date or the applicable Abuse Claim Discharge Date, the Survivors' Trustee, in accordance
6 with the Survivors' Trust Distribution Plan and Survivors' Trust Agreement, may authorize one or
7 more Abuse Claimants, at such Abuse Claimants' expense, to proceed as a Litigation Claimant by
8 commencing (or resuming prosecution of) an action in any court of competent jurisdiction solely
9 for the purpose of determining any liability that the Debtor and/or RCWC (but solely as to Abuse
10 Claims the Holders of which have executed and delivered an RCWC Release Agreement) may have
11 with respect to their Litigation Claim, the amount of that liability, and to pursue Insurance Claims
12 against Non-Settling Insurers. For the avoidance of doubt, nothing herein prevents an Abuse
13 Claimant from proceeding with a Claim against RCWC if that Abuse Claimant has not released
14 RCWC as provided for under this Plan.

15 8.2.3. Prior to authorizing an Abuse Claimant to proceed as a Litigation Claimant,
16 the Survivors' Trustee shall (i) apply the selection criteria stated in the Survivors' Trust Documents,
17 (ii) consult with the Reorganized Debtor and/or RCWC (but solely as to Abuse Claims the Holders
18 of which have executed and delivered an RCWC Release Agreement) and (iii) require the Abuse
19 Claimant to execute the Litigation Claimant Agreement. The Survivors' Trustee shall provide a
20 copy of each Litigation Claimant Agreement to the Reorganized Debtor upon receipt thereof, and
21 to RCWC (but solely as to Abuse Claims the Holders of which have executed and delivered an
22 RCWC Release Agreement) and Protected Parties upon request. If the Survivors' Trustee does not
23 authorize an Abuse Claimant to proceed as a Litigation Claimant, that Abuse Claimant may petition
24 the Bankruptcy Court to overrule the Survivors' Trustee's decision.

25 8.2.4. Consistent with the injunctions and discharge provided for or ratified in
26 Article XIII of this Plan, any judgment obtained by an Abuse Claimant in respect of any Litigation
27 Claim may not be enforced against (a) any of the Released Parties, (b) any of the non-insurance
28 property or assets of the Released Parties; or (c) any Settling Insurers or the assets or property of the

1 foregoing. Rather, any judgment obtained by an Abuse Claimant in respect of any Litigation Claim
2 shall be paid under the Plan and the Survivors' Trust Distribution Plan and shall be fully enforceable
3 solely against, and paid by, any Non-Settling Insurer under the terms of that Non-Settling Insurer's
4 Insurance Policy and applicable law.

5 8.2.5. A Litigation Claimant may elect to (i) assign his or her unpaid judgment to
6 the Survivors' Trust, (ii) assign the net recovery, after payment of all expenses and costs, including
7 the payment of any contingency counsel fees, from any settlement or judgment to the Survivors'
8 Trust or (iii) keep the proceeds of any settlement or judgment in accordance with the terms of the
9 Survivors' Trust Documents. In the event of (i) the Survivors' Trust shall be authorized to pursue
10 recovery of an unpaid judgment from any Non-Settling Insurer for the benefit of the Survivors'
11 Trust and all Survivors' Trust Beneficiaries. In the event of (i) or (ii), the Litigation Claimant shall
12 be eligible to share in any future Survivors' Trust Distributions and retain any Distribution the
13 Litigation Claim previously received. In the event of (iii), the Litigation Claimant shall no longer
14 be eligible or entitled to any additional distributions from the Survivors' Trust but may retain any
15 Distribution the Litigation Claim previously received.

16 8.2.6. If an Abuse Claimant elects the Litigation Option then, among other things,
17 (i) the rights of affected Non-Settling Insurers to defend or associate in the defense of such Abuse
18 Claim shall be fully preserved so that a Non-Settling Insurer who has offered to, or has an obligation
19 to, defend may do so, and (ii) the rights of affected Non-Settling Insurers to assert all rights, claims
20 and coverage defenses in any insurance recovery action (under Cal. Ins. Code § 11580 or otherwise)
21 shall also be fully preserved. In any such insurance recovery action (under Cal. Ins. Code § 11580
22 or otherwise), Abuse Claimants shall have no greater or lesser rights than the Debtor, including as
23 to any findings of fact, conclusions of law, or rulings issued in connection with the Coverage Action
24 or any other coverage litigation between the Debtor or the Survivors' Trust and any of the Insurers.
25 If any Non-Settling Insurer elects not to defend an Abuse Claim in the non-bankruptcy court system
26 after receiving proper notice and opportunity to do so, the Abuse Claimant shall be entitled to seek
27 a default judgment against the Debtor as nominal party only, solely to allow such Abuse Claimant
28 to then pursue insurance rights under Cal. Ins. Code § 11580 in accordance with the provisions in

1 the Plan.

2 8.2.7. If an Abuse Claimant elects the Litigation Option, liquidates its Abuse
3 Claim, and obtains a final judgment by a Final Order against a Non-Settling Insurer, such Non-
4 Settling Insurer shall pay the amount of the judgment directly to the Holder of such Claim in
5 accordance with, and subject to, the provisions of the Plan; *provided, however*, that if the Abuse
6 Claimant assigns his or her judgment to the Survivors' Trust of the Survivors' Trust obtains a final
7 judgment by a Final Order against a Non-Settling Insurer, such Non-Settling Insurer shall pay the
8 amount of the judgment directly to the Survivors' Trust in accordance with, and subject to, the
9 provisions of the Plan.

10 8.3. ***Preservation of the Rights of Non-Settling Insurers.***

11 8.3.1. With respect to Non-Settling Insurers, nothing in the Plan, the Plan
12 Documents, the Confirmation Order, or the Survivors' Trust Documents, including any provision
13 that purports to be preemptory or supervening, shall in any way operate to, or have the effect of,
14 impairing, altering, supplementing, changing, expanding, decreasing, or modifying (i) the terms and
15 conditions of an Abuse Insurance Policy, (ii) the rights and obligations of the Debtor, its Estate or
16 the Reorganized Debtor and any Non-Settling Insurers (and third-party claims administrators) under
17 the Abuse Insurance Policies, or (iii) the coverage or benefits provided under the Abuse Insurance
18 Policies.

19 8.3.2. With respect to the Non-Settling Insurers, notwithstanding any provision
20 in the Plan, the Plan Documents, the Confirmation Order, or the Survivors' Trust Documents shall
21 impose, or shall be deemed or construed to impose, any obligation on any Non-Settling Insurer to
22 provide a defense for, settle, or pay any judgment with respect to, any Abuse Claim. Rather, a Non-
23 Settling Insurer's obligations, if any, with respect to an Abuse Claim shall be determined solely by
24 and in accordance with the applicable Abuse Insurance Policy or Abuse Insurance Policies issued
25 by that Non-Settling Insurer subject to applicable non-bankruptcy law. Nothing in the Plan, the Plan
26 Documents, the Confirmation Order, or the Survivors' Trust Documents shall diminish or impair,
27 or be deemed to diminish or impair, the rights of any Non-Settling Insurer to defend any Abuse
28 Claim or to assert any claim, defense, right, or counterclaim in connection with any Abuse Claim or

1 Abuse Insurance Policy in accordance with applicable law; *provided, however*, that any claim or
2 counterclaim for Contribution against a Settling Insurer shall be addressed as provided herein.

3 8.3.3. For all issues relating to insurance coverage concerning Non-Settling
4 Insurers, the provisions, terms, conditions, and limitations of the applicable Abuse Insurance
5 Policies shall control, subject to applicable non-bankruptcy law.

6 8.3.4. A Non-Settling Insurer's obligation, if any, with respect to an Abuse Claim
7 shall be determined solely by and in accordance with the applicable Abuse Insurance Policy or
8 Abuse Insurance Policies issued by that Non-Settling Insurer subject to applicable non-bankruptcy
9 law. Liability with respect to any Abuse Claim for purposes of any recovery against an Abuse
10 Insurance Policy will be determined pursuant to applicable non-bankruptcy law.

11 8.3.5. With respect to the Non-Settling Insurers, for purposes of establishing the
12 value of any Abuse Claim for purposes of recovery from, or coverage under, any Abuse Insurance
13 Policy issued by a Non-Settling Insurer, no determination made in the Chapter 11 Case, nor any
14 determinations made by the Abuse Claims Reviewer or Survivors' Trustee concerning any Abuse
15 Claim at any time, shall be binding on or against a Non-Settling Insurer, nor shall any party
16 (including any Abuse Claimant) offer into evidence, or seek to admit into evidence, any such alleged
17 determination in any tort actions pursued by Abuse Claimants against the Debtor (as a nominal party
18 only) or the Survivors' Trust in the non-bankruptcy court system for the purpose of recovering from
19 Non-Settling Insurers, except for the limited purpose of establishing the amount of any credit to
20 which the Debtor (as a nominal party) may be entitled to offset any verdict in favor of an Abuse
21 Claimant.

22 8.3.6. The allowance, valuation and payment from the Survivors' Trust to an
23 Abuse Claimant holding an Allowed Claim is not an admission of liability by the Debtor or
24 Reorganized Debtor (as applicable), any Non-Settling Insurer, the Survivors' Trust, or any other
25 Person with respect to any Abuse Claims and has no *res judicata* or collateral estoppel effect on any
26 Non-Settling Insurer, the Debtor, the Survivors' Trust, or any other Person, except that such
27 determination may be introduced for the limited purpose of establishing the amount of any credit to
28 which the Debtor (as a nominal party) or the Survivors' Trust may be entitled to offset any verdict

1 in favor of an Abuse Claimant.

2 8.3.7. Neither the Abuse Claims Reviewer's nor Survivors' Trustee's allowance,
3 valuation and payment from the Survivors' Trust to an Abuse Claimant holding an Allowed Claim,
4 nor anything in the Survivors' Trust Documents (including any action or decision pursuant to the
5 Survivors' Trust Documents, including any estimation of Claims or payment of distributions), shall
6 constitute a trial or an adjudication on the merits, or evidence of liability or damages, in any litigation
7 with the Non-Settling Insurer or any other Person.

8 8.3.8. With respect to Non-Settling Insurers, nothing in the Plan, the Plan
9 Documents, the Confirmation Order, or the Survivors' Trust Documents shall, under any theory, (a)
10 constitute a trial, a judgment, an adjudication on the merits, or evidence establishing the liability (in
11 the aggregate or otherwise) or obligation of the Debtor or the Survivors' Trust with respect to any
12 Abuse Claim, (b) constitute a trial, a judgment, an adjudication on the merits, or evidence (or be
13 introduced as evidence) establishing the liability of any Non-Settling Insurer in current or
14 subsequent litigation for any Claim, including, without limitation, any Abuse Claim, or under any
15 Abuse Insurance Policy, (c) constitute, or be deemed to constitute (or be introduced to support) a
16 determination of the reasonableness of the amount of any Claim, including any Abuse Claim, either
17 individually or in the aggregate with other Claims, (d) be deemed to grant to any Person or Entity
18 any right to sue any Non-Settling Insurer directly, in connection with a Claim, including any Abuse
19 Claim, or any Abuse Insurance Policy, that such Person or Entity did not otherwise have under
20 applicable non-bankruptcy law, (e) constitute a finding or determination (or be introduced to support
21 a finding or determination) that the Debtor is a named insured, additional insured, or insured in any
22 other way under any Abuse Insurance Policy, (f) constitute a finding or determination (or be
23 introduced to support a finding or determination) that any Insurer in fact issued any alleged Abuse
24 Insurance Policy or that any alleged Abuse Insurance Policy has any particular terms or conditions,
25 (g) constitute a finding or determination (or be introduced to support a finding or determination)
26 that any Insurer has any defense or indemnity obligation with respect to any Claim or Abuse Claim,
27 or (h) constitute a finding or determination (or be introduced to support a finding or determination)
28 on any matter at issue or which may be raised as an issue in any action, including the Coverage

1 Action. In addition, no payment made in accordance with the Plan shall be, or be deemed to be, a
2 waiver of any rights of any Non-Settling Insurer under any Abuse Insurance Policy.

3 8.3.9. Other than with respect to the effectiveness of the Insurance Assignment
4 contemplated by the Plan and the findings necessary to confirm the Plan under Section 1129 of the
5 Bankruptcy Code for such purpose only, no Non-Settling Insurer shall be bound in any current or
6 future litigation concerning an Abuse Claim or an Abuse Insurance Policy by any factual findings
7 or conclusions of law issued in connection with Confirmation of the Plan, and no such findings of
8 fact or conclusions of law shall have any *res judicata* or collateral estoppel effect on any Claim,
9 defense, right, offset, or counterclaim that has been asserted or that may be asserted in any current
10 or subsequent litigation concerning an Abuse Claim or an Abuse Insurance Policy. Non-Settling
11 Insurers shall retain, and be permitted to assert, (i) all of their insurance coverage defenses subject
12 to applicable non-bankruptcy law in connection with Abuse Claims notwithstanding any provision
13 of the Plan, the Plan Documents, or the Confirmation Order, *provided, however*, no Non-Settling
14 Insurer may assert the Insurance Assignment as a defense to any Insurance Claim nor challenge the
15 efficacy or validity of the Insurance Assignment, and (ii) all of the Debtor's defenses to liability,
16 both legal and equitable, in connection with any asserted Abuse Claim, and the Non-Settling
17 Insurers' rights to assert all such underlying defenses and insurance coverage defenses in connection
18 with Abuse Claims will not be impaired in any way by the Plan, the Plan Documents, the
19 Confirmation Order, or the Survivors' Trust Documents, but shall be subject to applicable non-
20 bankruptcy law.

21 8.3.10. Any disputes regarding a Non-Settling Insurer's liability for Abuse Claims
22 and/or coverage therefor under any Abuse Insurance Policy shall be resolved under applicable non-
23 bankruptcy law in a court of competent jurisdiction or such other venue as the affected parties
24 (including the Non-Settling Insurer(s)) may agree.

25 8.3.11. Nothing herein shall limit the ability of any Non-Settling Insurer to agree
26 to different terms or treatment of its Abuse Insurance Policies as part of a consensual settlement
27 with the Debtor, Survivors' Trust, and/or Abuse Claimants.

28 8.3.12. Any Non-Settling Insurer's legal, equitable, or contractual rights and

1 obligations relating to the Abuse Insurance Policies issued by such Non-Settling Insurer shall be
2 determined under applicable non-bankruptcy law. Nothing in the Plan shall be construed to impair
3 or diminish the Debtor's or any Non-Settling Insurer's legal, equitable, or contractual rights or
4 obligations under any Abuse Insurance Policy including, but not limited to, the ability to negotiate
5 resolution of any dispute. The Non-Settling Insurers reserve all policy defenses and Claims,
6 including without limitation all rights and defenses concerning cooperation, offsets, recoupments,
7 deductions, deductibles, self-insured retentions, and all rights and defenses provided in their
8 policies. For the avoidance of doubt, nothing herein shall restrict the Survivors' Trust from
9 resolving or making a distribution on account of any Abuse Claims without the consent of any Non-
10 Settling Insurer.

11 8.3.13. Except as expressly stated herein, any coverage issues involving the Non-
12 Settling Insurers or the Abuse Insurance Policies issued by the Non-Settling Insurers shall be
13 determined in accordance with applicable non-bankruptcy law. All positions and arguments with
14 respect to available coverage under such Abuse Insurance Policies shall be fully preserved for
15 assertion by the Non-Settling Insurers, the Abuse Claimants, and/or the Survivors' Trust in any
16 litigation of coverage issues. Subject to the terms of the Plan, the Non-Settling Insurers, the Abuse
17 Claimants, and the Survivors' Trust reserve their rights, if any, to (i) bring proceedings concerning
18 the application and interpretation of the terms of the Abuse Insurance Policies and rights thereunder,
19 as well as whether defense and/or indemnity are owed under the Abuse Insurance Policies, and (ii)
20 oppose any such proceeding commenced by any other Person or Entity in any court of appropriate
21 jurisdiction as determined under applicable non-bankruptcy law; *provided, however*, because the
22 Debtor will have received a discharge under the Plan, any effort to collect from Abuse Insurance
23 Policies issued by the Non-Settling Insurers to satisfy an Abuse Claim after Confirmation of the
24 Plan shall be sought after such Holder's Claim has been liquidated as provided herein. Any disputes
25 regarding a Non-Settling Insurer's liability for Abuse Claims (after such Abuse Claim has been
26 liquidated under the provisions set forth above) and/or coverage therefor under Abuse Insurance
27 Policies shall be resolved under applicable non-bankruptcy law in a court of competent jurisdiction
28 or such other venue as the affected parties (including the Non-Settling Insurer(s)) may agree.

1 8.3.14. The limitations in this Section 8.3 are for the benefit of the Non-Settling
2 Insurers to preserve their ability to assert the Debtor's defenses to Abuse Claims as well as Non-
3 Settling Insurers' own coverage defenses. For the avoidance of doubt, the Debtor (and the
4 Reorganized Debtor, as applicable) reserves its right to enforce the Plan, including without
5 limitation its discharge, and to the benefits of any settlements reached with Settling Insurers,
6 provided that the foregoing will not limit the protections afforded to the Non-Settling Insurers
7 herein. All parties in interest in this Chapter 11 Case shall retain the right to enforce the Claims Bar
8 Date Order (as amended) and all confidentiality orders issued in the Chapter 11 Case.

9 8.3.15. The foregoing provisions of Section 8.3 hereof shall be incorporated into
10 the Confirmation Order.

11 8.4. ***Scope of Plan Injunctions.*** Any injunction under the Plan or Confirmation Order
12 shall not enjoin a Non-Settling Insurer's right to assert any Claims against the Survivors' Trust for
13 contribution, subrogation, indemnification, reimbursement, or other similar Claims (collectively,
14 "**Contribution**") for any Settling Insurer's alleged share or equitable share relating to the defense
15 and/or indemnity obligation for any Abuse Claim, or for any Claim released in any Insurance
16 Settlement Agreements; *provided, however,* that the Non-Settling Insurers may only assert a
17 Contribution Claim against the Survivors' Trust if the Contribution Claim exceeds the Judgment
18 Reduction amount. If a Non-Settling Insurer asserts it has (a) Contribution Claims directly or
19 indirectly arising out of or in any way relating to such Non-Settling Insurer's payment of loss on
20 behalf of the Debtor or defense expenses incurred in any action that should have been paid by or are
21 otherwise attributable to a Settling Insurer related to any Abuse Claim or (b) rights to recover any
22 self-insured retentions/obligations and/or deductibles (collectively, "**Payment Obligations**") in
23 connection with its payment of defense and/or indemnity related to an Abuse Claim, then (i) such
24 Contribution Claims or Payment Obligations may be asserted as a setoff, defense, or counterclaim
25 against any Abuse Claimant and/or the Survivors' Trust in any insurance action or insurance
26 recovery action (under Cal. Ins. Code § 11580 or otherwise) involving such Non-Settling Insurer
27 and (ii) to the extent such Contribution Claims or Payment Obligations are determined to be valid,
28 the liability (if any) of such Non-Settling Insurer to the Holder of the Abuse Claim or the Survivors'

1 Trust shall be reduced by the amount of such Contribution Claims or Payment Obligations (the
2 “**Judgment Reduction**”), *provided* that if any such Contribution Claim exceeds the liability of such
3 Non-Settling Insurer to the Survivors’ Trust, the Non-Settling Insurer does not waive any excess
4 claim and may seek affirmative recovery from the Survivors’ Trust. To the extent payment of a
5 self-insured retention is a condition to a Non-Settling Insurer’s obligation to provide defense or
6 indemnity under applicable non-bankruptcy law and the Non-Settling Insurer’s applicable insurance
7 policies, the failure of the Survivors’ Trust to pay such self-insured retention to the Non- Settling
8 Insurer shall result in the Non-Settling Insurer having the right to argue that such failure of payment
9 is a complete defense to any claim for coverage by the Non-Settling Insurer to, or related to, any
10 claim for recovery of insurance from the Non-Settling Insurer.

11 8.5. ***Non-Settling Insurers’ Contribution Claims Against Settling Insurers.*** In any
12 action, including the Coverage Action, involving an Abuse Claimant and one or more Non-Settling
13 Insurers, where a Non-Settling Insurer has asserted, asserts, or could assert any Contribution Claim
14 against any of the Settling Insurers or the Survivors’ Trust, and such Contribution Claims are
15 determined by the court presiding over such Claims to be valid, then any judgment or award obtained
16 against such Non-Settling Insurer by such Abuse Claimant shall be automatically reduced by the
17 amount, if any, that the Survivors’ Trust or any of the Settling Insurers is liable to pay such Non-
18 Settling Insurer as a result of the Non-Settling Insurer’s Contribution Claim, so that the Contribution
19 Claim is thereby satisfied and extinguished; *provided, however*, that, as against the Survivors’ Trust
20 (as successor to the Debtor), a Non-Settling Insurer may only assert any such Contribution Claim
21 for the payment of a deductible or self-insured retention. The Settling Insurers shall be required to
22 cooperate in good faith with the Debtor, the Reorganized Debtor, and/or the Survivors’ Trust to take
23 commercially reasonable steps to defend against any Contribution Claim by a Non-Settling Insurer.

24 8.6. ***Cooperation.*** The Debtor (including the Estate and the Reorganized Debtor) shall
25 have the obligation as provided in the Abuse Insurance Policies to cooperate with the Non-Settling
26 Insurers with respect to the investigation and defense of Abuse Claims pursuant to the terms of the
27 Non-Settling Insurers’ respective Abuse Insurance Policies, including with respect to preserving
28 any documents relevant to liability or coverage disputes, making documents and witnesses available

1 to the Non-Settling Insurers concerning such disputes, and maintaining privilege with regard to the
2 defense. The Reorganized Debtor and its agents will not voluntarily waive any privilege under non-
3 bankruptcy law applicable to documents or communications related to alleged Abuse Claims
4 (collectively, "**Privileged Communications**"). Without limiting the generality of the foregoing,
5 neither the Reorganized Debtor nor its agents shall provide the Survivors' Trust or any Abuse
6 Claimant with any Privileged Communications, absent the express consent of all affected Non-
7 Settling Insurers or a court order compelling such a production. The Reorganized Debtor shall
8 provide prompt notice of any requests and/or motions to compel disclosure of Privileged
9 Communications and cooperate with affected Insurers with respect to the same. The Non-Settling
10 Insurers reserve all coverage defenses with respect to any current or future failure to cooperate. The
11 Debtor and the Survivors' Trust reserve all rights under the applicable Abuse Insurance Policies of
12 the Non-Settling Insurers. The terms of the Plan (including Articles VIII and IX hereof) constitute
13 a voluntary agreement by the Non-Settling Insurers to the Insurance Assignment, and such terms
14 shall not be deemed to be an involuntary order to that effect.

15 8.7. **Reductions In Non-Settling Insurers' Liability.** No Abuse Claimant who elects the
16 Litigation Option shall recover in the aggregate from the Survivors' Trust and any Non-Settling
17 Insurer an amount greater than the total amount of the judgment entered by the applicable court of
18 competent jurisdiction on such Holder's underlying Abuse Claim, subject to the terms of Section
19 5.14 herein. A Non-Settling Insurer shall have all rights available under non-bankruptcy law to
20 assert, seek, and enforce any right to offset, recoup, or otherwise reduce its liability on any such
21 entered judgment, including without limitation all rights available under non-bankruptcy law to
22 assert, seek, and recover on such claims against the Survivors' Trust. For the avoidance of doubt,
23 such Abuse Claimant is not barred by this Section 8.7 from seeking extracontractual damages under
24 the *Hand* holding, and all defenses and the rights of any Non-Settling Insurer to oppose any such
25 claim by an Abuse Claimant under *Hand* are fully preserved, including that *Hand* is not a correct
26 statement of applicable law and that it would not apply to any such asserted claim.

27 8.8. **Settling Insurers.**

28 8.8.1. **Pre-Confirmation Insurance Settlement Agreements.** If, before

1 Confirmation, an Insurer enters into an Insurance Settlement Agreement with the Debtor and the
2 Committee under which the Insurer becomes a Settling Insurer hereunder upon entry of the
3 Confirmation Order, the Committee shall file with the Plan Supplement any provisions required by
4 the proposed Settling Insurer, and agreed to by the Debtor and the Committee, to be made a part of
5 this Plan. Any such provisions set forth in the Plan Supplement shall be deemed incorporated into
6 this Section as part of the Plan. Any Insurer that becomes a Settling Insurer shall receive the
7 treatment as may be provided in any Insurer Settlement Agreement approved by a Final Order. Each
8 Insurance Settlement Agreement is effective and binding upon all Persons who have notice, and any
9 of the foregoing Persons' successors and assigns, upon the entry of a Final Order approving the
10 Insurance Settlement Agreement and satisfaction of all conditions precedent, provided that such
11 settlement shall not affect the rights of any remaining Non-Settling Insurers. All payments by each
12 Settling Insurer to the Survivors' Trust, and all releases contained in an Insurance Settlement
13 Agreement, shall occur and/or be effective according to the terms of each such agreement. The
14 Insurance Settlement Agreements shall survive the Confirmation and the Effective Date. The rights
15 of the parties under any Insurance Settlement Agreement shall be determined exclusively under the
16 applicable Insurance Settlement Agreement and those provisions of the Final Order approving such
17 Insurance Settlement Agreement, the Plan, and the Confirmation Order.

18 8.8.2. *Sale Free and Clear.* Each Settling Insurer Abuse Insurance Policy shall
19 be sold to the issuing Settling Insurer, pursuant to Sections 105, 363, and 1123 of the Bankruptcy
20 Code, free and clear of all Liens and Claims of all Persons, to the extent provided for in each
21 applicable Insurance Settlement Agreement, *provided* that such sale shall not affect the rights of any
22 remaining Non-Settling Insurers.

23 8.8.3. *Timing.* The injunctions, releases, and discharges to which any Settling
24 Insurer is entitled pursuant to such Insurance Settlement Agreement, the Plan, the Confirmation
25 Order, the Final Order approving the Insurance Settlement Agreement, and the Bankruptcy Code
26 shall become effective pursuant to the terms of such Insurance Settlement Agreement.

27 8.8.4. *Contribution Claims of Settling Insurers.* Each Settling Insurer agrees that
28 it will not pursue any Abuse Related Contribution Claim that it might have against any other Insurer

1 (a) whose Contribution Claim against Settling Insurers is satisfied and extinguished entirely; or (b)
2 that does not make an Abuse Related Contribution Claim against the Settling Insurer, or any of
3 them. If, in the future, a Non-Settling Insurer releases its Abuse Related Contribution Claims, if
4 any such exist, that it may have against the Settling Insurers, then such released Settling Insurer
5 shall release its Abuse Related Contribution Claims against such releasing Insurer. If any Non-
6 Settling Insurer asserts a Claim directly against the Survivors' Trust arising from or concerning one
7 or more Settling Insurers' Abuse Insurance Policies, any Abuse Related Contribution Claim of the
8 Settling Insurers shall be transferred to the Survivors' Trust, and the Survivors' Trust shall be
9 authorized to assert the Contribution Claims of such Settling Insurer against such Non-Settling
10 Insurer.

11 8.9. ***The Coverage Action.*** On the Effective Date, the Survivors' Trust shall be
12 substituted as the named plaintiff in the Coverage Action and have all rights of the Debtor to pursue
13 recoveries against any Non-Settling Insurers. For the avoidance of doubt, the Survivors' Trust shall
14 have no right to pursue recoveries in the Coverage Action against any Settling Insurer.

15 ARTICLE IX

16 THE SURVIVORS' TRUST

17 9.1. ***Creation of the Survivors' Trust, Appointment of Survivors' Trustee, and***
18 ***Survivors' Trust Advisory Committee.***

19 9.1.1. ***Establishment and Purpose of the Survivors' Trust.*** On the Effective Date,
20 the Survivors' Trust shall be established in accordance with the Survivors' Trust Documents. The
21 Survivors' Trust will, upon its creation, and without limitation: (1) assume liability for all Abuse
22 Claims, including without limitation Unknown Abuse Claims, against the Debtor, RCWC (but
23 solely as to Abuse Claims the Holders of which have executed and delivered an RCWC Release
24 Agreement), and any Settling Insurers; and (2) receive, hold, administer, liquidate, and distribute
25 the Survivors' Trust Assets in accordance with this Plan and the Survivors' Trust Documents. The
26 Survivors' Trust shall administer, process, settle, resolve, liquidate, satisfy, Trust Claims and make
27 Trust Distributions in such a way that Abuse Claimants are treated equitably and in a substantially
28 similar manner, subject to the applicable terms of the Plan Documents and the Survivors' Trust

1 Documents. From and after the Effective Date, (x) the Abuse Claims and Unknown Abuse Claims
2 against the Debtor and RCWC (but solely as to Abuse Claims the Holders of which have executed
3 and delivered an RCWC Release Agreement) and (y) Claims against any Settling Insurer for or
4 relating to insurance coverage in connection with such Claims, shall be channeled to the Survivors'
5 Trust pursuant to the Channeling Injunction set forth in Section 13.11 of the Plan and may be
6 asserted only and exclusively against the Survivors' Trust, subject to the right of Holders of Abuse
7 Claims who elect the Litigation Option to name the Debtor and/ or RCWC (but solely as to Abuse
8 Claims the Holders of which have executed and delivered an RCWC Release Agreement) as a
9 nominal defendant as provided in the Plan. The Survivors' Trust shall have no liability for Non-
10 Abuse Litigation Claims. Holders of Non-Abuse Litigation Claims shall have no recourse to the
11 Survivors' Trust with respect to such Claims.

12 9.1.2. *Irrevocability.* The Survivors' Trust shall be irrevocable. The Debtor shall
13 not alter, amend, revoke or terminate the Survivors' Trust. The Debtor shall have no power or
14 authority to direct the Survivors' Trustee to return any of the Survivors' Trust Assets to the Debtor
15 or RCWC.

16 9.1.3. *Qualified Settlement Fund.* The Survivors' Trust is intended to qualify as
17 a "qualified settlement fund" pursuant to Section 468B of the Tax Code and the regulations
18 promulgated thereunder (the "**Treasury Regulations**"). The Debtor shall be the "transferor" within
19 the meaning of Treasury Regulation Section 1.468B-1(d)(1). The Survivors' Trustee shall be the
20 "administrator" of the Survivors' Trust within the meaning of Treasury Regulation Section 1.468B-
21 2(k)(3).

22 9.1.4. *Survivors' Trust Advisory Committee.* The Plan and Trust Agreement
23 provide for the creation of a Survivors' Trust Advisory Committee, which shall initially consist of
24 those members of the Committee, or their designees, who agree to serve on the Survivors' Trust
25 Advisory Committee. The members of the Survivors' Trust Advisory Committee shall have only
26 such limited rights, duties and powers as set forth in the Plan and Survivors' Trust Agreement. The
27 process for appointing replacement members of the Survivors' Trust Advisory Committee shall be
28 provided in the Survivors' Trust Agreement. Upon termination of the Survivors' Trust, or as

1 otherwise provided in the Survivors' Trust Agreement, the Survivors' Trust Advisory Committee
2 shall be deemed dissolved and discharged of and from all further authority, duties, responsibilities,
3 and obligations with respect to or in connection with the Survivors' Trust and the Chapter 11 Case.
4 Except for the reimbursement of reasonable actual costs and expenses incurred in connection with
5 their duties as members of the Survivors' Trust Advisory Committee, the members of the Survivors'
6 Trust Advisory Committee shall serve without compensation. Reasonable expenses incurred by
7 members of the Survivors' Trust Advisory Committee may be solely paid by the Survivors' Trust
8 without need for approval of the Bankruptcy Court. For the avoidance of doubt, none of the
9 Protected Parties shall be responsible for any fees, costs, or expenses associated with the Survivors'
10 Trust Advisory Committee. Except with respect to Insurance Settlement Agreements entered into
11 by the Survivors' Trust after the Effective Date and certain other matters set forth in the Survivors'
12 Trust Documents, the Survivors' Trust Advisory Committee is intended to be consultative in nature
13 and assist the Survivors' Trustee in the independent exercise of the Survivors' Trustee's duties.

14 9.2. ***Appointment and Powers of the Survivors' Trustee.*** On the Confirmation Date, the
15 Bankruptcy Court shall appoint the Survivors' Trustee to serve in accordance with, and who shall
16 have the functions and rights provided in, the Survivors' Trust Documents. Any successor
17 Survivors' Trustee shall be appointed in accordance with the terms of the Survivors' Trust
18 Documents. For purposes of the Survivors' Trustee performing his or her duties and fulfilling his
19 or her obligations under the Survivors' Trust and the Plan, the Survivors' Trust and the Survivors'
20 Trustee shall be deemed to be "parties in interest" within the meaning of Section 1109(b) of the
21 Bankruptcy Code. The Survivors' Trustee shall have such powers and duties as are set forth in the
22 Survivors' Trust Documents, including without limitation the following:

23 9.2.1. ***Survivors' Trustee as Fiduciary.*** The Survivors' Trustee shall be deemed
24 to be a fiduciary of the Survivors' Trust under the terms of the Survivors' Trust Agreement and shall
25 have all rights, powers, authority, responsibilities, and benefits under California law specified in the
26 Plan and as reflected in the Survivors' Trust Agreement, including commencing, prosecuting or
27 settling causes of action, enforcing contracts, and asserting Claims, defenses, offsets and privileges.
28 If there is any inconsistency or ambiguity between the Confirmation Order and the Survivors' Trust

1 Agreement with respect to Survivors' Trustee's authority to act, the provisions of the Survivors'
2 Trust Agreement shall control.

3 9.2.2. *Liquidation of Survivors' Trust Assets.* The Survivors' Trustee shall
4 liquidate and convert to Cash the Survivors' Trust Assets, make timely distributions, and not unduly
5 prolong the duration of the Survivors' Trust. The Survivors' Trustee may also abandon any property
6 which the Survivors' Trustee determines in the Survivors' Trustee's reasonable discretion to be of
7 *de minimis* value or of more burden than the value of the Survivors' Trust.

8 9.2.3. *Protection of Survivors' Trust Assets.* The Survivors' Trustee shall protect
9 and enforce the rights in and to the Survivors' Trust Assets under the Survivors' Trust Documents.

10 9.2.4. *Bank Accounts of the Survivors' Trust.* The Survivors' Trustee may open
11 and maintain bank accounts on behalf of the Survivors' Trust to deposit funds in and draw checks
12 on the bank accounts as appropriate under the Survivors' Trust Documents. Notwithstanding
13 anything herein to the contrary, the Survivors' Trustee may open and maintain bank accounts on
14 behalf of the Survivors' Trust after Confirmation but before the Effective Date.

15 9.2.5. *Insurance.* The Survivors' Trustee shall obtain all reasonably available
16 insurance coverage with respect to any property that is, or may become, a Survivors' Trust Asset.

17 9.2.6. *Non-Settling Insurance.* The Survivors' Trustee may use the Survivors'
18 Trust Assets to prosecute litigation against the Non-Settling Insurers. If the Survivors' Trust
19 successfully resolves an Insurance Claim or otherwise receives a recovery of insurance proceeds
20 relating to any Abuse Claim from a Non-Settling Insurer, such proceeds shall become Survivors'
21 Trust Assets available to pay, and shall increase the amount available to pay, Abuse Claims,
22 pursuant to the Survivors' Trust Distribution Plan.

23 9.2.7. *Taxes.* The Survivors' Trustee may request an expedited determination of
24 taxes of the Survivors' Trust under Section 505(b) of the Bankruptcy Code for all returns filed for,
25 or on behalf of, the Survivors' Trust for all taxable periods through the dissolution of the Survivors'
26 Trust.

27 9.2.8. *Settlements With Non-Settling Insurers.* Notwithstanding any present
28 exclusionary language in the Plan, after the Effective Date, any Insurer that is a Non-Settling Insurer

1 may enter into an Insurance Settlement Agreement with the Survivors' Trustee (a "**Post-Effective**
2 **Date Insurance Settlement**"); *provided, however*, that the Survivors' Trustee shall File a notice
3 with the Bankruptcy Court within 30 days of entering into any such Post-Effective Date Insurance
4 Settlement and the Insurer that is a party to the Post-Effective Date Insurance Settlement (and any
5 related Persons or Representatives, as applicable) shall be deemed to be a Settling Insurer for all
6 purposes hereunder. Subject to the terms of the Survivors' Trust Documents, any Post-Effective
7 Date Insurance Settlement and amendments thereto shall be binding and effective without approval
8 of or any other action by the Bankruptcy Court.

9 9.3. ***Property and Funding of the Survivors' Trust.*** The Survivors' Trust shall be funded
10 with (i) aggregate Cash contributions from the Debtor and Reorganized Debtor (as applicable) of
11 \$195.2 million, (ii) the Cash contribution from RCWC of \$118.9 million if RCWC elects to
12 contribute the RCWC Contribution into the RCWC Escrow as set forth in Section 9.3.2 of the Plan;
13 (iii) any proceeds held by the Debtor or the Reorganized Debtor on account of Insurance Settlement
14 Agreements as set forth in this Section 9.3, and (iv) the Assigned Insurance Interests. These
15 contributions to the Survivors' Trust shall be made according to the schedule set forth in this Section
16 9.3. The Debtor Contribution and any RCWC Contribution shall be made in respect of the uninsured
17 exposure of the Debtor and RCWC for Abuse Claims (including Unknown Abuse Claims),
18 including, but not limited to, years in which no Abuse Insurance Policies are available and, to the
19 extent required under applicable law, when a self-insured retention or deductible must be satisfied
20 to access potential coverage under Non-Settling Insurer Policies. The Debtor Contribution and any
21 RCWC Contribution are not, and shall not be construed as, a discharge and/or release of any Abuse
22 Claim (including any Unknown Abuse Claim) covered or alleged to be covered under any of the
23 Non-Settling Insurer Policies. Notwithstanding the foregoing, the Debtor and RCWC, solely as to
24 Abuse Claimants granting it a release, shall have no further financial obligations under this Plan or
25 the Plan Documents to Holders of Allowed Abuse Claims, including Allowed Unknown Abuse
26 Claims, other than the obligations required to be paid to the Survivors' Trust in Section 9.3 hereof.

27 9.3.1. ***Debtor Contribution.*** On the Effective Date of the Plan, the Debtor shall
28 transfer \$33.1 million, in good and available funds, to the Survivors' Trust using wiring instructions

1 provided by the Survivors' Trustee (the "**Initial Debtor Contribution**"). The Survivors' Trust shall
2 also receive Cash from the Debtor as follows (collectively, the "**Additional Debtor Contributions**")
3 and together with the Initial Debtor Contribution, the "**Debtor Contribution**");

4 9.3.1.1. No later than the date that is one year after the Original Plan
5 Filing Date, the Debtor shall transfer no less than \$6 million in good and available funds to
6 the Survivors' Trust using wiring instructions provided by the Survivors' Trustee; *provided,*
7 *however,* if the Effective Date has not occurred by such date, this Additional Debtor
8 Contribution shall be made on the Effective Date.

9 9.3.1.2. No later than the date that is two years after the Original Plan
10 Filing Date, the Debtor shall transfer no less than \$28.9 million in good and available funds
11 to the Survivors' Trust using wiring instructions provided by the Survivors' Trustee;
12 *provided, however,* if the Effective Date has not occurred by such date, this Additional
13 Debtor Contribution shall be made on the Effective Date.

14 9.3.1.3. No later than the date that is three years after the Original
15 Plan Filing Date, the Debtor shall transfer no less than \$46.3 million in good and available
16 funds to the Survivors' Trust using wiring instructions provided by the Survivors' Trustee;
17 *provided, however,* if the Effective Date has not occurred by such date, this Additional
18 Debtor Contribution shall be made on the Effective Date.

19 9.3.1.4. No later than the date that is three and one half years after the
20 Original Plan Filing Date (the "**Plan Payment Period**"), the Debtor shall transfer no less
21 than \$80.9 million in good and available funds to the Survivors' Trust using wiring
22 instructions provided by the Survivors' Trustee; *provided, however,* if the Effective Date has
23 not occurred by such date, this Additional Debtor Contribution shall be made on the
24 Effective Date.

25 9.3.1.5. *Timing of Payments.* During the Plan Payment Period, the
26 Debtor shall pay to the Survivors' Trust: (i) the net proceeds (after reimbursement of closing
27 costs and attorneys' fees, if any) realized from the closing of any sale of real estate titled in
28 the name of the Debtor; (ii) the value of the assets found to be unrestricted through entry of

1 a Final Order in the adversary proceeding captioned *The Official Committee of Unsecured*
2 *Creditors of the Roman Catholic Bishop of Oakland v. The Roman Catholic Bishop of*
3 *Oakland and The Oakland Parochial Fund, Inc.* (Adv. Pro. 24-04051 WJL) and (iii) any
4 funds paid by CCCEB under the CCCEB Note, or in satisfaction of any Causes of Action
5 prosecuted by the Survivors' Trustee against CCCEB under, arising out of or related to the
6 CCCEB Note, regardless of whether such payment(s) cause the Debtor to exceed the
7 minimum transfers described in Sections 9.3.1.1 - 9.3.1.4 hereof

8 9.3.1.6. *Debtor Contribution Deeds of Trust.* To secure the
9 Additional Debtor Contributions, the Debtor shall grant the Survivors' Trust a Lien on
10 certain real property to be agreed upon by the Debtor and the Committee prior to the
11 Effective Date (or if agreement is not reached by the Effective Date as determined by the
12 Court), to be memorialized in deeds of trust to be executed and delivered on the Effective
13 Date (such agreements being the "**Debtor Contribution Deeds of Trust**"). Such real
14 property shall be valued by Hilco Real Estate, LLC in an amount of no less than one hundred
15 and twenty-five percent (125%) of the Additional Debtor Contributions.

16 9.3.1.7. *Failure to Timely Make the Initial Debtor Contribution or the*
17 *Additional Debtor Contributions.* The failure of the Debtor or Reorganized Debtor to timely
18 pay the Initial Debtor Contribution or any of the Additional Debtor Contributions to the
19 Survivors' Trust shall constitute an event of default under this Plan. Upon the occurrence
20 of an Event of Default, (i) the Initial Debtor Contribution and all Additional Debtor
21 Contributions shall become immediately due and payable and (ii) the Survivors' Trust may,
22 without notice to the Debtor or Reorganized Debtor, (a) foreclose on the Debtor Contribution
23 Deeds of Trust, (b) commence suit in a court of competent jurisdiction for entry of a
24 judgment against the Debtor and/or the Reorganized Debtor for all outstanding obligations
25 due from the Debtor and/or the Reorganized Debtor to the Survivors' Trust under this Plan,
26 (c) file the Case Dismissal Notice, or (d) may, with the consent of the Survivors' Trust
27 Advisory Committee, restructure the timing and terms of payment of the Initial Debtor
28 Contribution and any or all of the Additional Debtor Contributions.

1 9.3.2. *Optional Contribution from RCWC.* RCWC may, by written notice Filed
2 on the docket within 7 days after the Voting Deadline, elect to contribute the RCWC Contribution
3 into the RCWC Escrow on the Effective Date and thus, be eligible to receive voluntary releases
4 from Holders of Abuse Claims as set forth in this Section 9.3.2. Notwithstanding anything to the
5 contrary set forth herein, RCWC shall not receive a discharge, release or benefit from any injunction
6 under this Plan and shall only be entitled to receive the releases granted in the RCWC Release
7 Agreement in accordance with this paragraph.

8 9.3.2.1. *RCWC Cash Contribution.* If RCWC elects to contribute the
9 RCWC Contribution into the RCWC Escrow, on the Effective Date it shall transfer \$70
10 million, in good and available funds, to the RCWC Escrow using wiring instructions
11 provided by the RCWC Escrow Agent (the “**Initial RCWC Contribution**”). The RCWC
12 Escrow shall also receive Cash from RCWC as follows (collectively, the “**Additional**
13 **RCWC Contributions**” and together with the Initial RCWC Contribution, the “**RCWC**
14 **Contribution**”):

15 9.3.2.2. No later than the date that is two years after the Original Plan
16 Filing Date, RCWC shall transfer \$48.9 million, in good and available funds to the RCWC
17 Escrow using wiring instructions provided by the RCWC Escrow Agent; *provided, however,*
18 if the Effective Date has not occurred by such date, this Additional RCWC Contribution
19 shall be made on the Effective Date.

20 9.3.2.3. *Survivors’ Trust Withdrawals from RCWC Escrow.* The
21 Survivors’ Trust shall receive distributions from the RCWC Escrow in accordance with the
22 Survivors’ Trust Documents and the RCWC Escrow Agreement. The Survivors’ Trust
23 Documents and the RCWC Escrow Agreement shall provide that distributions to the
24 Survivors’ Trust from the RCWC Escrow shall not commence until after the Preliminary
25 Abuse Claim Allowance Deadline, after which the funds in the RCWC Escrow shall be
26 released and transferred to the Survivors’ Trust as Holders of Class 4 Claims whom the
27 Abuse Claims Reviewer determines asserted a compensable Claim against RCWC in the
28 Holder’s Proof of Claim (an “**RCWC Claimant**”) execute and return to counsel for RCWC,

1 the Debtor and the Committee and after the Effective Date, to counsel to RCWC, the
2 Reorganized Debtor and the Survivors' Trustee the RCWC Release Agreement. For each
3 RCWC Claimant who executes an RCWC Release Agreement, the RCWC Escrow Agent
4 shall release to the Survivors' Trust that claimant's pro rata share of the RCWC Contribution
5 Amount on the later of (i) the Effective Date and (ii) 5 days of the RCWC Escrow Agent
6 receiving the RCWC Release Agreement provided that the *pro rata* share of each such
7 Holder shall be determined by the Survivor's Trustee.

8 9.3.2.4. *Channeling of RCWC Claims.* Any Claim held by an RCWC
9 Claimant who executes an RCWC Release Agreement shall be channeled to the Survivors'
10 Trust such that the Survivors' Trust shall have the sole obligation to pay such Claim in
11 accordance with this Plan and the Survivors' Trust Documents.

12 9.3.2.5. *Excess Funds in RCWC Escrow.* In the event all RCWC
13 Claimants holding Allowed Claims against RCWC execute an RCWC Release Agreement,
14 any amount remaining in the RCWC Escrow shall thereupon be transferred to the Survivors'
15 Trust for distribution to all Abuse Claimants.

16 9.3.2.6. *Return of Remaining Balance in RCWC Escrow.* If any
17 amount remains in the RCWC Escrow on account of an RCWC Claimant holding an
18 Allowed Claim against RCWC having failed to execute a RCWC Release Agreement as of
19 the three and a half-year anniversary of the Effective Date, the RCWC Escrow Agent shall
20 return such amount, less expenses of the RCWC Escrow, to RCWC no later than 5 business
21 days after the later of (i) the three and a half-year anniversary of the Effective Date or (ii)
22 distribution to the Survivors' Trust of all payments to Holders of Allowed Class 4 Claims
23 who executed and returned to RCWC an RCWC Release Agreement on or before the three
24 and a half-year anniversary of the Effective Date.

25 9.3.2.7. *RCWC Contribution Deeds of Trust.* To secure the
26 Additional RCWC Contributions, RCWC shall grant the Survivors' Trust a Lien on certain
27 real property, to be memorialized in deeds of trust to be executed and delivered on the
28 Effective Date (such agreements being the "**RCWC Contribution Deeds of Trust**"). Such

1 real property shall be valued by Hilco Real Estate, LLC in an amount of no less than 125%
2 of the Additional RCWC Contributions.

3 9.3.3. *Separate Contributions.* Any contribution to the Survivors' Trust by
4 RCWC shall be in addition to and separate from the Debtor Contribution.

5 9.3.4. *Insurance Settlement Agreements.*

6 9.3.4.1. In addition to the Debtor Contribution, any Cash received by
7 the Debtor on or before the Effective Date in connection with an Insurance Settlement
8 Agreement shall be transferred to the Survivors' Trust on the Effective Date and shall be
9 part of the Survivors' Trust Assets.

10 9.3.5. *Assignment of Assigned Insurance Interests.* On the Effective Date, the
11 Insurance Assignment described in Article VIII of the Plan shall become effective.

12 9.3.6. *Use of Survivors' Trust Assets.* The Survivors' Trust Assets shall be used
13 in accordance with and for the purposes set forth in the Survivors' Trust Documents, including
14 without limitation to pay Abuse Claims and reasonable expenses of the Survivors' Trust and to
15 pursue and execute Insurance Settlement Agreements. Notwithstanding anything herein to the
16 contrary, no monies and/or assets comprising the Survivors' Trust Assets that are transferred,
17 granted, assigned, or otherwise delivered to the Survivors' Trust shall be used for any purpose other
18 than in accordance with the Plan and the Survivors' Trust Documents.

19 9.4. *Unknown Abuse Claims Reserve.* Upon the Effective Date, the Survivors' Trust
20 shall segregate \$5 million into the Unknown Abuse Claims Reserve. Within one year of the
21 Effective Date, the Survivors' Trustee will segregate an additional \$1.3 million into the Unknown
22 Abuse Claims Reserve and within two years of the Effective Date, the Survivors' Trustee will
23 segregate an additional \$1.4 million into the Unknown Abuse Claims Reserve. The Unknown
24 Abuse Claims Reserve shall be maintained for the greater of (i) five years after the Effective Date,
25 and (ii) resolution of all Unknown Abuse Claims submitted to the Survivors' Trustee within five
26 years after the Effective Date. On that date, the remaining funds in the Unknown Abuse Claims
27 Reserve will be de-segregated and returned to the Survivors' Trusts' general accounts, and neither
28 the Debtor, Reorganized Debtor, Survivors' Trust, nor any Settling Insurer shall have any more

1 liability for any Unknown Abuse Claim.

2 9.5. ***Vesting.*** On the Effective Date, all Survivors' Trust Assets shall vest in the
3 Survivors' Trust, and the Debtor, Reorganized Debtor, RCWC, subject to the terms of the RCWC
4 Escrow, and Settling Insurers shall be deemed for all purposes to have transferred all of their
5 respective interests in the Survivors' Trust Assets to the Survivors' Trust. On the Effective Date,
6 or as soon as practicable thereafter, the Reorganized Debtor, any other Released Party, and Settling
7 Insurers, as applicable, shall take all actions reasonably necessary to transfer any Survivors' Trust
8 Assets to the Survivors' Trust. Upon the transfer of control of Survivors' Trust Assets in accordance
9 with this paragraph, the Debtor, Reorganized Debtor, RCWC, subject to the terms of the RCWC
10 Escrow, and the Settling Insurers shall have no further interest in the Survivors' Trust Assets except
11 as otherwise explicitly provided in this Plan.

12 9.6. ***Survivors' Trust Assumption of Liabilities for Abuse Claims.*** The transfer to,
13 vesting in and assumption by the Survivors' Trust of the Survivors' Trust Assets as contemplated
14 by the Plan shall, as of the Effective Date, discharge all obligations and liabilities of and bar any
15 recovery or action against the Released Parties for or in respect of all Abuse Claims (including
16 Unknown Abuse Claims). The Confirmation Order shall provide for such discharge. Subject to
17 Article VIII hereof and the rights of Abuse Claimants who elect the Litigation Option, the Survivors'
18 Trust shall, as of the Effective Date, assume sole and exclusive responsibility and liability for all
19 Abuse Claims against the Released Parties, and such Claims shall be paid by the Survivors' Trust
20 from the Survivors' Trust Assets or as otherwise directed in the Survivors' Trust Documents and
21 Articles VIII and IX hereof. From and after the Effective Date, all Abuse Claims against the
22 Released Parties shall be considered Channeled Claims subject to the Channeling Injunction under
23 Section 105(a) of the Bankruptcy Code and the provisions of the Plan and the Confirmation Order.
24 Subject to the foregoing, from and after the Effective Date, the Released Parties shall not have any
25 obligation with respect to any liability of any nature or description arising out of, relating to, or in
26 connection with any Abuse Claims.

27 9.6.1. Notwithstanding the foregoing, the Holder of an Abuse Claim may
28 commence or continue to prosecute an action against the Debtor (as a defendant) and, if applicable,

1 one or more Released Parties (as defendants), solely to liquidate an Abuse Claim to pursue Insurance
2 Recoveries regarding such Abuse Claim from a Non-Settling Insurer. To the extent a Non-Settling
3 Insurer has refused to defend an Abuse Claim, the consequences of such refusal shall be controlled
4 by applicable non-bankruptcy law. For the avoidance of doubt, nothing in this Plan changes, alters
5 or otherwise modifies the rights of the Debtor, the Reorganized Debtor and a Litigation Claimant
6 from resolving or otherwise settling an Abuse Claim in any way permitted under non-bankruptcy
7 law, and nothing herein affects a Non-Settling Insurer's rights, claims, defenses and/or obligations
8 under applicable non-bankruptcy law (including with respect to any such resolution or settlement).
9 Except as set forth below, the discharge provided for in Article XIII hereof and the rights of the
10 Debtor, the Reorganized Debtor, and other Released Parties, any judgment obtained in such action
11 may not be enforced against the Debtor, the Reorganized Debtor, a Released Party, and/or their
12 respective property or interest in such property, including, but not limited to, the property that vests
13 with the Reorganized Debtor pursuant to Section 12.1 hereof and any property acquired by the
14 Reorganized Debtor after the Effective Date, and such judgment shall be paid under the Plan and
15 the Survivors' Trust Documents and shall be paid by any Non-Settling Insurer under the terms of
16 that Non-Settling Insurer's Abuse Insurance Policy and applicable law.

17 9.6.2. To preserve coverage under any Non-Settling Insurer's Abuse Insurance
18 Policies, the Holders of Abuse Claims specifically reserve, and do not release, any Claims they may
19 have against the Debtor, the Reorganized Debtor, any other Released Party or RCWC (to the extent
20 that the releases granted in the RCWC Agreement are granted) that implicate coverage under any
21 Non-Settling Insurer's Abuse Insurance Policies, but recovery is limited to the Survivors' Trust,
22 proceeds of the Non-Settling Insurer's Abuse Insurance Policies and all other damages (including
23 extra-contractual damages), awards, judgments over policy limits, penalties, punitive damages and
24 attorney's fees and costs that may be recoverable against any Non-Settling Insurer because of their
25 conduct regarding Insurance Coverage for, or defense or settlement of, any Abuse Claim, and
26 recoveries for any such judgments or awards will be against only the Non-Settling Insurer in
27 accordance with the Plan and the Survivors' Trust Documents and not at any time against any
28 Released Party or RCWC or any property or interest in property of any Released Party or RCWC,

1 beyond available Insurance Recoveries.

2 9.6.3. Nothing herein affects a Non-Settling Insurer's rights or obligations under
3 applicable law, including any insurance coverage defenses or such Non-Settling Insurer's right to
4 pursue Claims for contribution from other Non-Settling Insurers.

5 9.6.4. If any Insurance Recoveries from Insurance Actions that are assigned to
6 the Survivors' Trust hereunder are received by the Reorganized Debtor, the Released Parties or
7 RCWC, such Insurance Recoveries shall be held in trust for the benefit of the Survivors' Trust and
8 shall be immediately remitted by the Reorganized Debtor, the Released Parties or RCWC to the
9 Survivors' Trust.

10 9.6.5. Neither the Debtor's, the Released Parties' or RCWC's obligations to a
11 Holder of an Abuse Claim shall be deemed to have been paid in full, nor their liability to a Holder
12 of an Abuse Claim satisfied, because of reserves for, distributions because of, or payments received
13 by a Holder of an Abuse Claim from the Survivors' Trust, subject to the Channeling Injunction set
14 forth herein. The Survivors' Trust and Litigation Claimants, as applicable, may continue efforts to
15 obtain recoveries from Non-Settling Insurers related to the Abuse Claims. In addition, the Non-
16 Settling Insurers remain fully liable for their obligations related to the Abuse Claims, and their
17 obligations are not reduced by the Debtor's commencement of this Chapter 11 Case or (subject to
18 Section 9.9 of this Plan) by the amount of the distributions Holders of Abuse Claims receive, or are
19 entitled to receive, based on the Plan. For the avoidance of doubt, determinations by the terms of
20 the Survivors' Trust Documents and/or any distributions entitled to be received from the Survivors'
21 Trust shall not constitute a determination of the Debtor's, any Released Party's or RCWC's liability
22 or damages for Abuse Claims.

23 9.7. ***Right to Elect to Receive an Immediate Payment.*** Not later than 14 days following
24 the Effective Date, the Survivors' Trustee shall mail the Immediate Payment Notice to counsel for
25 all Holders of Abuse Claims or to any Holder of an Abuse Claim that is not represented by counsel.
26 Holders of Abuse Claims may elect to receive the Immediate Payment from the Survivors' Trust by
27 signing and returning the Immediate Payment Notice such that it is postmarked (if sent by US Mail)
28 not later than the date that is 45 days after the Effective Date, or if such date is not a Business Day

1 the next Business Day thereafter (the “**Immediate Payment Election Deadline**”). Only Abuse
2 Claimants who return an Immediate Payment Notice not later than the Immediate Payment Election
3 Deadline, affirmatively indicating their election to receive the Immediate Payment, shall be entitled
4 to receive the Immediate Payment. If an Abuse Claimant elects to receive the Immediate Payment,
5 the payment will be made within 30 days after the Immediate Payment Election Deadline. After
6 receiving the Immediate Payment, the Abuse Claimant shall not be entitled to any further
7 distributions from the Survivors’ Trust and shall not be entitled to pursue any Abuse Claim against
8 the Debtor, the Reorganized Debtor, the Survivor’s Trust, the Released Parties and the Insurers. The
9 Immediate Payment Notice shall include conspicuous language indicating that return of the election
10 form and acceptance of the Immediate Payment constitutes a full and final release of all Claims
11 against the foregoing parties. If a Person submitted, or is the Holder of, more than one Abuse Claim
12 and such Holder elects to receive the Immediate Payment, such Holder shall only be entitled to one
13 Immediate Payment on account of all of their Abuse Claims, shall not be entitled to any further
14 distributions from the Survivors’ Trust, and shall be deemed to have released all Claims against the
15 Debtor, the Reorganized Debtor, the Survivor’s Trust, the Released Parties and the Insurers.

16 9.8. *Method of Determination of Abuse Claims and Rights of Abuse Claimants to*
17 *Choose to Pursue Litigation.* After the Effective Date, every Trust Claim held by an Abuse
18 Claimant shall be reviewed and allocated a percentage of the Survivors’ Trust Assets based on
19 numerical scaling factors (but not based on alleged dollar value of the Claim) by the Abuse Claims
20 Reviewer in order to determine the distribution to each such Holder in accordance with the terms of
21 the Survivors’ Trust Documents.

22 9.8.1. *Notice of Initial Determination.* Based on the percentage allocation
23 determined by the Abuse Claims Reviewer, the Survivors’ Trustee shall provide a determination of
24 the distribution to which each Holder of each Trust Claim is entitled (the “**Initial Determination**”),
25 in accordance with the terms of the Survivors’ Trust Documents. Counsel to each Holder of a Trust
26 Claim, or the Holder of a Trust Claim if they are not represented by counsel, will receive a notice
27 containing the Initial Determination, including a projected recovery based on the anticipated
28 available assets of the Survivors’ Trust at the time of the Initial Determination.

1 9.8.2. *Right to Appeal Notice of Initial Determination.* Within 30 days of receipt
2 of the notice of the Initial Determination, each Holder of a Trust Claim may request an additional
3 review of the Initial Determination by the Abuse Claims Reviewer and shall be allowed to submit
4 additional documentation or information that such Claimant believes should be considered. The
5 Abuse Claims Reviewer shall provide a subsequent determination (the “**Review Determination**”),
6 as provided for in the Survivors’ Trust Documents. If requested, the Review Determination shall
7 be the “**Final Determination**” for purposes of such Holder’s distributions from the Survivors’ Trust.
8 If the Review Determination is not requested, the outcome of the Initial Determination shall be the
9 Final Determination. For the avoidance of doubt, no determination will be made in the Chapter 11
10 Case concerning the alleged dollar value of an Abuse Claim for purposes of Abuse Insurance
11 Policies issued by Non-Settling Insurers. Neither the Abuse Claims Reviewer’s nor Survivors’
12 Trustee’s review of an Abuse Claim and determination of qualification, nor the Survivors’ Trust’s
13 estimation of Claims or payment of distributions, shall constitute a trial, an adjudication on the
14 merits, or evidence of liability or damages in any litigation with the Non-Settling Insurer or any
15 other Person.

16 9.8.3. *Distributions to Trust Claimants from the Survivors’ Trust.* Subject to the
17 Survivors’ Trust Documents, the following procedures will govern distributions to Trust Claimants
18 from the Survivors’ Trust:

19 9.8.3.1. Within 30 days of the Abuse Claims Reviewer’s completion
20 of all Review Determinations, the Survivors’ Trustee shall make a projection of anticipated
21 distributions to each Holder of a Trust Claim. This amount may differ from the Initial
22 Determination after accounting for Review Determinations.

23 9.8.3.2. The Survivors’ Trustee will make an initial distribution (the
24 “**Initial Distribution**”) to each Trust Claimant. The Initial Distribution shall be comprised
25 of each such Trust Claimants’ *pro rata* share of the Survivors’ Trust Assets existing on that
26 date, less reasonable reserves for the Survivors’ Trust (the “**Initial Reserve**”).

27 9.8.3.3. Upon the receipt of additional Cash contributions into the
28 Survivors’ Trust, the Survivors’ Trustee shall make further distributions to the Trust

1 Claimants, less appropriate reserves.

2 9.8.3.4. After (i) the final resolution of all Trust Claims, including
3 with respect to the Trust Claimants who selected the Litigation Option, and (ii) all Survivors'
4 Trust Assets are monetized, the Survivors' Trustee shall make a final distribution to the Trust
5 Claimants (the "**Final Distribution**"), which shall include previously withheld reserves and
6 any reallocated funds. If, 180 days after the date of the Final Distribution, there are any
7 funds which are not claimed by any Trust Claimant, such unclaimed funds shall revert to the
8 Survivors' Trust for distribution pursuant to the Survivors' Trust Documents.

9 9.8.4. *Right to Elect Litigation Against Non-Settling Insurers and Other Parties.*

10 Irrespective of whether a Trust Claimant has requested an additional review of the Initial
11 Determination by the Abuse Claims Reviewer, not later than the first anniversary of the Effective
12 Date, (i) Trust Claimants holding Abuse Claims against the Debtor may elect to pursue litigation
13 against the Debtor (as nominal party only), Non-Settling Insurers and/or certain other parties and
14 (ii) Trust Claimants that have executed and delivered an RCWC Release Agreement may elect to
15 pursue litigation against RCWC (as nominal party only), Non-Settling Insurers and/or certain other
16 parties by filing a notice in a form to be attached as a Plan Supplement (the "**Litigation Option**
17 **Notice**"). For the avoidance of doubt, the Litigation Option Notice may be filed at any time
18 following the Effective Date, but not later than the deadline set forth in this Section. Trust Claimants
19 who do not timely make an election will be deemed to have chosen to forgo the Litigation Option.
20 Only those Trust Claimants who are authorized by the Survivors' Trustee shall be permitted to move
21 forward with Abuse Claim Litigation against the Debtor, RCWC, Non-Settling Insurer(s) and/or
22 other parties. Before a Trust Claimant is authorized by the Survivors' Trustee to move forward with
23 Abuse Claim Litigation against the Debtor, RCWC, Non-Settling Insurer(s) and/or other parties, the
24 Trust Claimant must first execute and deliver the Litigation Claimant Agreement to the Survivors'
25 Trustee.

26 9.8.4.1. Upon written notice to the Survivors' Trustee, subject to the
27 Survivors' Trustee's sole and absolute discretion, a Litigation Claimant may rescind that
28 election. Notwithstanding the foregoing, the Survivors' Trustee shall consent to such

1 rescission if such written notice of rescission is given prior to entry of an order of dismissal
2 or a final judgment by a Final Order in the Abuse Claim Litigation in favor of a Released
3 Party or RCWC.

4 9.8.4.2. *Claim Enhancement.* To the extent the Survivors' Trustee
5 enters into an Insurance Settlement Agreement with respect to a Target Policy that covers a
6 Litigation Claimant's Abuse Claim, such Claimant shall be entitled to an enhanced
7 Distribution (the "**Claim Enhancement**") as set forth below to his or her allocation pursuant
8 to the Survivors' Trust Distribution Plan, which enhanced amount shall be payable from the
9 proceeds of the applicable Insurance Settlement Agreement. To the extent the Debtor and
10 the Committee enter into an Insurance Settlement Agreement prior to the Confirmation Date
11 with respect to a Target Policy that covers an Abuse Claim for which the automatic stay has
12 been modified or lifted by the Bankruptcy Court such that it may continue after the Petition
13 Date, such Abuse Claim shall also be entitled to the Claim Enhancement. The Claim
14 Enhancements are independent of one another and are not intended to be cumulative. The
15 Survivors' Trustee shall reserve sufficient amounts to fund such enhanced payments prior to
16 making any Distribution of Insurance Settlement Agreement proceeds to Abuse Claimants
17 who are not Litigation Claimants. The Claim Enhancement shall be applied as follows:

18 9.8.4.3. A Litigation Claimant shall be entitled to an enhancement of
19 10% if the Survivors' Trust negotiates an Insurance Settlement Agreement for a Target
20 Policy of such Litigation Claimant if the Insurance Settlement Agreement is entered into
21 prior to commencing litigation in such Litigation Claimant's case.

22 9.8.4.4. A Litigation Claimant shall be entitled to an enhancement of
23 25% if the Survivors' Trust negotiates an Insurance Settlement Agreement for a Target
24 Policy of such Litigation Claimant if the Insurance Settlement Agreement is entered into
25 after litigation commences but prior to a deposition or interview of the Litigation Claimant
26 by opposing counsel in such Litigation Claimant's case.

27 9.8.4.5. A Litigation Claimant shall be entitled to an enhancement of
28 40% if the Survivors' Trust negotiates an Insurance Settlement Agreement for a Target

1 Policy of such Litigation Claimant if the Insurance Settlement Agreement is entered into
2 after a deposition or interview of the Litigation Claimant by opposing counsel but before
3 commencement of a trial in such Litigation Claimant's case.

4 9.8.4.6. A Litigation Claimant shall be entitled to an enhancement of
5 50% if the Survivors' Trust negotiates an Insurance Settlement Agreement for a Target
6 Policy of such Litigation Claimant if the Insurance Settlement Agreement is entered into on
7 or after the first day of a trial in such Litigation Claimant's case.

8 9.8.4.7. A Litigation Claimant shall be entitled to an enhancement of
9 100% if the Survivors' Trust negotiates an Insurance Settlement Agreement for a Target
10 Policy of such Litigation Claimant if the Insurance Settlement Agreement is entered into
11 after a Litigation Claim Award entered in favor of the Litigation Claimant in such litigation
12 becomes final and non-appealable.

13 9.9. **Limits on Judgment Amount.** In no event may a Litigation Claimant receive more
14 than the total amount of his or her judgment from all sources. For the avoidance of doubt, if, after
15 accounting for recovery from parties other than the Survivors' Trust, a Litigation Claimant receives
16 any amount in excess of the amount of the Litigation Claim Award, such amount shall be
17 recoverable by the Survivors' Trustee. In any case of a Trust Claimant who obtains a Litigation
18 Claim Award, where the payment of any amounts payable to such Trust Claimant by (i) defendants
19 in the Abuse Claim Litigation other than the Released Parties and/or (ii) one or more Non-Settling
20 Insurers, when taken together with any distributions received by such Trust Claimant from the
21 Survivors' Trust, would cause such Trust Claimant to receive more than the total amount of his or her
22 Litigation Claim Award, then (a) all amounts to be paid under such Litigation Claim Award that
23 would be in excess of such Litigation Claim Award shall be paid to the Survivors' Trustee to be
24 allocated for distribution to other Trust Claimants on account of their *pro rata* share of Survivors'
25 Trust Assets, or (b) if such amounts are paid directly to the Litigation Claimant, such Litigation
26 Claimant shall immediately turn them over to the Survivors' Trustee; *provided, however*, any such
27 Abuse Claimant is not barred by this Section 9.9 from seeking extracontractual damages under the
28 holding of *Hand* and (iii) all defenses and the rights of any Non-Settling Insurer to oppose any such

1 claim by an Abuse Claimant under *Hand* are fully preserved, including that *Hand* is not a correct
2 statement of applicable law and that it would not apply to any such asserted claim.

3 9.9.1. *Reporting Requirement.* The Survivors' Trustee shall report to the
4 Reorganized Debtor, on a quarterly basis, or upon reasonable request, (i) the date on which each
5 Abuse Claimant is notified of their award under the Survivors' Trust Distribution Plan, (ii) whether
6 each Abuse Claimant has elected the Immediate Payment or the Litigation Option, and (iii) any
7 modification made by any Abuse Claimant to their treatment status.

8 9.10. ***Provisions for Preliminary Distribution to Holders of Allowed Abuse Claims.***

9 9.10.1. *Preliminary Review.* Not later than the Preliminary Abuse Claim
10 Allowance Deadline, the Abuse Claims Reviewer shall review the Proof of Claim for each Abuse
11 Claim to (a) determine whether it is an Allowed Claim, and (b) determine whether it asserts a
12 compensable claim against RCWC. The allowance of Abuse Claims by the Abuse Claims Reviewer
13 shall have no effect on the amount of the contributions of the Debtor or RCWC. Neither the
14 determination by the Abuse Claims Reviewer that a Proof of Claim is an Allowed Claim, nor that a
15 Proof of Claim asserts a compensable claim against RCWC, shall constitute a trial, an adjudication
16 on the merits, or evidence of liability or damages in any litigation with any Non- Settling Insurer or
17 any other Person.

18 9.10.2. *Preliminary Distribution.* Not later than 10 days after the Preliminary
19 Abuse Claim Allowance Deadline, the Survivors' Trustee shall make a Preliminary Distribution to
20 the Holder of each Abuse Claim determined by the Abuse Claims Reviewer to be an Allowed Claim
21 in the amount of \$5,000.00 to each such Holder from the Survivors' Trust Assets in accordance with
22 the Survivors' Trust Documents.

23 9.11. ***Compensation and Reimbursement of Expenses to Survivors' Trustee and***
24 ***Survivors' Trust Professionals.*** The Survivors' Trustee shall be entitled to compensation as
25 provided for in the Survivors' Trust Documents. The Survivors' Trustee may retain and reasonably
26 compensate, without Bankruptcy Court approval and without the consent of the Reorganized
27 Debtor, counsel and other Professionals as reasonably necessary to assist in the duties of the
28 Survivors' Trustee subject to the terms of the Survivors' Trust Documents. All fees and expenses

1 incurred in connection with the foregoing shall be payable by the Survivors' Trust, as provided for
2 in the Survivors' Trust Documents.

3 9.12. **Excess Survivors' Trust Assets.** After all cost-effective distributions from the
4 Survivors' Trust are made to Holders of Allowed Abuse Claims and all expenses of the Survivors'
5 Trust Expenses are paid, all remaining Assets in the Survivors' Trust shall be transferred to a charity
6 to support sexual abuse survivors chosen by the Survivors' Trust Advisory Board.

7 9.13. **Indemnification of Debtor, Reorganized Debtor and RCWC.** The Survivors' Trust
8 shall indemnify and hold harmless the Debtor, the Reorganized Debtor and RCWC, provided that
9 as to RCWC such indemnification shall apply only as to Abuse Claims the Holders of which have
10 executed and delivered the RCWC Release Agreement, from and against any and all Abuse Claims
11 in an amount not to exceed the Defense Costs Reserve. The Survivors' Trust shall not have any
12 obligation to indemnify any Person accused of committing a physical act of Abuse against an Abuse
13 Claimant or such Abuse Claimant's predecessor(s)-in-interest.

14 9.14. **Modification of Survivors' Trust Documents.** The Survivors' Trust Documents
15 may not be amended or modified without the consent of the Reorganized Debtor, which consent
16 shall not be unreasonably withheld. Notwithstanding the foregoing, no such amendment shall affect
17 the rights of any remaining Non-Settling Insurers.

18 **ARTICLE X**

19 **CONDITIONS TO CONFIRMATION AND EFFECTIVENESS OF THE PLAN**

20 10.1. **Conditions to Confirmation.** The following are conditions precedent to
21 Confirmation of this Plan that must be (i) satisfied, or (ii) waived, subject to Court approval:

22 10.1.1. A Final Order finding the Disclosure Statement contains adequate
23 information pursuant to Section 1125 of the Bankruptcy Code shall have been entered by the Court.

24 10.1.2. The Plan, Plan Supplement, Survivors' Trust Documents and any other
25 Plan Documents are in a form acceptable to the Committee.

26 10.1.3. The proposed Confirmation Order is acceptable to the Committee.

27 10.1.4. The Confirmation Order approves the Channeling Injunction and
28 Exculpation Clause.

1 10.1.5. The Confirmation Order approves the form of the RCWC Release
2 Agreement and includes a finding that any Abuse Claimant returning a signed RCWC Release
3 Agreement shall fully and completely release all claims against RCWC as and to the extent provided
4 in the RCWC Release Agreement.

5 10.1.6. The Confirmation Order shall include a finding of fact that the Committee,
6 any Settling Insurers, and each of their respective present and former members, officers, directors,
7 employees, advisors, attorneys, and agents acted in good faith within the meaning of and with
8 respect to all of the actions described in Section 1125(e) of the Bankruptcy Code and are, therefore,
9 not liable for the violation of any applicable law, rule, or regulation governing such actions.

10 10.1.7. The Confirmation Order in a form consistent with the foregoing shall be
11 entered in the Chapter 11 Case.

12 10.2. **Conditions to Effectiveness.** The following are conditions precedent to the Effective
13 Date that must be (i) satisfied, or (ii) waived, subject to Court approval (for the avoidance of doubt,
14 the Effective Date is not conditioned on resolution of any litigation or assumption of any Unexpired
15 Leases or Executory Contracts):

16 10.2.1. The Confirmation Order shall have been entered and shall be a Final Order
17 in a form reasonably acceptable to the Committee, and there shall be no stay or injunction that would
18 prevent the occurrence of the Effective Date. The Committee in its sole discretion may waive the
19 requirement that the Confirmation Order be a Final Order.

20 10.2.2. There shall have been no material amendments to the Plan or Confirmation
21 Order following entry of the Confirmation Order.

22 10.2.3. The Debtor, the Survivors' Trustee, and any other necessary parties shall
23 have executed all documents necessary for formation of the Survivors' Trust, and for the Survivors'
24 Trustee to administer and operate the Survivors' Trust.

25 10.2.4. The Debtor shall have executed and delivered to the Survivors' Trustee the
26 Debtor Contribution Deeds of Trust.

27 10.2.5. If RCWC has elected to make the RCWC Cash Contribution, RCWC shall
28 have executed and delivered to the Survivors' Trustee the RCWC Contribution Deeds of Trust.

1 10.2.6. The Initial Debtor Contribution, the Initial RCWC Contribution (if
2 applicable) and any Additional Debtor Contributions and Additional RCWC Contributions due on
3 the Effective Date shall have been paid, and the proof thereof provided to the Debtor and the
4 Survivors' Trustee.

5 10.2.7. All other actions, authorizations, filings, consents, and approvals required
6 (if any), including, but not limited to, canonical approvals, shall have been obtained, effected, or
7 executed in a manner acceptable to the Committee and remain in full force and effect or, if waivable,
8 waived by the Person or Persons entitled to the benefit thereof.

9 10.2.8. All other actions, documents, and agreements necessary to implement and
10 effectuate the Plan shall have been effected or executed.

11 10.2.9. The statutory fees owing to the United States Trustee as of the deadline for
12 payment immediately preceding the Effective Date shall have been paid in full.

13 10.3. ***Waiver of Conditions.*** The conditions to Confirmation set forth in Section 10.1 or
14 the Effective Date set forth in Section 10.2 may be waived, in whole or in part, by the Committee,
15 subject to approval of the Court. The failure to satisfy any material condition to Confirmation or
16 the Effective Date may be asserted by the Committee in its sole discretion so long as such failure
17 was not primarily caused by any action or inaction by the Committee. The failure of the Committee
18 to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each
19 such right shall be deemed an ongoing right, which may be asserted at any time.

20 10.4. ***Revocation of the Plan.*** If Confirmation does not occur, an order denying
21 Confirmation is entered by the Court, or if the Plan does not become effective, then the Plan shall
22 be null and void, and nothing contained in the Plan or Disclosure Statement shall: (a) constitute a
23 waiver or release of any Claims against the Debtor; (b) constitute a waiver or release of any right,
24 claim or cause of action of the Committee; (c) constitute an admission of any fact or legal conclusion
25 by the Committee or any other Person; (d) prejudice in any manner the rights of the Committee or
26 any other party in any related or further proceedings; or (e) constitute a settlement, implicit or
27 otherwise, of any kind whatsoever.

28

1 **ARTICLE XI**

2 **RESERVED**

3 **ARTICLE XII**

4 **MEANS FOR IMPLEMENTING THE PLAN**

5 12.1. ***Revesting.***

6 12.1.1. *Revesting of Property in the Reorganized Debtor.* On the Effective Date,
7 all property of the Estate as defined in Section 541 of the Bankruptcy Code other than the Survivors'
8 Trust Assets, including any Causes of Action, shall be revested in the Reorganized Debtor, free and
9 clear of all Liens and encumbrances and all Claims, rights, interests, and entitlements. Thereafter,
10 the Reorganized Debtor may use, sell, transfer or exchange such property in its discretion, subject
11 to any restriction or limitation set forth in the Plan.

12 12.1.2. *Obtaining Credit.* At any time after the Effective Date the Reorganized
13 Debtor may obtain credit in its sole discretion without approval of the Bankruptcy Court.

14 12.1.3. *No Waiver.* No claim, right, Cause of Action, or other property of the
15 Estate shall be deemed waived or otherwise forfeited by the Debtor's failure to identify such
16 property in the Schedules or the Disclosure Statement accompanying the Plan.

17 12.2. ***Non-Monetary Commitment to Healing and Reconciliation.*** In order to further
18 promote healing and reconciliation, and in order to continue efforts to protect children and
19 vulnerable adults and to prevent Abuse from occurring in the future, the Reorganized Debtor shall,
20 (a) as of the Effective Date continue the non-monetary measures outlined in Article IV(G) of the
21 Third Amended Disclosure Statement entitled "Debtor's Mission to Effect Reconciliation and
22 Compensation" after the Effective Date; and (b) not later than the Effective Date (unless a different
23 date is provided in the Confirmation Order) implement the Child Protection Protocols in the form
24 filed as Schedule 1.1.31, which non-monetary measures are expressly incorporated herein, provided
25 that if there is any inconsistency between existing measures identified in "(a)" above, and the Child
26 Protection Protocols, the Child Protection Protocols shall govern.

27 12.3. ***Treatment of Actions and Causes of Action.*** On the Effective Date, all Causes of
28 Action held by the Estate or the Debtor other than those included in the Survivors' Trust Assets

1 shall be deemed fully vested in the Reorganized Debtor. Pursuant to Section 1123(b)(3) of the
2 Bankruptcy Code, the Reorganized Debtor shall retain and have the exclusive authority and standing
3 to prosecute, enforce, pursue, sue on, settle or compromise any and all Causes of Action (including
4 Avoidance Actions), arising before the Effective Date, including all Causes of Action of a trustee
5 and debtor-in-possession under the Bankruptcy Code, but not including the Coverage Action,
6 Assigned Insurance Interests, and any other Causes of Action expressly released or compromised
7 as part of or pursuant to the Plan or by other order of the Bankruptcy Court entered prior to the
8 Effective Date. The Reorganized Debtor shall also retain and may prosecute and enforce all
9 defenses, counterclaims, and rights that have been asserted or could be asserted by the Debtor
10 against or with respect to all Claims asserted against the Debtor or property of the Estate. Failure
11 to specifically identify potential Causes of Action in the Plan shall not be deemed a waiver of any
12 such Cause of Action by the Debtor, Reorganized Debtor, or the Survivors' Trust.

13 12.4. ***Continued Existence.*** From and after the Effective Date, the Debtor shall continue
14 in existence as the Reorganized Debtor in accordance with applicable law for all purposes,
15 including, among other things, (a) enforcing and prosecuting claims, interests, rights, and privileges
16 of the Debtor including, without limitation, prosecuting Causes of Action, (b) resolving Disputed
17 non-Abuse Claims, (c) administering the Plan, (d) filing appropriate tax returns and refund requests,
18 and (e) performing all such other acts and conditions required by and consistent with consummation
19 of the Plan.

20 12.5. ***The Survivors' Trust.*** On the Effective Date, the Survivors' Trust shall be created
21 as provided in Article IX of the Plan.

22 12.6. ***Post-Effective Date Prosecution of Non-Abuse Litigation Claims.***

23 12.6.1. ***Relief from the Automatic Stay.*** Effective upon the Effective Date, Holders
24 of Class 6 Claims are granted relief from the automatic stay provided for in Section 362 of the
25 Bankruptcy Code solely for the purpose of continuing to prosecute their Class 6 Claim in a court of
26 competent jurisdiction (each, a "**Class 6 Action**"), including, but not limited to, litigating such
27 action through entry of a judgment, prosecution of any appeals and/or settlement of such action,
28 subject to the terms and conditions set forth herein. All Holders of Class 6 Claims shall be permitted,

1 but not required, to liquidate their Class 6 Action in a court of competent jurisdiction in accordance
2 with 28 U.S.C. § 157(b)(2)(B).

3 12.6.2. *Non-Abuse Litigation Reserve.* No less than 60 days after the Effective
4 Date, the Reorganized Debtor shall establish the Non-Abuse Litigation Reserve and fund it with
5 \$750,000.00. For the avoidance of doubt, the Non-Abuse Litigation Reserve shall be in excess of
6 any contributions made by the Debtor and RCWC (if any) on behalf of Abuse Claims.

7 12.6.3. *Sources of Recovery for Non-Abuse Litigation Claims.* Notwithstanding
8 any provision to the contrary in the Plan Documents, Holders of Class 6 Claims shall be entitled to
9 prosecute and/or settle their respective Class 6 Action, provided that each such Holder shall be
10 limited to recovering from (i) the proceeds of any applicable insurance policy which provides
11 coverage, or could provide coverage, with respect to such Class 6 Claim and (ii) its *pro rata* portion
12 of the Non-Abuse Litigation Reserve; *provided, however*, no Holder of a Class 6 Claim may recover
13 more than \$250,000.00 from the Non-Abuse Litigation Reserve. Effective upon the Effective Date,
14 Holders of Class 6 Claims shall be otherwise barred and enjoined from seeking recovery on any
15 judgment or settlement obtained in their respective Class 6 Action from the assets of the Debtor,
16 Reorganized Debtor, Survivors' Trust, and any other party receiving a release under this Plan.

17 12.6.4. *Insurance Coverage for Non-Abuse Litigation Claims.* All parties,
18 including, but not limited to, any insurer under any insurance policy alleged to provide coverage of
19 a Class 6 Claim, reserve and expressly do not waive any of their rights, remedies and/or defenses
20 with respect to any Class 6 Claim. If any insurer denies and/or disclaims coverage of a Class 6
21 Claim, the Debtor or Reorganized Debtor (as applicable) shall reasonably cooperate at the sole cost
22 of the Holder of such Class 6 Claim to assign to that Holder the right to pursue and receive the
23 proceeds of any applicable coverage under such Insurer's Abuse Insurance Policy or Abuse
24 Insurance Policies. Nothing contained herein shall be deemed a representation or warranty
25 concerning the availability, scope or interpretation of any insurance coverage(s) which may or may
26 not exist for Class 6 Claims.

27 12.7. ***Document Access***

28 12.7.1. The Survivors' Trust shall provide Litigation Claimants, upon request, all

1 non-privileged information previously provided by the Debtor to the Committee bearing on the
2 Debtor's liability for Abuse Claims.

3 12.8. ***Bankruptcy Procedure and Transition.***

4 12.8.1. *Notice Required Post-Confirmation.* Except as otherwise specifically
5 provided in this Plan, notice of Filings in the Bankruptcy Court after the Confirmation Date,
6 including fee applications, shall be required to be given only to Persons or Entities on the Post-
7 Confirmation Notice List. Consistent with the Local Rules of the Bankruptcy Court, no other form
8 of service shall be required on parties receiving service through the Court's Electronic Case Filing
9 System.

10 12.8.2. *Post-Confirmation Matters.* Except as otherwise specified herein, matters
11 arising after the Confirmation Date and subject to the Court's retained jurisdiction may be initiated
12 in the same manner and with the same effect as if the Chapter 11 Case was pending before the
13 Bankruptcy Court and the Plan had not been confirmed. Subject to the provisions of the Plan and
14 the Bankruptcy Code governing compensation of Professionals, and except as provided in Article
15 XIII of the Plan, every party to such a matter shall bear its own attorneys' fees and costs in
16 connection therewith.

17 12.8.3. *Dissolution of the Committee.* On the Effective Date, the Committee shall
18 be dissolved and the Committee and its members shall be discharged of and from all further
19 authority, duties, responsibilities, and obligations related to, arising from and in connection with the
20 Chapter 11 Case.

21 12.8.4. *Statutory Fees.*

22 12.8.4.1. The Reorganized Debtor shall continue to pay all U.S.
23 Trustee Fees until the Chapter 11 Case is closed. All U.S. Trustee Fees shall be paid at the
24 rate in effect at the time such fees come due.

25 12.8.4.2. Solely for purposes of calculating U.S. Trustee Fees on
26 account of the amounts to be funded by the Debtor to the Survivors' Trust, such amounts
27 shall be considered distributions from the Debtor pursuant to 28 U.S.C. § 1930(a)(6) on the
28 date of such distributions.

1 12.8.4.3. Contributions by any party to the Survivors' Trust other than
2 the Debtor, including without limitation RCWC or a Settling Insurer, shall not be considered
3 distributions by or on behalf of the Debtor or Reorganized Debtor for purposes of calculating
4 U.S. Trustee Fees.

5 12.8.4.4. Distributions from the Survivors' Trust shall not be
6 considered distributions by or on behalf of the Debtor or Reorganized Debtor for purposes
7 of calculating U.S. Trustee Fees.

8 12.8.5. *Post-Confirmation Reporting.* The Reorganized Debtor shall file with the
9 Bankruptcy Court post-confirmation quarterly reports in a form consistent with Bankruptcy Code §
10 1106(a)(7), Bankruptcy Rule 2015(a)(5), and 28 C.F.R. § 58.8 until the earliest of the Chapter 11
11 Case being closed, dismissed, or converted to a case under Chapter 7 of the Bankruptcy Code.

12 12.9. ***Post-Petition Deposits.***

13 12.9.1. *Closing of Utility Deposit Account.* As of the Effective Date, the
14 Reorganized Debtor shall be authorized to close the Adequate Assurance Account, as defined in the
15 *Final Order Establishing Adequate Assurance Procedures With Respect to The Debtor's Utility*
16 *Providers* [Dkt. No. 114], and retain all funds held therein.

17 12.9.2. *Other Deposits.* From and after the Effective Date, the Reorganized Debtor
18 may, at its election, demand the refund of any deposit provided to a Person other than a utility after
19 the Petition Date or may offset the amount of such deposit, at the Reorganized Debtor's election,
20 against either post-Effective Date billings or against distributions to the holder of such deposit on
21 account of its Allowed Claims, or otherwise take any actions permitted by law to obtain recovery of
22 such deposit; for the avoidance of any doubt, the foregoing supersedes any pre- or post-petition
23 agreement between the holder of such deposit and the Debtor.

24 12.10. ***Other Actions.*** On and after the Effective Date, the Reorganized Debtor and the
25 Survivors' Trustee shall be authorized to take such actions as are reasonably necessary to complete
26 and effectuate the terms of this Plan, subject only to the specific limitations contained in this Plan,
27 the Bankruptcy Code or Bankruptcy Rules, and any order of the Court.

28 12.11. ***General Settlement.*** Pursuant to Sections 105 and 1123 of the Bankruptcy Code and

1 Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other
2 benefits provided under the Plan, on the Effective Date, the provisions of the Plan shall constitute a
3 good faith compromise and settlement of all Claims and controversies resolved pursuant to the Plan.
4 On or before the Effective Date, the Bankruptcy Court will have approved, by Final Order, such
5 compromises, and the Bankruptcy Court's findings will constitute its determination that such
6 compromises and settlements are in the best interests of the Debtor, the Estate, Abuse Claimants
7 (including Unknown Abuse Claims), Holders of other Claims, and other parties in interest, and are
8 fair, equitable, and within the range of reasonableness. To the extent a separate Final Order is not
9 entered on or before the Confirmation Date, the entry of the Confirmation Order will constitute the
10 Final Order approving the compromises and settlements hereunder.

11 12.12. *Closing of the Case.* As soon as reasonably practicable, consistent with the
12 provisions of this Plan, the Bankruptcy Code, including without limitation, Section 350 of the
13 Bankruptcy Code, the Bankruptcy Rules, including without limitation, Bankruptcy Rule 3022, and
14 the Local Rules of the Bankruptcy Court, the Reorganized Debtor, with the consent of the Survivors'
15 Trustee, shall file and serve an application for entry of a Final Decree closing the Chapter 11 Case,
16 together with a proposed Final Decree. A Final Decree may be entered before the Survivors' Trust
17 is fully administered, and the expectation that the Survivors' Trust will make further distributions
18 shall not be a basis for delaying entry of a Final Decree. Entry of a Final Decree closing the Chapter
19 11 Case shall, whether or not specified therein, be without prejudice to the right of the Reorganized
20 Debtor, the United States Trustee, the Survivors' Trustee, or any other party in interest to reopen
21 the Chapter 11 Case for any matter over which the Bankruptcy Court or the District Court has
22 retained jurisdiction under this Plan. Any Final Decree or order closing this Chapter 11 Case will
23 provide that the Bankruptcy Court or the District Court, as appropriate, will retain (a) jurisdiction
24 to enforce, by injunctive relief or otherwise, the Confirmation Order, any other orders entered in
25 this Chapter 11 Case, and the obligations created by this Plan and the Plan Documents; and (b) all
26 other jurisdiction and authority granted to it under this Plan and the Plan Documents.

27

28

1 recovery from any applicable Non-Settling Insurer Abuse Insurance Policy in accordance with this
2 Plan, and anything herein to the contrary notwithstanding, to the extent the Holder of an Abuse
3 Claim elects the Litigation Option, such Abuse Claim shall not be discharged or released to the
4 extent that such Holder may assert claims in a court of competent jurisdiction against the Debtor in
5 name only and cannot recover any additional amounts from the Debtor other than the Debtor
6 Contribution to the Survivors' Trust as provided herein. For avoidance of doubt, subject to the
7 foregoing, the discharge provided under the Plan and Section 1141 will be effective as to each such
8 Abuse Claim upon occurrence of the applicable Abuse Claim Discharge Date.

9 13.3.1. The Abuse Claim Discharge Date with respect to each Abuse Claim shall
10 be determined as follows:

11 13.3.1.1. With respect to any Abuse Claim held by an Unknown Abuse
12 Claimant, the Abuse Claim Discharge Date shall be the Effective Date.

13 13.3.1.2. With respect to any Abuse Claim held by an Abuse Claimant
14 who is authorized, on or before the first anniversary of the Effective Date, to proceed as a
15 Litigation Claimant, the Abuse Claim Discharge Date shall be the earlier of (a) the date on
16 which all Litigation Claims asserted by such Litigation Claimant against the Debtor and/or
17 RCWC have been fully adjudicated, settled or dismissed on a final and non-appealable basis,
18 (b) the date on which the Abuse Claimant withdraws his or her election to be a Litigation
19 Claimant in accordance with Section 9.8 of the Plan, or (c) the date on which the Trust enters
20 into a settlement with respect to all Non-Settling Insurer Policies that are Target Policies of
21 such Litigation Claim.

22 13.3.1.3. With respect to any Abuse Claim held by Abuse Claimants
23 who are not authorized by the Trustee to liquidate his or her Litigation Claim on or before
24 the first anniversary of the Effective Date, the Abuse Claim Discharge Date shall be the first
25 anniversary of the Effective Date.

26 13.3.2. For the avoidance of doubt, the Abuse Claim Discharge Date for any Abuse
27 Claim against any Non-Settling Insurers who issued Non-Settling Insurer Policies that are Target
28 Policies shall be deemed to occur no later than the first day following the date on which the

1 Survivors' Trust has fully adjudicated, settled or dismissed on a final and non-appealable basis all
2 such Abuse Claims.

3 13.4. ***Confirmation Injunction.***

4 Except as expressly provided in the Plan or the Confirmation Order, as of the Effective Date
5 all Holders of Claims of any nature whatsoever against or in the Debtor or any of its assets or
6 properties based upon any act, omission, transaction, occurrence, or other activity of any nature that
7 occurred before the Effective Date shall be precluded and permanently enjoined from prosecuting
8 or asserting any such discharged Claim against the Debtor or the Reorganized Debtor or the property
9 of the Debtor or Reorganized Debtor. In accordance with the foregoing, except as expressly
10 provided in the Plan or the Confirmation Order, the Confirmation Order shall be a judicial
11 determination of discharge or termination of all Claims, and other debts and liabilities against or in
12 the Debtor pursuant to Sections 105, 524 and 1141 of the Bankruptcy Code, and such discharge
13 shall void any judgment obtained against the Debtor at any time to the extent such judgment relates
14 to a discharged Claim.

15 13.5. ***Injunction Against Interference with the Plan.*** Upon the entry of the Confirmation
16 Order, all Holders of Claims and other parties in interest, along with their respective present or
17 former affiliates, employees, agents, officers, directors, attorneys, or principals, shall be enjoined
18 from taking any actions to interfere with the implementation or consummation of this Plan.

19 13.6. ***Exculpation.*** **Subject to the occurrence of the Effective Date, to the fullest extent**
20 **permissible under applicable law and without affecting or limiting either the releases by the**
21 **Debtor, and except as otherwise specifically provided in the Plan or the Confirmation Order,**
22 **none of the Exculpated Parties shall have or incur any liability to any Holder of a Claim or**
23 **any other Person for any act or omission in connection with, related to, or arising out of, the**
24 **Chapter 11 Case, the Plan, the pursuit of Confirmation of the Plan, the negotiation and**
25 **consummation of the Plan, or the administration of the Chapter 11 Case and the Plan, the**
26 **property to be distributed under the Plan, the administration of the Survivors' Trust Assets**
27 **and the Survivors' Trust by the Survivors' Trustee, or any other related agreement, or any**
28 **restructuring transaction, contract, instrument, release, or other agreement or document**

1 created or entered into during the Chapter 11 Case in connection with the Chapter 11 Case,
2 or upon any other act or omission, transaction, agreement, event, or other occurrence related
3 or relating to the foregoing, and each Exculpated Party hereby is exculpated from any claim
4 or Cause of Action related to the foregoing; *provided, however*, that the foregoing shall not
5 operate as an exculpation, waiver or release for (i) any express contractual obligation owing
6 by any such Person or Entity, (ii) willful misconduct or gross negligence, and (iii) with respect
7 to Professionals, liability arising from claims of professional negligence which shall be
8 governed by the standard of care otherwise applicable to professional negligence claims under
9 applicable non-bankruptcy law, and, in all respects, the Exculpated Parties shall be entitled
10 to rely upon the advice of counsel with respect to their duties and responsibilities under the
11 Plan; *provided further* that nothing in the Plan shall, or shall be deemed to, release the
12 Exculpated Parties, or exculpate the Exculpated Parties with respect to, their respective
13 obligations or covenants arising pursuant to the Plan.

14 13.7. *Injunction Related to Exculpation.* As of the Effective Date, all Holders of Claims
15 that are the subject of Section 13.6 are, and shall be, expressly, conclusively, absolutely,
16 unconditionally, irrevocably, and forever stayed, restrained, prohibited, barred and enjoined from
17 taking any of the following actions against any Exculpated Party and, solely to the extent provided
18 by Section 1125(e) of the Bankruptcy Code, any Entity described in Section 1125(e) or its or their
19 property or successors or assigns on account of or based on the subject matter of such Claims,
20 whether directly or indirectly, derivatively or otherwise: (a) commencing, conducting or continuing
21 in any manner, directly or indirectly, any suit, action or other proceeding (including any judicial,
22 arbitral, administrative or other proceeding) in any forum; (b) enforcing, attaching (including any
23 prejudgment attachment), collecting, or in any way seeking to recover any judgment, award, decree,
24 or other order; (c) creating, perfecting or in any way enforcing in any matter, directly or indirectly,
25 any Lien or encumbrance; and/or (d) setting off, seeking reimbursement or contributions from, or
26 subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount
27 against any liability or obligation that is discharged under Section 13.3 or exculpated under Section
28 13.6.

1 13.8. *Releases by the Debtor.* As of the Effective Date, except for the rights that remain
2 in effect from and after the Effective Date to enforce the Plan and the Confirmation Order,
3 pursuant to Section 1123(b) of the Bankruptcy Code, for good and valuable consideration, the
4 adequacy of which is hereby confirmed, including the service of the Released Parties and
5 Settling Insurers, and each of them, to facilitate and implement the reorganization of the
6 Debtor, as an integral component of the Plan, the Releasing Parties shall, and shall be deemed
7 to, expressly, conclusively, absolutely, unconditionally, irrevocably, and forever release and
8 discharge each and all of the Released Parties and Settling Insurers of and from any and all
9 Causes of Action (including Avoidance Actions), any and all other Claims, obligations, rights,
10 demands, suits, judgments, damages, debts, remedies, losses and liabilities of any nature
11 whatsoever (including any derivative claims or Causes of Action asserted or that may be
12 asserted on behalf of the Debtor, the Reorganized Debtor, or the Estate), whether liquidated
13 or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or
14 unforeseen, existing or hereinafter arising, in law, equity, contract, tort or otherwise, based
15 on or relating to, or in any manner arising from, in whole or in part, any act, omission,
16 transaction, event, or other circumstance taking place or existing on or before the Effective
17 Date (including before the Petition Date) in connection with or related to the Debtor, the
18 Reorganized Debtor, the Estate, their respective assets and properties, the Chapter 11 Case,
19 the Plan Documents, and any related agreements, instruments, and other documents created
20 or entered into before or during the Chapter 11 Case, the pursuit of entry of the Confirmation
21 Order, the administration and implementation of the Plan, including the distribution of
22 property under the Plan, or any other related agreement, or upon any other act or omission,
23 transaction, agreement, event, or other occurrence taking place on or before the Effective Date
24 related or relating to the foregoing. Notwithstanding anything to the contrary in the
25 foregoing, the releases set forth in this Section 13.8 shall not be construed as releasing any
26 post-Effective Date obligations of any Person or Entity under the Plan or any document,
27 instrument, or agreement executed to implement the Plan or reinstated under the Plan.

28 13.9. *Injunction Related to Discharge.* As of the Effective Date, and except as set forth

1 in Articles VIII and IX hereof for Abuse Claimants who elect the Litigation Option to sue the
2 Debtor (as a nominal party only), all Creditors treated under the Plan are, and shall be,
3 expressly, conclusively, absolutely, unconditionally, irrevocably, and forever stayed,
4 restrained, prohibited, barred and enjoined from taking any of the following actions against
5 any Released Party or its property or successors or assigns on account of or based on the
6 subject matter of Claims treated under the Plan, whether directly or indirectly, derivatively
7 or otherwise: (a) commencing, conducting or continuing in any manner, directly or indirectly,
8 any suit, action or other proceeding (including any judicial, arbitral, administrative or other
9 proceeding) in any forum; (b) enforcing, attaching (including, without limitation, any
10 prejudgment attachment), collecting, or in any way seeking to recover any judgment, award,
11 decree, or other order; (c) creating, perfecting or in any way enforcing in any matter, directly
12 or indirectly, any Lien or encumbrance; and/or (d) setting off, seeking reimbursement or
13 contributions from, or subrogation against, or otherwise recouping in any manner, directly or
14 indirectly, any amount against any liability or obligation that is discharged under Section 13.3
15 of the Plan.

16 13.10. *Disallowed Claims.* On and after the Effective Date, the Debtor and the Reorganized
17 Debtor shall be fully and finally discharged of any and all liability or obligation on any and all
18 Disallowed Claims, and any order Disallowing a Claim that is not a Final Order as of the Effective
19 Date solely because of an Entity's right to move for reconsideration of such Order pursuant to
20 Section 502 of the Bankruptcy Code or Bankruptcy Rule 3008 shall nevertheless become and be
21 deemed to be a Final Order on and as of the Effective Date. The Confirmation Order, except as
22 otherwise provided herein, shall constitute an order Disallowing all Claims to the extent such Claims
23 are not allowable under any provision of Section 502 of the Bankruptcy Code, including time-barred
24 Claims, and Claims for unmatured interest.

25 13.11. *Channeling Injunction.* IN CONSIDERATION OF THE UNDERTAKINGS
26 UNDER THIS PLAN BY THE RELEASED PARTIES, THEIR CONTRIBUTIONS TO THE
27 SURVIVORS' TRUST, AND OTHER CONSIDERATION AND TO FURTHER PRESERVE
28 AND PROMOTE THE AGREEMENTS AMONG THE RELEASED PARTIES AND THE

1 **SETTLING INSURERS AND TO SUPPLEMENT WHERE NECESSARY THE**
2 **INJUNCTIVE EFFECT OF THE DISCHARGE AS PROVIDED IN SECTIONS 524 AND**
3 **1141 OF THE BANKRUPTCY CODE, AND PURSUANT TO SECTIONS 105 AND 363 OF**
4 **THE BANKRUPTCY CODE:**

5 **13.11.1. ANY AND ALL CHANNELED CLAIMS, INCLUDING WITHOUT**
6 **LIMITATION UNKNOWN ABUSE CLAIMS, ARE CHANNELED INTO THE**
7 **SURVIVORS' TRUST AND SHALL BE TREATED, ADMINISTERED, DETERMINED,**
8 **RESOLVED AND PAID IN THE AMOUNTS AS PROVIDED BY THE SURVIVORS'**
9 **TRUST DISTRIBUTION PLAN AND PROCEDURES ESTABLISHED UNDER THIS**
10 **PLAN AND THE SURVIVORS' TRUST AGREEMENT AS THE SOLE AND EXCLUSIVE**
11 **REMEDY FOR ALL HOLDERS OF CHANNELED CLAIMS; AND**

12 **13.11.2. EXCEPT AS SET FORTH IN ARTICLES VIII AND IX HEREOF**
13 **FOR ABUSE CLAIMANTS WHO ELECT THE LITIGATION OPTION TO SUE THE**
14 **DEBTOR (AS A NOMINAL PARTY ONLY), ALL PERSONS WHO HELD OR ASSERTED,**
15 **HOLD OR ASSERT, OR MAY IN THE FUTURE HOLD OR ASSERT ANY CHANNELED**
16 **CLAIMS ARE HEREBY PERMANENTLY STAYED, ENJOINED, BARRED AND**
17 **RESTRAINED FROM TAKING ANY ACTION, DIRECTLY OR INDIRECTLY, FOR THE**
18 **PURPOSES OF ASSERTING, ENFORCING, OR ATTEMPTING TO ASSERT OR**
19 **ENFORCE ANY CHANNELED CLAIM AGAINST THE RELEASED PARTIES AND**
20 **THE SETTLING INSURERS, INCLUDING: (i) COMMENCING OR CONTINUING IN**
21 **ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND WITH**
22 **RESPECT TO ANY CHANNELED CLAIM AGAINST ANY OF THE RELEASED**
23 **PARTIES OR SETTLING INSURERS OR AGAINST THE PROPERTY OF ANY OF THE**
24 **RELEASED PARTIES OR SETTLING INSURERS; (ii) ENFORCING, ATTACHING,**
25 **COLLECTING OR RECOVERING, BY ANY MANNER OR MEANS, FROM ANY OF**
26 **THE RELEASED PARTIES OR THE PROPERTY OF ANY OF THE RELEASED**
27 **PARTIES OR SETTLING INSURERS, ANY JUDGMENT, AWARD, DECREE, OR**
28 **ORDER WITH RESPECT TO ANY CHANNELED CLAIM AGAINST ANY OF THE**

1 **RELEASED PARTIES OR SETTLING INSURERS; (iii) CREATING, PERFECTING OR**
2 **ENFORCING ANY LIEN OF ANY KIND RELATING TO ANY CHanneled CLAIM**
3 **AGAINST ANY OF THE RELEASED PARTIES OR SETTLING INSURERS OR THE**
4 **PROPERTY OF THE RELEASED PARTIES OR SETTLING INSURERS; (iv)**
5 **ASSERTING, IMPLEMENTING OR EFFECTUATING ANY CHanneled CLAIM OF**
6 **ANY KIND AGAINST ANY OBLIGATION DUE ANY OF THE RELEASED PARTIES OR**
7 **SETTLING INSURERS, ANY OF THE RELEASED PARTIES OR SETTLING INSURERS,**
8 **OR THE PROPERTY OF ANY OF THE RELEASED PARTIES OR SETTLING**
9 **INSURERS; (v) TAKING ANY ACT, IN ANY MANNER, IN ANY PLACE WHATSOEVER,**
10 **THAT DOES NOT CONFORM TO, OR COMPLY WITH, THE PROVISIONS OF THIS**
11 **PLAN OR THE SURVIVORS' TRUST DOCUMENTS; AND (vi) ASSERTING OR**
12 **ACCOMPLISHING ANY SETOFF, RIGHT OF INDEMNITY, SUBROGATION,**
13 **CONTRIBUTION OR RECOUPMENT OF ANY KIND AGAINST ANY OBLIGATION**
14 **DUE TO ANY OF THE RELEASED PARTIES OR SETTLING INSURERS.**

15 13.12. *Provisions Relating to the Channeling Injunction.*

16 13.12.1. *Modifications.* The Channeling Injunction is a permanent injunction. It
17 shall not be modified, dissolved, or terminated.

18 13.12.2. *Non-Limitation.* Nothing in the Plan or the Survivors' Trust Documents
19 shall or shall be construed in any way to limit the scope, enforceability, or effectiveness of the
20 Channeling Injunction or the assumption by the Survivors' Trust of all liability with respect to the
21 Abuse Claims.

22 13.12.3. *Bankruptcy Rule 3016 Compliance.* The Debtor's compliance with the
23 requirements of Bankruptcy Rule 3016 shall not constitute or be deemed to constitute an admission
24 that the Plan provides for an injunction against conduct not otherwise enjoined under the Bankruptcy
25 Code.

26 13.12.4. *No Duplicative Recovery.* In no event shall any Abuse Claimant be entitled
27 to receive any payment, reimbursement, or restitution from any Released Party under any theory of
28 liability for the same loss, damage, or other Abuse Claim that is reimbursed by the Survivors' Trust

1 or is otherwise based on the same events, facts, matters, or circumstances that gave rise to the
2 applicable Abuse Claim. This provision does not prohibit a Holder of Abuse Claim from pursuing
3 recovery from Non-Settling Insurers for coverage of an Abuse Claim, subject to Articles VIII and
4 IX hereof, or from seeking extracontractual damages under the *Hand* holding.

5 13.13. ***Effect of Channeling Injunction.*** The Channeling Injunction is an integral part of
6 this Plan and is essential to this Plan's consummation and implementation. It is intended that the
7 channeling of the Channeled Claims as provided in Section 13.11 of the Plan shall inure to the
8 benefit of the Released Parties and the Settling Insurers. In any action to enforce the injunctive
9 provisions of Section 13.11 of the Plan against a Holder of a Claim whereby it is held by a Final
10 Order that such Holder willfully violated the terms of Section 13.11 of the Plan, the moving party
11 may seek an award of costs including reasonable attorneys' fees against such Holder, and such other
12 legal or equitable remedies as are just and proper, after notice and a hearing. The Channeling
13 Injunction does not bar claims against any Non-Settling Insurer except to the extent a Non-Settling
14 Insurer becomes a Settling Insurer.

15 13.14. ***Exclusion Regarding Non-Settling Insurers.*** **NOTWITHSTANDING THE**
16 **FOREGOING, AND FOR THE AVOIDANCE OF DOUBT, NOTHING IN THIS ARTICLE**
17 **XIII (INCLUDING THE RELEASES, INJUNCTIONS, AND EXCULPATIONS) LIMITS**
18 **THE RIGHTS OF A NON-SETTLING INSURER AS SET FORTH IN, OR PRESERVED**
19 **BY, THE PLAN, INCLUDING (I) ARTICLES VIII AND IX AND (II) THE RIGHTS OF**
20 **ANY INSURER (INCLUDING NON-SETTLING INSURERS) TO ASSERT ANY CLAIMS**
21 **FOR REINSURANCE UNDER REINSURANCE CONTRACTS OR CLAIMS UNDER**
22 **RETROCESSIONAL CONTRACTS AGAINST THE SETTLING INSURERS AND OTHER**
23 **INSURANCE COMPANIES. FURTHERMORE, THE NON-SETTLING INSURERS ARE**
24 **NOT GRANTING (NOR SHALL THEY BE SUBJECT TO) ANY THIRD- PARTY**
25 **RELEASE, INJUNCTION, OR EXCULPATION COVERING ANY NON- DEBTOR**
26 **PERSON OR ENTITY AND THEY SHALL BE DEEMED TO HAVE OPTED OUT OF ANY**
27 **SUCH RELEASE, INJUNCTION, OR EXCULPATION.**

28

1 Executory Contracts or Unexpired Leases, if any are pending on the Effective Date and not
2 otherwise determined by Confirmation, and the allowance of Claims resulting therefrom.

3 15.1.2. To grant full and complete relief upon the request of the Reorganized
4 Debtor.

5 15.1.3. To determine any and all objections to the allowance of Claims and to
6 allow, disallow, estimate, liquidate, or determine any Claim, except with respect to Abuse Claims
7 whose Holders select the Litigation Option pursuant to Section 9.8.4 hereof.

8 15.1.4. To determine any and all applications for compensation and reimbursement
9 of expenses and any other fees and expenses authorized to be paid or reimbursed under the
10 Bankruptcy Code or the Plan which accrued on or prior to the Confirmation Date.

11 15.1.5. To determine any and all applications, adversary proceedings and
12 contested or litigated matters (a) that may be pending on the Effective Date, except as provided in
13 the Confirmation Order; or (b) which shall be commenced on or after the Effective Date and be
14 properly before the Bankruptcy Court.

15 15.1.6. To consider any modifications of the Plan, any defect or omission, or
16 reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order,
17 to the extent authorized by the Bankruptcy Code.

18 15.1.7. To implement the provisions of the Plan and to issue orders in aid of
19 execution of the Plan to the extent authorized by Section 1142 of the Bankruptcy Code.

20 15.1.8. To resolve any disputes and otherwise hear such additional matters brought
21 by the Survivors' Trustee or otherwise related to the Survivors' Trust Assets or to the fulfillment of
22 the Survivors' Trustee's duties pursuant to the Plan and the Survivors' Trust Documents.

23 15.1.9. To hear and determine disputes arising in connection with the
24 interpretation, implementation or enforcement of the Plan.

25 15.1.10. To enter a Final Decree and orders reopening the Chapter 11 Case as
26 appropriate after entry of a Final Decree, *provided that* the Bankruptcy Court shall retain jurisdiction
27 to enter an order terminating the Survivors' Trust and discharging the Survivors' Trustee in
28 accordance with the terms of the Survivors' Trust, notwithstanding the issuance of the Final Decree

1 and closing of the Chapter 11 Case and without the necessity of reopening the Chapter 11 Case.

2 15.1.11. To hear any other matter consistent with the Bankruptcy Code.

3 15.2. ***Failure of Bankruptcy Court to Exercise Jurisdiction.*** If the Bankruptcy Court
4 abstains from exercising or declines to exercise jurisdiction or is otherwise without jurisdiction over
5 any matter arising out of the Chapter 11 Case, including matters set forth in this Article XV, such
6 lack of jurisdiction will not diminish, control, prohibit, or limit the exercise of jurisdiction by any
7 other court having competent jurisdiction with respect to such matter.

8 ARTICLE XVI

9 MISCELLANEOUS PROVISIONS

10 16.1. ***Enforcement.*** The Committee, the Debtor and the Reorganized Debtor may take
11 such actions, including the initiation of proceedings or the prosecution of a motion, as may be
12 reasonably necessary in order to interpret or enforce the purposes and intent of the Plan.

13 16.1.1. ***Forum for Enforcement.*** Subject to the retained jurisdiction of the
14 Bankruptcy Court, any motion or proceeding to enforce the Plan may be brought before the
15 Bankruptcy Court or any other court of competent jurisdiction.

16 16.1.2. ***Expenses of Enforcement.*** In the event that any action, motion, contested
17 matter, complaint, answer, counterclaim, cross-claim or other action is filed or taken by the
18 Committee or the Reorganized Debtor either in the Bankruptcy Court or otherwise, in order to
19 enforce or interpret any terms of the Plan or the Confirmation Order, or any order or agreement
20 made in implementation of the Plan, the prevailing party in such matter (as determined by a court
21 of competent jurisdiction) shall be entitled to recover from any opposing party its expenses,
22 including reasonable attorneys' fees and costs, incurred in such matter.

23 16.2. ***Exemption from Certain Transfer Taxes and Recording Fees.*** Pursuant to Section
24 1146(c) of the Bankruptcy Code, the issuance, transfer, or exchange of a security, or the making or
25 delivery of an instrument of transfer under the Plan may not be taxed under any law imposing a
26 stamp tax or similar tax. The taxes from which such transfers are exempt include stamp taxes,
27 recording taxes, sales and use taxes, transfer taxes, and other similar taxes.

28 16.3. ***Effectuating Documents.*** The Committee, the Debtor or the Reorganized Debtor,

1 as the case may be, are each authorized to execute, deliver, file, or record such contracts,
2 instruments, releases, and other agreements or documents and take such actions as may be necessary
3 or appropriate to implement, effectuate, and further evidence the terms and conditions of the Plan
4 and any notes or interests issued pursuant to the Plan.

5 16.4. **Governing Law.** Unless a rule of law or procedure is supplied by federal law,
6 including the Bankruptcy Code and the Bankruptcy Rules, the laws of the State of California
7 (without reference to its conflict of law rules) will govern the construction and implementation of
8 the Plan and any agreement, documents, and instruments executed in connection with the Plan
9 unless otherwise specifically provided in such agreements, documents, or instruments.

10 16.5. **Integration.** The provisions of this Plan and the Confirmation Order shall supersede
11 any and all prior agreements, documents, understandings, written or otherwise, in respect of any
12 Claim, and the treatment or satisfaction thereof, except as provided in any order of the Court. All
13 such prior agreements, documents or understandings are merged herein, and no Person may
14 thereafter pursue or prosecute any Claim or demand arising out of or pertaining to such superseded
15 agreements, documents or understandings as against the Debtor, Reorganized Debtor or the
16 Committee.

17 16.6. **Inconsistency.** In the event of any inconsistency between the Plan and any Exhibit
18 to the Plan or any other instrument or document created or executed pursuant to the Plan, including
19 the Survivors' Trust Documents, the Plan shall govern. In the event of any inconsistency between
20 the Plan or any other document and the Confirmation Order, the Confirmation Order shall govern.

21 16.7. **Section Headings.** Headings are used in the Plan for convenience and reference only
22 and shall not affect in any way the meaning or interpretation of the Plan or constitute a part of the
23 Plan for any other purpose.

24 16.8. **Severability.** If any provision in the Plan is determined to be unenforceable, the
25 determination will in no way limit or affect the enforceability and operative effect of any other
26 provision of the Plan.

27

28

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

ARTICLE XVII

REQUEST FOR CONFIRMATION

17.1. *Confirmation Pursuant to § 1129(b)*. If necessary, the Committee requests Confirmation of the Plan pursuant to Section 1129(b) of the Bankruptcy Code.

[Signature on Next Page]

1 DATED: April 15, 2026

**THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF THE
ROMAN CATHOLIC BISHOP OF
OAKLAND**

2
3
4 By: /s/ Steven Woodall

5 Steven Woodall, Chairman, and on
6 behalf, of the Official Committee
of Unsecured Creditors

7 Presented by:

8 **LOWENSTEIN SANDLER LLP**

9 Jeffrey D. Prol, Esq.
10 Brent Weisenberg, Esq.
11 One Lowenstein Drive
12 Roseland, NJ 07068
13 Tel: (973) 597-2500
14 Email: jprol@lowenstein.com
15 Email: bweisenberg@lowenstein.com

16 **KELLER BENVENUTTI KIM LLP**

17 Tobias S. Keller, Esq.
18 Jane Kim, Esq.
19 Gabrielle L. Albert, Esq.
20 101 Montgomery Street, Suite 1950
21 San Francisco, CA 94104
22 Tel: (415) 496-6723
23 Email: tkeller@kbkllp.com
24 Email: jkim@kbkllp.com
25 Email: galbert@kbkllp.com

26 *Counsel to the Official Committee of Unsecured Creditors*

27 **BURNS BAIR LLP**

28 Timothy W. Burns, Esq.
Jesse J. Bair, Esq.
10 East Doty Street, Suite 600
Madison, WI 53703-3392
Tel: (608) 286-2808
Email: tburns@burnsbair.com
Email: jbair@burnsbair.com

Special Insurance Counsel to the Official Committee of Unsecured Creditors

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

Schedule 1.1.31
Child Protection Protocols

**CHILD PROTECTION PROTOCOLS FOR THE ROMAN
CATHOLIC BISHOP OF OAKLAND, CALIFORNIA**

TABLE OF CONTENTS

Page

I. GUIDING PRINCIPLES3

II. DEFINITIONS.....6

III. CHILD PROTECTION PROTOCOLS10

 1. Responsible Individuals and Summary of Their Duties10

 2. The Child Protection Policies14

 3. Reporting Requirements17

 4. Education19

 5. Communications and Disclosures.....20

 6. Prevention Requirements23

 7. Response to an Accusation of Sexual Abuse and Re-Review of Prior Accusations of
 Sexual Abuse26

 8. Outreach and Assistance for Survivors.....31

 9. Record Keeping32

 10. Compliance Auditing.....33

 11. Arbitration of Disputes Concerning the Child Protection Protocols34

IV. A PROMISE TO HEAL35

I.

GUIDING PRINCIPLES

In June 2002 the Charter for the Protection of Children and Young People was adopted by the United States Conference of Catholic Bishops to address allegations of sexual abuse of minors by Catholic clergy. The USCCB Charter includes guidelines for reconciliation, healing, accountability and prevention of future acts of childhood sexual abuse. Through the USCCB Charter, United States Catholic bishops (i) held themselves accountable for the hurt and pain caused by the abuse of children, (ii) sought to establish and implement policies and procedures to protect minors from abuse and (iii) tried to atone for their failure to believe and honor survivors by publicly offering statements of sorrow and responsibility for allowing such horror to happen.

Since the adoption of the USCCB Charter, reports of previously unpublicized sexual abuse continue to be uncovered and receive media coverage. The wide-ranging ramifications of physical, sexual and emotional abuse of children that occurred within the Catholic Church are still being uncovered to this day: Post Traumatic Stress Disorder and/or anxiety, depression and thoughts of suicide, sexual anxiety and related disorders and alcohol abuse, drug abuse, self-mutilation, or bingeing and purging, are all too common. Even still, many believe the Catholic Church has resisted transparency, further harming survivors by depriving them of an apology, of closure and most importantly, mere recognition of what was wrought upon them.

Compounding the problem is survivors' belief that the brutality and pervasive sexual abuse inflicted upon children is only discussed in sanitized terms, which fails to honor the reality of trauma now since grown children, and their families, live with every day. Making matters even worse, many reports of childhood sexual abuse did not lead to criminal prosecutions: many of the accused have died, or statutes of limitations have expired.

These Child Protection Protocols build on and reinforce the USCCB Charter to address allegations of sexual abuse of minors by Catholic clergy. As revised in 2018, the USCCB Charter contains four primary pledges:

- (i) We pledge most solemnly to one another and to you, God's people, that we will work to our utmost for the protection of children and youth.
- (ii) We pledge that we will devote to this goal the resources and personnel necessary to accomplish it.
- (iii) We pledge that we will do our best to ordain to the diaconate and priesthood and put into positions of trust only those who share this commitment to protecting children and youth.
- (iv) We pledge that we will work toward healing and reconciliation for those sexually abused by clerics.

These Child Protection Protocols are designed to effectuate and honor these pledges within the Diocese of Oakland. To that end, the Child Protection Protocols aim to achieve four main objectives: (i) foster support, promote healing and reconciliation, and empower survivors in our

community; (ii) educate the Church community, including clergy, church staff, and volunteers, on the prevalence and impact of sexual abuse; (iii) protect the faithful, including the most vulnerable—children—through the establishment and preservation of a safe environment for all; and (iv) educate, and direct the Bishop and the Diocese of Oakland on changes needing to be made to try to prevent the horrors of childhood sexual abuse from happening again. While we cannot change the sinful and heinous acts of the past, through rigorous adherence to these Child Protection Protocols from all individuals and entities within the jurisdiction of the Diocese of Oakland, we can try to make certain the tragedies of the past are not repeated. The Diocese of Oakland expects nothing less from all individuals and entities within its jurisdiction.

All children have the right to be safe and protected from harm in all environments, particularly religious institutions, without exception. The Bishop, on behalf of the Diocese of Oakland, is committed to the protection of children and vulnerable adults, the public acknowledgement of sinful actions that have occurred in its past and the pursuit of healing and hope. The Bishop will do everything in his power to create and enforce a safe environment in support of the healing ministry.

As part of any plan of reorganization, the Committee insists that (i) the Bishop disclose the full, unadulterated truth about the tragedies suffered by children in the care of the Diocese in accordance with these Child Protection Protocols, (ii) the Bishop, on behalf of the Diocesan Entities, apologize for his failings and acknowledge that his prior promises to ensure a safe environment for all of their members have not been administered as pledged and (iii) the Bishop agree to promptly, adequately and compassionately make meaningful and impactful changes to make certain the tragedies of the past never happen again.

The Bishop shares the conviction of His Holiness Pope Leo XIV, expressed on June 21, 2025, that “It is urgent to root in the whole church a culture of prevention that does not tolerate any form of abuse - neither of power or authority, nor abuse of conscience, spiritual or sexual abuse. ... This culture will only be authentic if it is born of active vigilance, of transparent processes and sincere listening to those who have been hurt.” Pope Leo XIV, June 21, 2025. As such the Bishop, on behalf of himself and the Diocesan Entities now pledges and agrees:

1. To strictly abide by the USCCB Charter and these Child Protection Protocols at all times and under all circumstances, by undertaking a comprehensive practice of screening clergy and Diocesan Personnel whose scope of duties includes Direct Contact with Minors, among other efforts.

2. To recognize forthrightly the tragedy of sexual abuse of minors in society and specifically, in the Catholic Church.

3. To maintain focus on the healing, reconciliation, and spiritual well-being of persons who were sexually abused as minors. The Bishop pledges to reach out to survivors of abuse to offer whatever pastoral and professional care he can, and to address their spiritual and emotional needs. The Bishop also pledges to assist these survivors of sexual abuse in locating resources and providers to address their emotional and mental health needs that arise from the tragic experience of sexual abuse.

4. To help accusers know their respective rights under the law.
5. To immediately notify appropriate civil authorities, even when not required by civil law, of every report of suspected abuse within the Diocesan Entities.
6. To receive every accusation of suspected abuse within the Diocesan Entities with compassion and to treat every accusation with seriousness and diligent attention.
7. To make the Child Protection Policies regarding the sexual abuse of minors known and available in openness and transparency and to strictly follow these policies, practices and procedures in each case.
8. To educate the Church community in matters related to the sexual abuse of minors, especially its identification, prevention, and reporting.
9. To ensure that all clergy and Diocesan Personnel have undergone fulsome background checks and evaluations, including adequate screening and evaluative techniques regarding the fitness of candidates for ordination.
10. To make known to all clergy and Diocesan Personnel the provisions of these Child Protection Protocols and the Child Protection Policies implementing them, along with a “Code of Conduct” to guide interactions with minors, and to take all steps to ensure compliance with these Child Protection Protocols and the Child Protection Policies.

II.

DEFINITIONS

The terms below have the meaning stated:

“**Accusation**” means a report of suspected Sexual Abuse of a Minor received from any source involving a Cleric or Diocesan Personnel affiliated in any way with any Diocesan Entity. Under these Child Protection Protocols, a self-report will be treated as an Accusation and will initiate all applicable provisions of these protocols.

“**Accused**” means a person against whom an Accusation has been made. Using this term does not suggest a judgment of guilt or innocence.

“**Accuser**” means a person making a report or Accusation. Using this term does not suggest a judgment on the veracity or falsehood of the Accusation.

“**Arbitrator**” means [●], who shall arbitrate the disputes identified herein that may arise concerning these Child Protection Protocols and the Child Protection Procedures. Any subsequent Arbitrator shall be agreed to by the Bishop and the Compliance Monitor, or, if the Compliance Monitor’s term has ended, agreed to by the Bishop and the Minor Diocesan Review Board.

“**Bishop**” means the sitting Bishop of the Diocese at all relevant points in time.

“**Chapter 11 Case**” means the chapter 11 case filed on May 8, 2023 by the Diocese in the United States Bankruptcy Court for the Northern District of California and assigned Case No. 23-40523.

“**Child Protection Policies**” means the policies implementing these Child Protection Protocols, which shall govern the Diocesan Entities. The following policies shall be modified to comply with these Child Protection Protocols and collectively, along with any other policies adopted to implement these Child Protection Protocols, be called the “Child Protection Policies”: any policies adopted related to the use of Virtus; policies related to *Background Screening and Training, Sexual Misconduct, and Minors Volunteering or Working with Younger Children; Code of Conduct Involving Interactions with Minors and Vulnerable Adults, Live Scan Requests, Approved Safe Environment Curriculum for Children and Youth*, the forms for both schools and churches regarding their *Safe Environment Reporting* and the *On Site Safe Environment Training Schedule*.

“**Clergy**” or “**Cleric**” means a bishop, priest or deacon in the Catholic Church, whether incardinated in a diocese or a member of an institute of consecrated life.

“**Code of Conduct**” means the *Code of Conduct Involving Interactions with Minors and Vulnerable Adults* required by the USCCB Charter or any future guidelines promulgated by the Bishop governing the conduct for Clergy and Diocesan Personnel.

“**Committee**” means the Official Committee of Unsecured Creditors appointed to represent the interests of Survivors in the Chapter 11 Case.

“Communications Coordinator” means the person designated by the Bishop who will be charged with developing, maintaining, and implementing the communications protocols set forth in section 5 of these Child Protection Protocols.

“Compliance Advisory Board” means the volunteer board, to be established within 30 days of the Effective Date of the Plan of Reorganization, which will consist of 5 members, all of whom shall be first selected by the Committee. The Compliance Advisory Board shall establish bylaws which will, among other things, set forth how the Compliance Advisory Board will function, including how subsequent members will be appointed and how it will operate. The Bishop will have no authority over the Compliance Advisory Board.

“Compliance Monitor” means the person to be chosen by the Committee, in consultation with the Bishop, whose identity will be disclosed prior to confirmation of the Plan of Reorganization, and who will have the duties and powers set forth herein. The Compliance Monitor will assume the position on the Effective Date of the Plan of Reorganization. Any successor to the initially appointed “Compliance Monitor” shall be chosen by the Compliance Advisory Board, in consultation with the Bishop.

“Criminal Record” means information collected by criminal justice agencies on individuals consisting of identifiable descriptions and notations of arrests, detentions, indictments, or other formal criminal charges, and any disposition arising therefrom, including acquittal, sentencing, correctional supervision, release or conviction, including, but not limited to, any sentence arising from a verdict or plea of guilty or nolo contendere, including a sentence of incarceration, a suspended sentence, a sentence of probation, or a sentence of conditional discharge.

“Diocesan Affiliated Entities” means any parishes, churches, missions, schools, institutions, corporations, and agencies that are affiliated with or related to the Diocese or otherwise operate under the control or permission of the Bishop or the Diocese, including, but not limited to, Adventus, Catholic Charities of the Diocese of Oakland, Catholic Church Support Services, Catholic Foundation for the Diocese of Oakland, Christ the Light Cathedral Corporation, Furrer Properties, Inc., The Catholic Cathedral Corporation of the East Bay, The Lumen Christi Academies of the Roman Catholic Bishop of Oakland, The Oakland Parochial Fund, The Oakland Society for the Propagation of the Faith, The Roman Catholic Cemeteries of the Diocese of Oakland and The Roman Catholic Welfare Corporation of Oakland.

“Diocesan Entities” means the Diocese and the Diocesan Affiliated Entities.

“Diocesan Personnel” means all Employees and Volunteers (other than Clergy) in the service of the Diocesan Entities expected to have Direct Contact with Minors, including, but not limited to, (i) Religious Brothers, (ii) Seminarians, (iii) permanent deacons, (iv) candidates for the diaconate, (v) Religious Sisters, (vi) consecrated individuals, (vii) individuals who are involved in any assignment or apostolate, full or part-time, employed or volunteer, in any ministries within the Diocesan Entities, (viii) candidates for Holy Orders and (ix) school and church personnel.

“Diocesan Territory” means the counties of Alameda and Contra Costa in the State of California.

“Diocese” means The Roman Catholic Bishop of Oakland, a corporation sole.

“Direct Contact with Minors” means the care, supervision, interaction, guidance or control of Minors, or any access to Minors.

“Effective Date” has the meaning ascribed to it in the Plan of Reorganization.

“Employee” means persons on the payroll (full or part time) of any of the Diocesan Entities, including any individual working for a Diocesan Entity who might normally receive compensation for their services and any agents of the Diocesan Entities.

“Employer” means the Diocesan Entity that immediately employs or oversees the work or ministry of an Employee or Volunteer. The relationship pertains only during the time in which a person is directly acting within the scope of their employment or volunteer service.

“Essential Norms” means the *Essential Norms for Diocesan/ Eparchial Policies Dealing with Allegations of Sexual Abuse of Minors by Priests or Deacons* currently found at www.usccb.org/resources/Charter-for-the-Protection-of-Children-and-Young-People-2018-final%281%29.pdf or any future guidelines issued by the USCCB that provide norms ensuring that each diocese/eparchy in the United States has procedures in place to respond promptly to all allegations of Sexual Abuse of a Minor by Clergy.

“Independent Professional Investigator(s)” means an investigative firm retained by the Compliance Monitor, on behalf of a Diocesan Entity, to investigate claims of Sexual Abuse of a Minor. The firm must have personnel with experience in investigating claims of Sexual Abuse of a Minor. At least one member of the firm must be either a former prosecutor or have meaningful experience working in a nationally recognized agency responsible for enforcing laws, maintaining public order, and managing public safety. After the Compliance Monitor’s term ends, the Independent Professional Investigator shall be selected by the Minor Diocesan Review Board.

“Mandated Reporting” means a report of reasonable suspicion of child abuse, including sexual misconduct, that an individual must make under the current laws of the United States of America and the State of California, as they may be amended from time to time.

“Minor Diocesan Review Board” means the consultative body appointed by the Bishop to advise him in complying with the USCCB Charter. The Minor Diocesan Review Board shall advise the Bishop in strictly complying with the USCCB Charter, the Essential Norms, the Child Protection Protocols and the Child Protection Policies and have the powers set forth herein.

“Minor” means a person under the age of 18. For ease of reference, these Child Protection Protocols and the Child Protection Policies shall include in the definition of “Minor” any individual who would be considered legally incompetent under the laws of the State of California.

“Perpetrator” means anyone who has been determined to have engaged in any form of Sexual Abuse of a Minor as set forth these Child Protection Protocols.

“Plan of Reorganization” means the confirmed chapter 11 plan of reorganization in the Chapter 11 Case (as it may be amended, supplemented, or otherwise modified).

“Religious Brothers” means a Catholic man who, as part of a religious order, commits himself to following Christ in consecrated life of the Catholic Church, usually by the vows of poverty, chastity, and obedience. He works in a ministry appropriate to his capabilities and is accountable to the community through the superior.

“Religious Sisters” means a Catholic woman who has taken simple vows of poverty, chastity and obedience, lives a common life and is engaged in ministering to the needs of society as part of a religious community. She is accountable to the community through the superior.

“Responsible Supervisor” means the Employer, superior or highest-ranking supervisor of Clergy and Diocesan Personnel.

“Safe Environment Badge” means the personal identification badge issued by the Safe Environment Director to persons, including Clerics and Diocesan Personnel, who have passed the background certification, received the clearances and completed the safe environment training to be provided for in the Child Protection Policies. All Clerics and Diocesan Personnel must have a Safe Environment Badge before working for or serving the Diocesan Entities. All persons must carry the Safe Environment Badge on their persons whenever Minors are present, including, but not limited to, during mass or other religious services.

“Safe Environment Director” means the person to be appointed by the Bishop, with the approval of the Compliance Monitor, within 30 days of the Effective Date of the Plan of Reorganization, to develop, coordinate, and implement the Safe Environment Program strictly in accordance with these Child Protection Protocols. The Safe Environment Director must have a degree in social work, education, child development, or a related field. Any subsequent Safe Environment Director shall be agreed upon by the Bishop and the Compliance Monitor, or, if the Compliance Monitor’s term has ended, agreed to by the Bishop and the Minor Diocesan Review Board.

“Safe Environment Program” means the educational programs and training to be required by the Bishop as set forth in these Child Protection Protocols and the USCCB Charter and as to be described further in the Child Protection Policies. Before its implementation, the Safe Environment Program shall be subject to the review, and approval, of the Compliance Monitor.

“Seminarians” means men accepted by a diocese, including any of the Diocesan Entities (or an institute of consecrated life) as seminary students who seek ordination to the priesthood, individuals who are accepted by a diocese, including any of the Diocesan Entities, or men in formation toward Holy Orders.

“Sexual Abuse of a Minor” means any sexual offense committed against a Minor, as defined by the laws of the penal code of the State of California or the United States of America, as they may be amended or modified.

“Substantiated Claim” means an Accusation for which either (i) the Accused has pled guilty or been found guilty of Sexual Abuse of a Minor in a court of law, or (ii) sufficient evidence exists to establish reasonable grounds for an objective person to believe that the alleged conduct is more likely to have occurred than to not have occurred.

“Support Counselor” means a professional counselor who works with the Survivor.

“Survivor Support Coordinator” means a person, formerly referred to by the Diocesan Entities as the “Victim Assistance Coordinator,” to be named by the Bishop with the approval of the Compliance Monitor within 30 days of the Effective Date of the Plan of Reorganization, responsible for all aspects of the outreach and assistance to Survivors and their immediate family members. The Survivor Support Coordinator shall be a licensed (i) social worker, (ii) psychologist or (iii) psychiatrist and shall not be a prior Employee of, or Volunteer at, any of the Diocesan Entities. Any subsequent Survivor Support Coordinator shall be agreed upon by the Bishop and the Compliance Monitor, or, if the Compliance Monitor’s term has ended, agreed to by the Bishop and the Minor Diocesan Review Board.

“Survivor” means a person who is, or is alleged to be or have been, the injured party or direct subject of Sexual Abuse of a Minor.

“USCCB Charter” means the most recent and revised *Charter for the Protection of Children and Young People* issued by the USCCB.

“USCCB” means the United States Conference of Catholic Bishops.

“Volunteer” means any volunteer for the Diocesan Entities, or agent of such volunteer, who has Direct Contact with Minors.

III.

CHILD PROTECTION PROTOCOLS

1. Responsible Individuals and Summary of Their Duties

1.1 **The Bishop.** The Bishop shall be (i) responsible for the implementation, operation and assessed effectiveness of these Child Protection Protocols and (ii) knowledgeable about the content of these Child Protection Protocols by, among other things, completing specialized training related to trauma and secondary trauma and recognition and reporting of Sexual Abuse of a Minor.

1.1.1 The Bishop will ensure the Diocesan Entities actively employ a consistent, ongoing and comprehensive approach to creating a safe environment for young people by, among other things, making certain these Child Protection Protocols are implemented through the Child Protection Policies.

1.1.2 The Bishop shall meet with the Compliance Monitor no less than quarterly and as otherwise requested by the Compliance Monitor, to assess and evaluate the effectiveness of these Child Protection Protocols and the Child Protection Policies. Before such meeting(s), the Compliance Monitor shall meet with the: (i) Compliance Advisory Board to review the Child Protection Policies so that it may make recommendations to the Compliance Monitor to ensure that the Bishop is taking all actions necessary to comply with these Child Protection Protocols and the Child Protection Policies and (ii) Minor Diocesan Review Board to review the Child Protection Policies so that it may make recommendations to the Bishop to ensure that the Bishop is taking all

actions necessary to comply with these Child Protection Protocols and the Child Protection Policies.

1.2 **Minor Diocesan Review Board.** The Minor Diocesan Review Board shall serve as a consultative and confidential body to the Bishop to advise the Bishop in his implementation and operation of these Child Protection Protocols and the Child Protection Policies. As set forth in the USCCB Charter, the Minor Diocesan Review Board is regularly to review the Child Protection Policies and procedures for dealing with Sexual Abuse of a Minor implemented by the Diocesan Entities. The names of each member of the Minor Diocesan Review Board shall not be confidential as to the Compliance Monitor or the Compliance Advisory Board.

1.2.1 Within 30 days of the Effective Date, the Bishop shall reconstitute the current Minor Diocesan Review Board by appointing nine members to five-year concurrent terms. The Minor Diocesan Review Board shall act in full conformity with these Child Protection Protocols, the USCCB Charter, the Essential Norms, the Safe Environment Program, and all other applicable provisions of canon and civil law.

1.2.1.1 The Minor Diocesan Review Board shall consist of a total of nine persons, comprised of eight lay persons not in the employ of the Diocesan Entities plus an experienced and respected pastor of the Diocese. The Minor Diocesan Review Board shall at all times include: (i) a licensed social worker or a licensed psychologist with particular expertise in the treatment of the sexual abuse of Minors who is not a parishioner of the Diocese; (ii) a lay minister; (iii) an educator who is not a parishioner of the Diocese; (iv) a parent of a student attending any school operated by a Diocesan Entity; (v) a member of law enforcement who is not a parishioner of the Diocese; (vi) three Survivors and (vii) a pastor currently serving in ministry in the Diocese.

1.2.1.2 Within 30 days of the date the Plan of Reorganization is confirmed by the Bankruptcy Court, the Committee shall list seven Survivors for consideration by the Bishop for membership on the Minor Diocesan Review Board. The Bishop shall select three of the proposed Survivors to be appointed to the nine-member Minor Diocesan Review Board.

1.2.1.3 At such future time as the Minor Diocesan Review Board seeks to appoint a Survivor to the Minor Diocesan Review Board to assure three Survivors are a member thereof, the Compliance Monitor shall provide the Bishop with a list of no less than three but no more than five Survivors, and the Bishop shall select from the list of the proposed Survivors to be appointed to the Minor Diocesan Review Board, *provided, however*, that if the Compliance Monitor does not provide such list to the Bishop within 30 days of the date of the Bishop's written request, the Bishop shall select such Survivor in his sole discretion. In assembling the list of Survivors for consideration, the Compliance Monitor shall first consult with the Compliance Advisory Board.

1.2.1.4 When a Survivor no longer sits on the Minor Diocesan Review Board after the Compliance Monitor's term ends, the Minor Diocesan Review Board shall provide the Bishop with a list of no less than three but no more than five Survivors, and the Bishop shall select from the list of the proposed Survivors to be appointed to the Minor Diocesan Review Board

1.2.2 The Minor Diocesan Review Board shall meet and agree on the protocols and procedures it will adopt to make decisions, including the appointment of a chairperson, and post those protocols and procedures on the Diocesan Entities' websites.

1.2.3 The Minor Diocesan Review Board shall be knowledgeable about the Child Protection Protocols and the Child Protection Policies.

1.2.4 The Minor Diocesan Review Board shall complete bi-annual specialized training related to trauma and secondary trauma and recognition and reporting of Sexual Abuse of a Minor and the proper function and role of the Minor Diocesan Review Board.

1.3 **Safe Environment Director.** The Safe Environment Director shall develop, coordinate, and implement the Safe Environment Program through the Child Protection Policies strictly in accordance with these Child Protection Protocols. The Safe Environment Director shall:

1.3.1 Report directly to the Bishop, and in connection with developing, coordinating, and implementing the Safe Environment Program, shall be responsible for developing, implementing, and revising the Child Protection Policies to comport with these Child Protection Protocols and any other procedures needed for preventing, responding to, and ensuring the reporting of child sexual abuse.

1.3.2 Oversee the development, publication and modification of standards of ministerial conduct for all persons engaged in any ministry within the Diocesan Entities, including the Code of Conduct, which is published separately from these Child Protection Protocols and a copy of which shall be given to all Clergy and Diocesan Personnel, as well as to the Minor Diocesan Review Board (cf. USCCB Charter, art. 6).

1.3.3 Maintain complete and accurate databases to allow the Compliance Monitor to ensure all Diocesan Entities comply with the Child Protection Policies.

1.3.4 Remain up-to-date on laws and best practices in the area of child abuse prevention.

1.3.5 Oversee the "Prevention Requirements" set forth in Section 8 of these Child Protection Protocols, as they are adopted in the Child Protection Policies, and any other screening and training requirements set forth in USCCB Charter, the Essential Norms and the Safe Environment Program.

1.4 **Communications Coordinator.** The Communications Coordinator shall develop, maintain and implement the communications set forth in Section 5 of these Child Protection Protocols.

1.5 **Survivor Support Coordinator.** The Survivor Support Coordinator shall oversee all aspects of the outreach and assistance to Survivors.

1.6 **Compliance Monitor.** The Compliance Monitor shall ensure the compliance of the Diocesan Entities with these Child Protection Protocols, as they are adopted in the Child Protection Policies, the USCCB Charter, and Essential Norms by, among other things: (i) making

certain the Diocesan Entities properly and adequately implement these Child Protection Protocols through the Child Protection Policies; (ii) managing the processes for handling Accusations of Sexual Abuse by Clergy and Diocesan Personnel, including, but not limited to, determining whether an Accusation is a Substantiated Claim under Section 7.1.4 of these Child Protection Protocols (subject to the Arbitration Procedures set forth in Section 11.1 of these Child Protection Protocols) and (iii) auditing the Diocesan Entities to make certain they are strictly abiding by the Child Protection Policies, the USCCB Charter and Essential Norms.

1.6.1 The Child Protection Policies shall set forth detailed procedures for terminating or replacing the Compliance Monitor “for cause,” which decision shall be vested with the Bishop but subject to appeal by the Compliance Advisory Board. If a decision regarding the termination or replacement of the Compliance Monitor “for cause” is appealed by the Compliance Advisory Board, the issue shall be an Arbitration Matter which shall be resolved using the Arbitration Procedures in Section 11.1 of these Child Protection Protocols. If the Arbitration Procedures are used to resolve a dispute arising under this Section, the term “Compliance Advisory Board” shall be substituted for “Compliance Monitor” in Section 11.1.

1.6.2 The Compliance Monitor shall be a paid position. The Compliance Monitor shall be entitled to compensation by the Diocese that would ordinarily be paid for like services by like enterprises under like circumstances. The Child Protection Policies shall set forth detailed procedures for remunerating the Compliance Monitor and for agreeing upon an adequate and reasonable budget for future services which will be provided. If the Bishop and the Compliance Monitor cannot agree on the amount to be paid to the Compliance Monitor, or budgeted for future services, the issue shall be an Arbitration Matter which shall be resolved using the Arbitration Procedures in Section 11.1 of these Child Protection Protocols.

1.6.3 By a date no earlier than the eighth anniversary of the appointment of the Compliance Monitor but no later than the ninth anniversary of the appointment of the Compliance Monitor, the Compliance Monitor shall submit a written report to the Bishop, the Minor Diocesan Review Board and the Compliance Advisory Board setting forth, among other things, the Compliance Monitor’s conclusions on the effectiveness of the Child Protection Policies, any areas of non-compliance and the risks associated with same and whether the continued retention of a compliance monitor by the Bishop is needed and, if so, for how long (the “**Compliance Monitor’s Status Report**”).

1.6.3.1 If the Compliance Monitor concludes that a compliance monitor is no longer needed in order to maintain the safety of Minors in the care of the Diocesan Entities, and the Compliance Advisory Board disagrees on whether a compliance monitor is still needed or the term during which a compliance monitor shall continue to serve, the issue shall be an Arbitration Matter which shall be resolved using the Arbitration Procedures in Section 11.1 of these Child Protection Protocols. If the Arbitration Procedures are used to resolve a dispute arising under this Section, the term “Compliance Advisory Board” shall be substituted for “Compliance Monitor” in Section 11.1.

1.6.4 If the Compliance Monitor concludes that a compliance monitor is needed in order to maintain the safety of Minors in the care of the Diocesan Entities, and the Bishop disagrees on whether a compliance monitor is still needed or the term during which a compliance

monitor shall continue to serve, the issue shall be an Arbitration Matter which shall be resolved using the Arbitration Procedures in Section 11.1 of these Child Protection Protocols.

1.6.5 Along with the Compliance Monitor's Status Report, the Compliance Monitor will draft revisions to the Child Protection Policies which contemplate that a compliance monitor will no longer be employed by the Bishop. To that end, the revised Child Protection Policies shall delegate the duties and powers vested in the Compliance Monitor in these Child Protection Protocols to the Minor Diocesan Review Board; *provided, however*, all decisions under Section 7 of these Child Protection Protocols, including, but not limited to, managing the processes for handling Accusations of Sexual Abuse by Clergy and Diocesan Personnel and determining whether an Accusation is a Substantiated Claim under Section 7.1.4 of these Child Protection Protocols, shall not become final until the Arbitrator determines that the Independent Professional Investigator completed a fair, fulsome and non-prejudicial investigation and the Bishop's determination regarding whether an Accusation is a Substantiated Claim under Section 7.1.4 of these Child Protection Protocols was not clearly erroneous.

1.6.6 If, for any reason, a new Bishop assumes the role of Bishop of the Diocese during the Compliance Monitor's term such that the time period during which the new Bishop and the Compliance Monitor overlap is less than two years, then, notwithstanding anything herein to the contrary, the Compliance Monitor's term shall be extended so that the new Bishop and the Compliance Monitor work with one another for no less than two years on the same terms and conditions as set forth herein.

1.7 **Compliance Advisory Board.** The Compliance Advisory Board shall serve as a consultative body to the Compliance Monitor to advise the Compliance Monitor in its monitoring of the implementation and operation of these Child Protection Protocols and the Child Protection Policies.

1.8 **The Arbitrator.** The Arbitrator shall resolve any disputes arising in connection with these Child Protection Protocols and the Child Protection Policies that are defined herein as Arbitration Matters.

1.8.1 The Child Protection Policies shall set forth detailed procedures for replacing or terminating the Arbitrator, all of which decisions shall be vested jointly with the Bishop and the Compliance Monitor; *provided, however*, if the Compliance Monitor's term has ended, such decisions shall be vested jointly with the Bishop and the Minor Diocesan Review Board.

1.8.2 The Arbitrator shall be a paid position. The Arbitrator shall be entitled to compensation by the Diocese that would ordinarily be paid to arbitrators requested to resolve similar disputes.

2. **The Child Protection Policies**

2.1 The Bishop, through the Safe Environment Director, and in consultation with the Minor Diocesan Review Board, shall create, or revise, a comprehensive set of documents setting forth in detail the policies and procedures implementing these Child Protection Protocols. This

comprehensive set of documents shall first be approved by the Compliance Monitor before being finalized and implemented.

2.2 The Bishop shall institute a reasonable timeline for implementing, and complying with, these Child Protection Protocols, with time being of the essence.

2.3 The Child Protection Policies shall:

2.3.1 Be written and formatted so they are easy to read and understand and readily available on the Diocese's website at www.oakdiocese.org or a separate website linked therefrom that is established specifically for the purpose of hosting the Child Protection Policies and related information. Included on each Diocesan Entities website's homepage, if any, shall be links to: (i) information about how to report suspected Sexual Abuse of a Minor by a Cleric or any Diocesan Personnel, and (ii) the Diocese's website or any separate website linked therefrom as set forth in this section 2.3.1.

2.3.2 Require publication, no less than four times per year, in *The Catholic Voice*, and/or any other similar Diocesan Entities' publication, including any parish bulletins and school newsletters, of a statement by the Bishop urging Survivors to report Sexual Abuse of a Minor and seek assistance and support.

2.3.3 Set forth, in detail, the procedures for screening, selecting, and supervising of Clergy and Diocesan Personnel with respect to Direct Contact with Minors.

2.3.4 Direct the Safe Environment Director to draft and implement the Safe Education Program, which shall include courses required to be taken by all Clergy and Diocesan Personnel regarding, among other things, what is considered "appropriate" versus "inappropriate" physical or non-physical contact.

2.3.5 State that a report to the Diocesan Entities does not relieve an individual from reporting known or suspected abuse as may be required under the laws of the United States of America or the State of California.

2.3.6 Require the Diocesan Entities to provide law enforcement with the residential address of each Cleric incardinated in any Diocesan Entity subject to an Accusation and/ or a Substantiated Claim of Sexual Abuse of a Minor.

2.3.7 Include guidelines for the lawful and acceptable use of technology, including regulations regarding communications with Minors through social media and cellular phones.

2.3.8 Grant the Diocesan Entities and the Compliance Monitor the ability to inspect, review, audit, intercept, or access all matters on systems of the Diocesan Entities related to an Accusation, including, but not limited to, Clergy and Diocesan Personnel email, voicemail, and computer systems at any time, with or without notice, to the extent permitted under applicable federal and state law, and not inconsistent with applicable principles of common law, with all appropriate steps taken in connection with retention or transmission of known or suspected child pornography.

2.3.9 Set forth procedures by which the Safe Environment Director shall make certain Safe Environment Badges are carried on the persons of Clergy and Diocesan Personnel in compliance with these Child Protection Protocols and the Child Protection Policies and the remedial action which may be taken for failure to do so.

2.3.10 Prohibit Clergy and Diocesan Personnel from being alone (out of sight of at least one other adult) with any unrelated Minor while serving in the Diocesan Entities, including, but not limited to, prohibiting (i) Clergy and Diocesan Personnel from traveling alone or taking overnight trips alone with any unrelated Minor; (ii) Clergy and Diocesan Personnel from sleeping in the same private space (e.g., room, tent, bed, etc.) with any unrelated Minor; and (iii) Minors from having access to Diocesan rectories; *provided, however*, the foregoing shall be subject to common sense exceptions, such as emergency situations, interactions with Minors that are incidental and not extended, interactions with family members, and Diocesan Personnel transporting the children of friends and neighbors subject to the approval of a parent or guardian; *provided, further however*, that nothing in these Child Protection Protocols or the Child Protection Policies shall prevent Minors from receiving the sacrament of confession in confidence and privacy, *provided, further however*, that the Diocesan Entities shall take precautions to ensure that Minors participating in confession are protected by using premises suitable for the age and stage of development of Minors, notwithstanding the confidential nature of confession. Such precautions include having an adult with a Safe Environment Badge present in an area outside of earshot but next to the confessional and, where existing or future improvements to facilities so permit, conducting confession in a manner that allows others to visually observe the confession participants.

2.3.11 Include a whistleblower policy under which the Diocesan Entities shall not discharge from employment any Clergy or Diocesan Personnel, or discriminate against any Clergy or Diocesan Personnel, with respect to compensation, hire, tenure, terms, conditions or privileges of employment, because that person reported suspected Sexual Abuse of a Minor to authorities, provided such Clergy or Diocesan Personnel was acting in good faith in making the report.

2.3.12 Require the delivery of a Code of Conduct to Clergy and Diocesan Personnel. Clergy and Diocesan Personnel must acknowledge receipt of the Code of Conduct, their understanding of the Code of Conduct, and their agreement to comply with the Code of Conduct by executing a Code of Conduct acknowledgment form (the “**Code of Conduct Acknowledgment Form**”). The Code of Conduct Acknowledgment Form shall refer to the reporting requirements required by these Child Protection Protocols as adopted under the Child Protection Policies. The Code of Conduct Acknowledgment Form may be completed electronically.

2.3.12.1 The Safe Environment Director and his or her staff shall collect, and the Compliance Monitor shall maintain, the Code of Conduct Acknowledgment Forms. Such files may be kept electronically. The Safe Environment Director shall collect, and the Compliance Monitor maintain, the Code of Conduct Acknowledgment Form within 30 days of each of these events: (1) assignment of a Cleric to a continuing ministry in the Diocesan Territory; (2) the commencement of any employment or continuing volunteer service; and (3) a Seminarian’s commencement of study.

2.3.12.2 The Compliance Monitor shall request, no less than annually, that each Diocesan Entity furnish the Compliance Monitor with records demonstrating compliance with this requirement. If a Diocesan Entity fails to provide such records as requested, the Compliance Monitor shall, within a reasonable amount of time, notify the Bishop and any officers, directors, or board of trustees of said Diocesan Entity in writing of such failure, and the Bishop shall direct the Diocesan Entity to comply with this Section.

2.3.13 Require the Diocesan Entities to maintain complete copies of all insurance policies under which they are identified as an insured party for claims of Sexual Abuse of a Minor and undertake all reasonable efforts to maintain related correspondence and other memorializing and evidencing documentation relating to the existence and terms of such policies. The documents required to be maintained pursuant to this section may be kept electronically.

2.3.14 Direct that each Diocesan Entity where Direct Contact with Minors regularly occurs designate a safe environment coordinator to assist the Safe Environment Director in overseeing the screening, selecting, and supervising of Diocesan Personnel. The Safe Environment Director shall provide training to such coordinators upon their assumption of those responsibilities and then no less than annually. For the avoidance of doubt, if a Diocesan Entity does not employ any Diocesan Personnel or does not engage in activities where Direct Contact with Minors occurs on a regular basis, such Diocesan Entity need not designate a safe environment coordinator.

2.3.14.1 Each Diocesan Entity shall confirm, in writing, to the Compliance Monitor that a safe environment coordinator has been designated in each Diocesan Entity. If a Diocesan Entity fails to confirm the designation of a safe environment coordinator, the Compliance Monitor shall notify the Bishop, any officers, directors or board of trustees of said Diocesan Entity in writing that a safe environment coordinator has not been designated and the Bishop shall take the appropriate remedial steps.

2.3.15 Require the Annual Compliance Audit (defined below) to ensure compliance with these Child Protection Protocols, the Child Protection Policies, the USCCB Charter, Essential Norms, and any other applicable policies and procedures published by the Bishop to protect Minors (upon approval of the Compliance Monitor).

2.3.16 Set forth the repercussions of any intentional or negligent failure to implement the necessary background certification and clearances and/or education practices and programs mandated by these Child Protection Protocols, the Child Protection Policies, the USCCB Charter or the Essential Norms.

3. Reporting Requirements

3.1 **Immediate Reporting to Law Enforcement.** Any Clergy or Diocesan Personnel who reasonably suspects, observes, or receives a report of, Sexual Abuse of a Minor, or any Diocesan Entity that receives a report of Sexual Abuse of a Minor, shall, without delay or alteration, *first*, report such abuse to law enforcement and the California Emergency Response Child Abuse Reporting Telephone at (510) 259-1800 in Alameda County and at (877) 881-1116 in Contra Costa County or, for vulnerable adults, Adult Protective Services at (833) 401-0832 and

second, report such abuse to the Compliance Monitor, who shall then immediately confirm that such abuse has been reported to law enforcement and document the report and the other actions taken. Immediately thereafter the Compliance Monitor shall provide such report to the Bishop, and if the abuse occurred at a Diocesan Entity, shall, in consultation with the Bishop, provide such report to any officers, directors or board of trustees of said Diocesan Entity. The Child Protection Policies shall not prohibit the Compliance Monitor from reporting any Accusation to any other appropriate law enforcement or governmental agency after the above reporting obligations are adhered to.

3.1.1 When a Diocesan Entity receives an Accusation and the Compliance Monitor makes a report to law enforcement, the Diocesan Entities shall not interfere in any way with law enforcement.

3.1.2 Any Clergy or Diocesan Personnel who provides a report contemplated by this Section to the Compliance Monitor shall document, in writing, among other things, (i) their production of a report to the Compliance Monitor and (ii) information detailing the nature of the report.

3.1.3 After a Diocesan Entity receives a report of child sexual abuse and the Compliance Monitor makes a report to law enforcement, the Diocesan Entities shall not conduct an internal investigation of such incident until law enforcement concludes its investigation, closes its file without an investigation, or authorizes the Diocesan Entities to proceed with their own internal investigation.

3.1.4 If a Diocesan Entity learns of any effort(s) to hide or delay discovery of one or more incidents of Sexual Abuse of a Minor, or to hinder discovery of any related fact(s), the Diocesan Entity shall provide a detailed report of such efforts or activity to law enforcement and the Compliance Monitor, who shall then notify the Bishop.

3.1.5 If an Accusation is made against a bishop, whether serving currently or previously in the Diocese, the Compliance Monitor shall also report the matter to the Vicar General, who shall refer the matter immediately to the Apostolic Nuncio in Washington, D.C. utilizing the Catholic Bishop Abuse Reporting Service (CBAR), and then follow the directions of the Nuncio (cf. Vos Estis Lux Mundi).

3.1.6 If an Accusation is made against any Cleric, Seminarian or consecrated individual who is incardinated in, or in formation for, another diocese, in addition to the reporting requirements set forth in this Section, the Bishop, together with the Compliance Monitor, shall contact the proper bishop of the Accused without delay to forward the Accusation.

3.2 **Sexual Abuse of a Minor by another Minor.** If an Accusation is received alleging that one Minor abused another Minor, the Compliance Monitor shall determine whether such an Accusation is subject to Mandated Reporting. If it is, or if there is any uncertainty about determination, the Accusation shall be forwarded without delay to the appropriate civil authority.

3.2.1 The Child Protection Policies shall ensure that the person reporting suspicion of Sexual Abuse of a Minor is provided with: (1) an adequate explanation of the Diocesan Entities' overall process and procedures for dealing with allegations of Sexual Abuse of

a Minor, including its policy on reporting to civil authorities; (2) advice that the Diocesan Entities shall endeavor to conduct, when permitted herein, its investigation with appropriate discretion and, as much as possible, protect the privacy and reputations of both the person reporting and the person about whom the report was made, and (3) a timely response to inquiries and, as necessary, periodic update(s) as to the status or resolution of the report.

4. **Education**

4.1 **Safe Environment Director.** The Safe Environment Director's responsibilities shall include, among other things, implementation, through the Child Protection Policies, and oversight of the educational programs required by these Child Protection Protocols, including:

4.1.1 Making certain each of the Diocesan Entities where Direct Contact with Minors regularly occurs maintain and implement all programs and efforts necessary to prevent Sexual Abuse of a Minor and to train all Clergy and Diocesan Personnel to identify signs of Sexual Abuse of a Minor. For the avoidance of doubt, Direct Contact with Minors regularly occurs at the following Diocesan Entities: All parishes, churches, missions and schools that are affiliated with or related to the Diocese or otherwise operate under the control or permission of the Bishop or the Diocese and The Catholic Cathedral Corporation of the East Bay, The Lumen Christi Academies of the Roman Catholic Bishop of Oakland, and The Roman Catholic Welfare Corporation of Oakland.

4.1.2 Developing and implementing procedures by which each such Diocesan Entity will report annually on its educational programs. This report is to be forwarded to the Bishop, the Minor Diocesan Review Board, and the Compliance Monitor, who may share such report with the Compliance Advisory Board.

4.1.3 Ensuring that each such Diocesan Entity teaching religious education has adopted a program of instruction regarding the recognition, prevention and reporting of Sexual Abuse of a Minor, and promoting healthy relationships between adults and minors.

4.2 **Educational Programs.** All Clergy who may have Direct Contact with Minors and Diocesan Personnel shall complete educational programs on the topics set forth in Section 4.2.2, which shall be designed for both children and adults.

4.2.1 Educational programs must include topics such as education in healthy relationships between adults and Minors; maintaining appropriate professional boundaries; human sexuality and the prevention of Sexual Abuse of a Minor; recognition and reporting of the Sexual Abuse of a Minor; trauma and secondary trauma, and recognition of sexual abuse perpetrator behavior. The educational programs designed for children shall also instruct children that they are not responsible for keeping themselves safe.

4.2.2 All Clergy are to be educated in all relevant criminal and civil laws pertaining to Sexual Abuse of a Minor and in the requirements under these Child Protection Protocols and the Child Protection Policies and USCCB Charter regarding reporting of Sexual Abuse of a Minor. All mandated reporters, as defined in applicable statutes, as well as individuals who may not be mandatory reporters under applicable law but who are required to report abuse under these Child Protection Protocols and the Child Protection Policies, including Clerics and

Church Personal, shall receive specific training regarding reporting obligations every two years and within 30 days of their retention if newly hired. The foregoing educational requirements must be completed by all international Clerics prior to them having any Direct Contact with Minors.

4.2.3 The Safe Environment Director shall ensure that materials regarding these Child Protection Protocols and the Child Protection Policies are produced, regularly updated, and made available to all Diocesan Entities.

4.2.4 Minors engaged in volunteer work are not required to obtain clearance certifications.

5. **Communications and Disclosures**

5.1 **Communications Coordinator.** In accord with the USCCB Charter, the Bishop shall designate a Communications Coordinator. Any person offering statements or commentary to the media other than the Bishop or the Communications Coordinator must be understood as offering only personal viewpoints and opinions, not necessarily reflecting the position of the Diocesan Entities in any official manner.

5.2 The Communications Coordinator shall work with the Safe Environment Director in developing and maintaining the section on communications to be set forth in the Child Protection Policies. The Diocesan Related Entities' communications policy will reflect a commitment to openness in a manner which respects the right to privacy and the reputation of all persons involved in Accusations, including the Accuser or Survivor as well as the Accused.

5.3 The Diocesan Entities shall be open and transparent and forthcoming in communicating with the public about the Sexual Abuse of a Minor within the confines of respect for the privacy and the reputation of the individuals involved; *provided, however*, the Diocesan Entities shall not disclose the identity, or information that may allow the identification, of the individual who makes an Accusation to any person or entity other than law enforcement without written permission from the individual that made the Accusation.

5.4 **Sharing Information.** The primary means of communicating to the Catholic community within the Diocese Territory and the larger public is through the diocesan website, *The Catholic Voice*, parish bulletins and school newsletters. As appropriate and as determined by the Communications Coordinator, in consultation with the Safe Environment Director, other means of communication, including the secular media, will be used to make known the Child Protection Policies.

5.5 The Communications Coordinator is to recommend to the Safe Environment Director specific policies for keeping the persons below or groups of persons properly informed as needed:

- (i) The secular media, regarding a specific Accusation or determination of whether such Accusation is a Substantiated Claim.
- (ii) The secular or religious media, regarding policies, procedures, and statistics.

- (iii) The Clergy of the Diocesan Entities.
- (iv) The Diocesan Personnel of the Diocesan Entities.
- (v) The people of the Diocesan Entities.
- (vi) The public of California.

5.6 **Disclosure and Confidentiality.** The Communications Coordinator shall ensure that annual announcements on how to report the suspected Sexual Abuse of a Minor by a Cleric or any Diocesan Personnel will be made in all Diocesan Entities (by announcement or printed in bulletins) (cf. USCCB Charter, art. 2).

5.7 Through the annual announcements, Clergy will encourage all Survivors of sexual abuse to report any Accusations to legal authorities and/ or the Diocesan Entities. While the Diocesan Entities' primary focus is the healing and well-being of Survivors, these public announcements should assure Survivors of the eagerness of the Diocesan Entities to assist them and encourage them to come forward to prevent ongoing or future abuse.

5.7.1 Except to the extent law enforcement officials or a government agency having prosecutorial powers request that the Bishop refrain from publicly disclosing the existence of an Accusation so as to avoid interfering with an ongoing investigation, the Bishop shall make a public announcement of the fact that an Accusation has been made, and that it has been reported to law enforcement for investigation. The announcement shall not disclose the identity of the Accuser unless the Accuser explicitly authorizes such disclosure in accordance with Section 5.3 hereof. The announcement shall not disclose the identity of the Accused if, in the discretion of the Bishop, with the consent of the Compliance Monitor, it would be imprudent to do so to protect the Accused's privacy and reputation before an investigation is concluded. The determination of whether to identify the Accused prior to the conclusion of an investigation shall be an Arbitration Matter subject to the Arbitration Procedures set forth in Section 11.1 of these Child Protection Protocols. The Bishop shall provide a final public update as soon as a determination regarding substantiation of the Accusation is made by law enforcement and/or pursuant to Section 7.1.4 hereof. The Diocese will provide this update on its website.

5.8 If the existence of an Accusation related to a particular parish or school is publicly made to the community of that school or parish at large, the Safe Environment Director, together with the Survivor Support Coordinator, shall ensure that mental health professionals will be available on-site at such parish or school to offer support, including crisis counseling, to any who desire it, and to offer additional Survivors the opportunity to report incidents of Sexual Abuse of a Minor.

5.9 Any disclosure hereunder shall be made with the expectation of confidentiality and privacy, under possible penalty in canon or civil law. If an Accusation becomes public by any means, the Safe Environment Director shall direct the Communications Coordinator to inform the appropriate personnel at the Accused's current assignment or employment that an inquiry is being conducted. Media questions are to be directed to the Communications Coordinator.

5.10 If any Diocesan Entity is contacted by a prospective employer of any current or former Cleric or Diocesan Personnel, the Diocesan Entity shall disclose all Substantiated Claims of Sexual Abuse of a Minor involving members of its Clergy or Diocesan Personnel, or former members of its Clergy or Diocesan Personnel, except to the extent such disclosure is prohibited by, or otherwise inconsistent with, applicable federal or state or common law.

5.11 Within 120 days after the later of (i) the date on which all claims are settled or otherwise resolved with all the insurers to the Diocesan Entities (the “**Litigation Cessation Date**”) and (ii) the Effective Date, or (iii) as otherwise agreed between the Bishop and the Compliance Monitor, the Bishop will make available to the Compliance Monitor copies of the documents maintained by the Diocesan Entities (a) on all Clergy and Diocesan Personnel, who were included as credible perpetrators of sexual abuse in the letter by Bishop Barber dated February 18, 2019 (<https://www.oakdiocese.org/credibly-accused-clergy-diocese-of-oakland>) because allegations of Sexual Abuse of a Minor have been admitted, substantiated or determined or considered to be credible (the “**Credibly Accused List**”) and (b) setting forth all policies and procedures that the Diocesan Entities had in place to protect children and others from Sexual Abuse of a Minor by any agent or representative of the Diocesan Entities. The Bishop may redact and/or remove from such production any privileged information, including attorney-client privileged, work product privileged information, unrelated personal information and communications, and medical information to the extent such information is unrelated to Sexual Abuse of a Minor and any other information subject to privileges under California state or federal law (the “**Removed Documents or Information**”).

5.12 The Bishop will identify for the Compliance Monitor the Removed Documents or Information in a detailed log that identifies with sufficient particularity the nature of the Removed Documents or Information. The Compliance Monitor and the Bishop agree to work cooperatively and in good faith to resolve any dispute regarding whether the Removed Documents or Information should not be provided to the Compliance Monitor. If an agreement cannot be reached between the Bishop and the Compliance Monitor on any dispute regarding any Removed Documents or Information, such dispute shall be an Arbitration Matter subject to the Arbitration Procedures set forth in Section 11.1 of these Child Protection Protocols. Specifically, the Compliance Monitor will have a reasonable period of time to notify the Bishop, in writing, if the Compliance Monitor believes that any of the Removed Documents or Information should be provided or made public. The Bishop will have a reasonable time after receipt of the Compliance Monitor’s written notification under the preceding sentence to notify the Compliance Monitor, in writing, of its objection to providing or making public any Removed Documents or Information. The Bishop shall not be required to provide or make public the Removed Documents and Information until the Arbitrator has determined that good cause exists for the Bishop to do so pursuant to Section 11.1 of these Child Protection Protocols. Nothing contained herein shall relate to or require the production of any files related to non-Diocesan Clergy, employees, or personnel.

5.13 Within one hundred 120 days after the later of (i) the Litigation Cessation Date; (ii) the Effective Date; and/or (iii) as otherwise agreed between the Bishop and the Compliance Monitor, the Bishop will make available to the Compliance Monitor all documents maintained by the Diocesan Entities related to any claim asserted by an individual against any Diocesan Entity not included on the Credibly Accused List that was asserted prior to the Effective Date (the “**Disputed Documents**”). The Compliance Monitor and the Bishop agree to work cooperatively

and in good faith to resolve any dispute regarding the Disputed Documents. If an agreement cannot be reached between the Bishop and the Compliance Monitor on any dispute regarding any Removed Documents or Information, such dispute shall be an Arbitration Matter subject to the Arbitration Procedures set forth in Section 11.1 of these Child Protection Protocols. Specifically, the Compliance Monitor will have a reasonable period of time to notify the Bishop after receipt of the Disputed Documents, in writing, if the Compliance Monitor believes that any of the Disputed Documents should be made public. The Bishop will have a reasonable time after receipt of the Compliance Monitor's written notification under the preceding sentence to notify the Compliance Monitor, in writing, of its objection to public release of any Disputed Documents. The Compliance Monitor will not publicly release any of the Disputed Documents unless the Bishop affirmatively permits the public release in writing or the Arbitrator has determined that good cause exists for the Compliance Monitor to do so pursuant to Section 11.1 of these Child Protection Protocols. Nothing contained herein shall relate to or require the production of any files related to non-Diocesan Clergy, employees, or personnel.

5.14 Within 90 days of the Effective Date, and notwithstanding anything to the contrary contained within these Child Protection Protocols, the Diocesan Entities shall disclose on each of the Diocesan Entities' websites the names of all Perpetrators that are the subject of a Substantiated Claim to the extent they have not already done so; *provided, however*, the Diocesan Entities shall not disclose any information to the extent doing so is prohibited by, or otherwise inconsistent with, applicable federal, state, or common law.

5.15 Inquiries from Third Parties.

5.15.1 Any inquiries from the media concerning Accusations of Sexual Abuse of a Minor by a Cleric or Diocesan Personnel who are in any way affiliated with the Diocesan Related Entities are to be forwarded to the Communications Coordinator. The Child Protection Policies shall provide for the provision of accurate and up-to-date information concerning the number of Accusations received within a given time, the inquiries conducted, and the number of Substantiated Claims. This includes information about the current employment or ministerial status of Clergy or any Diocesan Personnel. The Diocesan Entities will not ordinarily offer commentary regarding an open inquiry or any matter in litigation before secular or ecclesiastical courts.

5.15.2 When an Accusation involves Clergy from another diocese, institute or society of consecrated life, or an employee or volunteer of either, the Communications Coordinator will be kept informed of the Accusation and the progress of the inquiry, but normally all questions about the matter are referred to the person's proper diocese or institute of consecrated life.

6. Prevention Requirements

6.1 The Child Protection Policies shall specify (1) the necessary background checks, screenings, certifications and clearances needed to be employed by, or volunteer within, the Diocesan Entities, (2) who must obtain and/ or receive background checks, screenings, certifications and clearances and who may view them and (3) any required specialized child protection education or training. All of the foregoing determinations shall be made in consultation with, and after the consent of, the Compliance Monitor.

6.2 An Employer or other person responsible for employment decisions that fails to require an applicant to submit the required certification and clearances before the applicant's hiring shall be subject to discipline, including possible termination, as will be set forth in detail in the Child Protection Policies.

6.3 The Child Protection Policies shall provide for the following clearances and screenings needed to be employed by, or volunteer within, the Diocesan Related Entities.

6.3.1 Clearances.

6.3.1.1 All current Clergy and Diocesan Personnel of the Diocesan Entities shall undergo a criminal background check from a reputable third-party provider within 30 days of the effectiveness of the Children Protection Policies as well as at least every 36 months thereafter.

6.3.1.2 All prospective Clergy and Diocesan Personnel of the Diocesan Entities are (i) required to undergo a criminal background check from a reputable third party provider before serving in any capacity with, or being employed or retained by, or being transferred to, the Diocesan Entities, as well as at least every 36 months thereafter and (ii) in the case of Clergy and Diocesan Personnel, required to obtain a letter from their own bishop or superior attesting to the good standing.

6.3.1.3 All prospective international Clerics of the Diocesan Entities (i) must obtain an Interpol clearance before their employment or retention by any Diocesan Entities and (ii) shall undergo a criminal background check from a reputable third-party provider within 180 days of their employment or retention by any Diocesan Entities as well as at least every 36 months thereafter. The Diocesan Entities shall also obtain a Letter of Suitability from the international Cleric's proper bishop or religious superior before their employment or retention by any Diocesan Entities.

6.3.1.4 Employees and Volunteers who have obtained the necessary background certification and clearances for their employment or volunteer work in one agency or institution, may carry the same certification and clearances for volunteer work in another agency or institution without having to obtain new certification and clearances if those clearances remain current. Nevertheless, certification and clearances obtained for volunteer purposes cannot be used for employment purposes.

6.3.2 Employee or Volunteer Clearance Results.

6.3.2.1 If a background check reveals that a prospective Employee or Volunteer is a Perpetrator who has engaged in any form of Sexual Abuse of a Minor, no Diocesan Entity may employ the prospective Employee or receive services from the Volunteer.

6.3.2.2 If a background check reveals that a prospective Employee or Volunteer has a Criminal Record, other than being adjudged a Perpetrator, no Diocesan Entity may employ the prospective Employee or receive services from a Volunteer unless the Compliance Monitor approves of such action.

6.3.2.3 The Diocesan Entities shall not recommend or otherwise place any layperson, and shall direct Clergy not to recommend or otherwise place any layperson, into any position or role that provides such layperson with Direct Contact with Minors if such layperson has an unresolved Accusation of Sexual Abuse of a Minor pending against them.

6.3.3 Clergy Screening Requirements. Clergy, Seminarians and consecrated individuals shall be screened by the Compliance Monitor before admission to the seminary or a formation program.

6.3.3.1 Clergy, Seminarians, and consecrated individuals must undergo a psychological assessment, including mandatory psychological evaluations of new members of the Clergy (seminarians, clergy transfers etc.) through the administration of the Child Abuse Protection Inventory (CAPI) and the Minnesota Multiphasic Personality Inventory (MMPI - latest edition) by a clinician independent of any association with the Diocesan Related Entities, as part of the screening process in a manner designated by the Compliance Monitor. At the discretion of those responsible for their formation, the psychological assessment may be repeated before ordination.

6.3.3.2 Clergy from other dioceses seeking to incardinate into any Diocesan Entity or requesting the faculties of any Diocesan Entity shall also first be screened by the Compliance Monitor prior to receiving any ministerial assignment or faculties in any Diocesan Entity, following consultation with, and documentation from, the Cleric's proper bishop. The Compliance Monitor shall require a letter from the Cleric's own bishop attesting to the good standing of the Cleric. This letter, which must state that the Cleric has never been the subject of a Substantiated Claim of Sexual Abuse of a Minor, is necessary before the Cleric is given an assignment within any Diocesan Entity or is granted the faculties of any Diocesan Entity. If the Cleric served previously in the United States, background certification and clearances (criminal record checks) will also be conducted in the State of his last U.S. assignment prior to his grant of faculties in any Diocesan Entity.

6.3.3.3 Priests, deacons, brothers, or students from institutes of consecrated life assigned to any Diocesan Entity are to be screened by documentation from their major superiors, obtained by the Compliance Monitor before any assignment to ministry in any Diocesan Entities. The Compliance Monitor will require a letter from the Cleric's major superior attesting to the good standing of the Cleric. This letter, which must state that the Cleric has never been the subject of a Substantiated Claim of Sexual Abuse of a Minor, is necessary before the Cleric is given an assignment within any Diocesan Entities or is granted the faculties of any Diocesan Entities. All background certification and clearances specified in the Child Protection Policies will also be required.

6.3.4 Disclosure. If a Cleric seeks assignment, transfer, or residence outside the Diocesan Territory, the Bishop will provide to the receiving diocese, religious community, or organization, a complete copy of his Clergy file and any other files materially related to the Cleric. Notwithstanding the foregoing, the Bishop shall not disclose such information to the extent doing so would violate, or be inconsistent with, applicable federal, state, or common law.

6.3.5 The Bishop shall disclose any Accusation or Substantiated Claim of Sexual Abuse of a Minor to any diocese, Catholic entity, or secular employer that inquiries about such an Accusation of Sexual Abuse of a Minor with respect to any past or present Cleric or Diocesan Personnel. The Bishop shall also disclose the status or resolution of that Accusation as reflected in his records. Notwithstanding the foregoing, the Bishop shall not disclose such information to the extent doing so would violate, or be inconsistent with, applicable federal, state, or common law.

6.3.6 Prohibited Recommendations. The Child Protection Policies shall prohibit a Cleric or Diocesan Personnel from recommending any Cleric or Diocesan Personnel for a position that engages in Direct Contact with Minors to the extent such individual is the subject of a Substantiated Claim or has an Accusation of Sexual Abuse of a Minor pending against him or her.

7. Response to an Accusation of Sexual Abuse and Re-Review of Prior Accusations of Sexual Abuse

7.1 Steps to be Taken After Accusation of Sexual Abuse is Received. The steps set forth in Section 3 of these Child Protection Protocols shall be strictly followed whenever any Diocesan Entity receives a report of Sexual Abuse of a Minor.

7.1.1 Each Diocesan Entity shall restrict the Accused's access to Minors until the later of (i) the civil legal authorities conclude that the Accusation is not a Substantiated Claim and (ii) the Accusation is determined not to be a Substantiated Claim pursuant to Section 7.1.4 hereof.

7.1.2 The Compliance Monitor shall conduct an internal investigation of an Accusation at such time as law enforcement concludes its investigation, closes its file without an investigation, or authorizes the Diocesan Entity to proceed with its own internal investigation.

7.1.3 If an Accusation is made against any Cleric, Seminarian or consecrated individual who is incardinated in, or in formation for, another diocese, the Compliance Monitor shall conduct an internal investigation of an Accusation as set forth in this Section 7.

7.1.4 After the proper civil authorities have been consulted and give approval, the Compliance Monitor shall retain Independent Professional Investigators of his or her choosing to investigate the Accusation. The Independent Professional Investigators shall collect all available evidence (including files of the Diocesan Entities) and, consistent with best practices for evaluating Accusations of Sexual Abuse of a Minor, shall interview such persons as they deem necessary, reasonable, and appropriate to investigate the matter, including, if available, the Accuser, witnesses, and the Accused. Any Accuser or Survivor shall be advised of the right to have counsel or any other person the Accuser or the Survivor wishes present for such interview, including, but not limited to, a professional counselor. The Accused will be informed, before any interview, that civil authorities have been informed of the Accusation and will be encouraged to obtain legal counsel. The Accused shall be given, in writing, a list of rights enjoyed by both the Accused and the Accuser. Upon completion of their investigation, the Independent Professional Investigators shall present a written summary of their findings to the Compliance Monitor and the Bishop. The Compliance Monitor and the Bishop shall then jointly determine whether any Accusation made is a Substantiated Claim. If the Compliance Monitor and the Bishop cannot

agree on whether an Accusation constitutes a Substantiated Claim, the issue shall be resolved using the Arbitration Procedures set forth in Section 11.1 of these Child Protection Protocols.

7.1.5 Any person Accused of the Sexual Abuse of a Minor shall be placed on enforced leave from their assignment, office, or employment as soon as reasonably practicable upon notice to the Accused by the Compliance Monitor. This administrative or enforced leave incurs no interruption of salary and accrual of benefits. The faculty to impose temporary administrative or enforced leave in such circumstances and, in cases involving Clerics, to demand withdrawal from a particular rectory or place of residence, is expressly granted by the Bishop as particular law under these Child Protection Protocols to the Compliance Monitor. This action is not penal in nature and is intended only to facilitate the free and unhindered investigation of a serious Accusation of a crime (cf. Essential Norms, n. 9). If a person is placed on leave, such leave shall extend through the earlier of (i) the date the Bishop and the Compliance Monitor agree that the Accusation is not a Substantiated Claim or (ii) the date the Arbitrator determines that the Accusation is not a Substantiated Claim.

7.1.6 The Bishop shall not recommend or otherwise place any member of the Clergy into active ministry if such individual has an unresolved Accusation of Sexual Abuse of a Minor pending against them.

7.2 **Outcomes of the Investigation Process.**

7.2.1 When Sexual Abuse of a Minor is Not Substantiated. If an Accusation of Sexual Abuse of a Minor against a Cleric has been conclusively determined to not be a Substantiated Claim, the Bishop, after consultation with, and approval of, the Compliance Monitor, shall make inquiry into, and determination of, the given Cleric's fitness for ministry.

7.2.2 When Sexual Abuse of a Minor is Substantiated. When the Sexual Abuse of a Minor is deemed to be a Substantiated Claim, the Accused shall be removed from all active ministry, if applicable, and the Accused's employment, volunteer status, and Safe Environment Badge will be revoked as further set forth below:

- (a) Employee. A Substantiated Claim of Sexual Abuse of a Minor made against an Employee shall result in permanent dismissal of the Accused from all employment by any Employer. The Accused will not be permitted to be employed by, or volunteer in any position of ministry in, any Diocesan Entity.
- (b) Volunteer. A Substantiated Claim of Sexual Abuse of a Minor made against a Volunteer shall result in permanent removal of the Accused from all his or her volunteer positions in the Diocesan Entities, and the Accused shall not be permitted to volunteer or seek employment within any Diocesan Entities in the future.
- (c) Seminarian. A Substantiated Claim of Sexual Abuse of a Minor made against a Seminarian will result in the dismissal of the Accused from formation and the Accused shall not be permitted to re-enter a seminary within any Diocesan Entity in the future.

- (d) Cleric incardinated in any Diocesan Entity. Any Cleric found to have a Substantiated Claim of Sexual Abuse of a Minor against him shall be deemed unfit for ministry within any Diocesan Entity and the Bishop shall (i) notify an inquiring organization of his determination regarding fitness for ministry and (ii) not recommend such Cleric to any religious organization. Furthermore, a Substantiated Claim of Sexual Abuse of a Minor made against a Cleric incardinated in any Diocesan Entity will result in the removal of the Accused from his place of assignment (parish, campus, hospital, etc.), from any assignment or participation in ministry, and if a priest, his faculties will be withdrawn, and he will be placed under penal precept. Following all appropriate canonical processes, the Bishop will seek to permanently remove from all ministry any Accused Cleric who is the subject of Substantiated Claim (cf. USCCB Charter, art. 5; Essential Norms, n. 8). In every case where the Accusation of Sexual Abuse of a Minor by a Cleric is a Substantiated Claim, the Bishop will forward the case file to the Dicastery for the Doctrine of the Faith as required by the norms of the Holy See document, *Sacramentorum sanctitatis tutela*. Also, in every case the pertinent processes provided in Canon Law will be strictly observed (cf. Book VI of the Code of Canon Law; the USCCB Charter; the USCCB Essential Norms), and dismissal from the clerical state may be sought, if the case warrants it (cf. USCCB Essential Norms, n.8). A report will also be made to the appropriate civil authorities. Pending permanent removal, the Bishop and each Diocesan Entities shall take all actions within their control to restrict the Cleric's access to Minors.

A Cleric who is the subject of a Substantiated Claim of Sexual Abuse of a Minor may be offered professional assistance to prevent any future Sexual Abuse of a Minor. Such Accused Cleric will be given help from any Diocesan Entities if he wishes to seek voluntary laicization.

To the extent permitted by applicable state, federal, and canon law, and not inconsistent with applicable principles of common law, the Diocesan Entities will take all reasonable actions within their control to discontinue payments of any kind to Clergy incardinated in any Diocesan Entities against whom a Substantiated Claim has been established.

- (e) Cleric Incardinated in Another Diocese or is a Member of an Institute or Society of Consecrated Life. The Compliance Monitor shall promptly notify the proper bishop or superior of a Substantiated Claim of Sexual Abuse of a Minor. The Perpetrator shall be removed from any assignment or participation in ministry, and if the Perpetrator is Clergy, his faculties will be withdrawn, and

he will be placed under penal precept. The proper bishop or religious superior will be responsible for the residence of the Accused apart from any diocesan or parochial facility.

- (f) Consecrated Individuals. The Compliance Monitor will promptly notify the proper superior of the Accused of a Substantiated Claim of Sexual Abuse of a Minor. The Accused will be removed from residence within the Diocesan Entities, from any assignment or participation in ministry (volunteer or paid), and he or she will be placed under penal precept.

7.2.3 Additional Steps in the Case of Substantiated Claims. In addition to the outcomes set forth above, the Employer or Responsible Supervisor of the Accused (for any Diocesan) or the Compliance Monitor (for any Cleric, Seminarian, or consecrated individual) shall undertake reasonable efforts to effect appropriate action in the case of Substantiated Claims, including the following:

- (a) If the Accused is a Cleric incardinated in any Diocesan Entity, to request that he seek a medical or psychological assessment, evaluation, or treatment, which does not preclude other appropriate actions at the same time.
- (b) The Diocesan Entities shall aid the Communications Coordinator so that he or she may appropriately respond to media inquiries and provide media responses designed to reassure the community that Accusations are taken seriously and that the Diocesan Entities cooperates fully with civil authorities.
- (c) The Bishop shall make public disclosures of any Cleric or consecrated individual against whom there is a Substantiated Claim of Sexual Abuse of a Minor. In each case of a Substantiated Claim against a Cleric or consecrated individual, the Bishop will add the name of the individual to the disclosure section of the Diocesan Entities' websites. Such disclosures under this paragraph shall be made as soon as reasonably practicable but, in any event, no later than 30 days after the relevant determination.
- (d) If an Accusation made against Diocesan Personnel results in the filing of criminal charges against such individual, the Bishop will publicly disclose the fact that such charges were filed in the news/current events section of the Diocese's website promptly upon learning of such criminal charges.
- (e) The Diocesan Entities shall remove from public display any photographs and visible honors (such as a plaque or naming of a building) which prominently feature any Cleric or Diocesan Personnel against whom an Accusation of Sexual Abuse of a Minor

has been made which is found to be a Substantiated Claim. This does not prevent the Diocesan Entities from displaying photos of Clerics or Diocesan Personnel with a Substantiated Claim in a group setting where such individual is not prominently featured or if that photo or the words accompanying it explain that the individual had a Substantiated Claim of Sexual Abuse of a Minor asserted against him.

7.2.4 Anonymous Accusations (When Lawfully Permitted). The Diocesan Entities strongly discourage anonymous Accusations of suspected Sexual Abuse of a Minor because anonymous reports can prevent the healing and reconciliation of the Survivor and generally provide insufficient information for a competent and fair inquiry. Anonymous Accusations may inadvertently allow Sexual Abuse of a Minor to continue and are therefore, strongly discouraged. Such Accusations, when permitted by California law, will, however, be investigated consistent with these Child Protection Protocols and will always be reported to appropriate civil authorities.

7.2.5 Role of the Bishop in the Process.

7.2.5.1 At times the Bishop's personal presence, or that of his delegate, may help foster healing and reconciliation. The Bishop or his delegate will offer, through the Survivor Support Coordinator, to meet with Survivors and their families (cf. Charter, art. 1). He will listen with patience and compassion to their experiences and concerns, and he will share with them his own sentiments and that of the Diocesan Entities, as expressed on May 1, 2016 by His Holiness, Pope Francis in his weekly address: "This (the abuse of minors) is a tragedy... We must not tolerate the abuse of minors. We must defend minors. And we must severely punish the abusers."

7.2.5.2 At times, the Bishop's personal presence, or that of his delegate, may also help foster healing and reconciliation for the Accused.

7.2.5.3 If an Accusation is deemed a Substantiated Claim, the Bishop shall send a letter to the Survivor indicating that the Accusation has been deemed a Substantiated Claim.

7.2.6 Legal Considerations.

7.2.6.1 If either the Survivor or the Accused requests the counsel of a canon lawyer, the Survivor Support Coordinator will help the Survivor or the Accused in locating competent outside canonical counsel to assist them.

7.2.6.2 During a penal process, if requested by the Survivor, the Diocesan Entities may agree to assume part or all the costs associated with canonical counsel to the Survivor, if those costs are within acceptable standards suggested by the Canon Law Society of America. Such costs may also be assumed by the Accused, to the extent authorized by Canon Law or agreed to by the Accused.

7.2.6.3 The Diocesan Entities will not assist in providing legal fees for any person who is found to be a Perpetrator by a court of competent jurisdiction.

7.2.6.4 The Diocesan Entities will not require, as a condition to any settlement with a Survivor, that the Survivor enter into a confidentiality agreement with respect to such settlement. The Diocesan Entities will enter into a confidentiality agreement only if specifically requested by the Survivor or the Survivor's legal representative. At no time will the Diocesan Entities initiate such a confidentiality agreement. If such a request for confidentiality is made and agreed upon by the Diocesan Related Entities, such a request of the Survivor will be noted in the text of the agreement (cf. USCCB Charter, art. 3).

7.3 **Re-Review of Prior Accusations of Sexual Abuse.** Following consultation with the Bishop, the Compliance Monitor may recommend, in his or her discretion, or pursuant to a request made by a Survivor, Accuser, the Survivor Support Coordinator or any other individual, that any Accusation previously reported to any Diocesan Entity be re-reviewed. An Independent Professional Investigator shall then re-review such Accusation, and any files maintained with respect thereto, determine such Accusation, and report its determination to the Compliance Monitor, who shall then deliver such report to the Bishop. If a claim is re-reviewed in connection with this provision, the claim inquiry provisions set forth in these Child Protection Protocols shall apply.

8. Outreach and Assistance for Survivors

8.1 **Survivor Support Coordinator.** The Survivor Support Coordinator shall oversee all aspects of the outreach and assistance to Survivors of sexual abuse (cf. USCCB Charter, art. 2). The Survivor Support Coordinator will attend Minor Diocesan Review Board meetings as an ex-officio member.

8.2 The Survivor Support Coordinator will be the Diocesan Entities contact and support person for Survivors. Before any internal investigation into any Accusation, the Survivor Support Coordinator will designate a support counselor to assist the Survivor. The Survivor Support Coordinator is responsible for the ongoing assistance to a Survivor until they mutually determine that such support and assistance is no longer needed. The Survivor Support Coordinator will help the Survivor obtain counseling or therapy from a qualified provider selected by the Survivor in consultation with the Survivor Support Coordinator. The Survivor Support Coordinator will also answer any questions the Survivor may have about the process.

8.3 If requested, the Survivor Support Coordinator will help the Survivor obtain any needed urgent medical assistance as well as pastoral or spiritual care. If requested, the Survivor Support Coordinator will also help the Survivor locate any available financial assistance to satisfy any outstanding financial expenses of mental health therapy.

8.4 **Welfare of the Survivor.** The welfare of the Survivor is of primary concern to the Diocesan Related Entities. All Survivors are to be offered spiritual, pastoral, and mental health assistance, regardless of their ability to pay for these services (cf. USCCB Charter, art. 1).

8.4.1 If the Diocesan Entities do not appear to have legal liability in a case involving a Substantiated Claim of Sexual Abuse of a Minor, the expenses for the Survivor's

therapy are the personal responsibility of the Accused, and the Diocesan Entities will assist in obtaining a financial commitment from the Accused as much as possible. If the Accused is unwilling to pay the therapy expenses, the Bishop may use reasonable efforts to compel the Accused to pay as much as possible under applicable law, including, consistent with the above, through the attachment of wages. Notwithstanding the foregoing, in the event no other party pays for these services, the Diocesan Entities will do so as set forth below.

8.4.2 In cases involving a Substantiated Claim of Sexual Abuse of a Minor against a Cleric from an institute or society of consecrated life or another diocese, the Cleric's proper superior or bishop will be asked to make arrangements to pay for the Survivor's counseling expenses.

8.5 **Financial Assistance to Survivors.** The Diocesan Entities shall offer reasonable financial assistance to offset costs of counseling as part of their pastoral outreach to Survivors. Such action implies no legal liability for the Diocesan Related Entities. Financial assistance will include one-hour sessions of counseling, provided by a mutually agreed upon and properly credentialed therapist, which may be terminated if: (1) all parties agree or (2) it is obvious to the Survivor Support Coordinator, in consultation with the Compliance Monitor, that the therapy is not effective, in which case, and at the request of the Survivor, reasonable efforts will be made by the Survivor Support Coordinator to help the Survivor obtain another mutually agreed upon and credentialed therapist.

8.5.1 In connection with this Section, the Diocesan Entities shall pay the reasonable hourly rate, or any other rate that may be mutually agreed, for a licensed counselor in the Survivor's state of residence providing counseling assistance to a Survivor.

8.5.2 The Diocesan Entities shall not request access to the medical records of Survivors who receive counseling, including any records maintained by a counselor providing services to such individuals, *provided however*, that a Survivor may, in his or her discretion, authorize the release of such records to the Diocesan Entities in connection with any assessment by the Survivor Support Coordinator regarding continued financial assistance from the Diocesan Entities for counseling or for any other reason that the Survivor may determine in his or her discretion. To the extent the Diocesan Entities are in possession of the Survivor medical records that it obtained before the adoption of these Child Protection Protocols, it shall destroy such records within its possession unless the Diocesan Entities have already received the authorization. If a Survivor at any time requests that such records in the possession of the Diocesan Entities be destroyed, the Diocesan Entities will do so.

9. **Record Keeping**

9.1 The Safe Environment Director shall maintain records relating to Clergy and the Safe Environment Program.

9.2 The Safe Environment Director shall maintain records of the training sessions and educational requirements required under the Child Protection Policies.

9.3 The Diocesan Entities shall maintain files for all Clergy.

9.4 The Diocesan Entities shall ensure that files for any Diocesan Personnel are maintained.

9.5 The Diocesan Entities shall maintain, and not destroy, the files required by sections 9.3 and 9.4 herein and any of these records, all of which files and records may be maintained electronically:

9.5.1 Signed documents under the Child Protection Policies.

9.5.2 Copies of all returned background checks.

9.5.3 Internal memoranda or documentation regarding Cleric or Diocesan Personnel misconduct.

9.5.4 Records of any allegation of Sexual Abuse of a Minor made against the Cleric or Diocesan Personnel.

9.5.5 Records of any Mandated Reporting made to law enforcement about a Cleric or Diocesan Personnel.

9.5.6 Records of any internal investigation into the Cleric or Diocesan Personnel.

9.5.7 Records relating to any reviews of Cleric or Diocesan Personnel.

10. **Compliance Auditing**

10.1 Not less than annually, the Compliance Monitor shall retain an auditor to certify the Diocesan Entities' compliance with these Child Protection Protocols, the Child Protection Policies, the USCCB Charter, the Essential Norms, and any other policies and procedures published by the Bishop, upon approval of the Compliance Monitor, to protect Minors, including, but not limited to, compliance with background certification and clearances and the mandatory educational programs set forth in these Child Protection Protocols (the "**Annual Compliance Audit**"). The Annual Compliance Audit shall be conducted by a firm with demonstrated competencies to conduct a compliance audit with policies like these Child Protection Protocols. The Compliance Monitor shall provide the Bishop, the Minor Diocesan Review Board and the Compliance Advisory Board with the written Annual Compliance Audit no less than 30 days after it is received; *provided, however*, that the Annual Compliance Audit may be redacted before being provided to the Compliance Advisory Board if the Compliance Monitor determines that such redactions are needed to protect confidential information.

10.1.1 Included in the Annual Compliance Audit shall be a report from the Safe Environment Director on the curricula and Safe Environment Program training in use by the Diocesan Entities.

10.1.2 In connection with the Annual Compliance Audit, the Compliance Monitor shall provide a copy of these Child Protection Protocols and the Child Protection Policies to each Diocesan Entity along with a letter requiring comprehensive and consistent compliance with the Child Protection Protocols and the Child Protection Policies and a specific reminder of the

requirement to report abuse consistent with these Child Protection Protocols and the Child Protection Policies. Each Diocesan Entity shall then certify, in writing, that they have received the Child Protection Protocols and the Child Protection Policies, agree to abide by, and have abided by, them, including by conducting the background certification and clearances set forth in the Child Protection Policies and that all Clergy and Diocesan Personnel have completed the educational programs set forth in the Child Protection Policies.

10.1.3 In addition to the Annual Compliance Audit, the Compliance Monitor may retain auditors to conduct any other audit or compliance assurance reports for any element of these Child Protection Protocols and the Child Protection Policies.

10.1.4 Within 30 days after the retention of the Compliance Monitor, the Compliance Monitor shall obtain from each Clergy member working within the Diocesan Entities, a signed and dated written statement affirming that the Clergy member (1) has not sexually abused any Minor at any time, and (2) is unaware of the Sexual Abuse of a Minor by another Cleric or Diocesan Personnel that has not been reported to law enforcement and the Diocesan Entities.

10.1.5 The Compliance Monitor shall also obtain from any visiting Cleric who is given open-ended faculties to minister in the Diocesan Entities or has an assignment in a parish or related Diocesan entity (this does not include Clergy visiting for a single event) a signed and dated statement under this paragraph no later than 30 days after assignment or open-ended faculties are given.

10.1.6 Copies of all statements obtained under this paragraph shall be provided timely to the Bishop and the Minor Diocesan Review Board.

11. Arbitration of Disputes Concerning the Child Protection Protocols

11.1 The Compliance Monitor and the Bishop agree to work cooperatively and in good faith with one another to resolve any dispute arising under these Child Protection Protocols or the Child Protection Policies. If an agreement cannot be reached between the Bishop and the Compliance Monitor on any dispute regarding specific matters described herein as being subject to the procedures of this Section 11.1 (such procedures being the “**Arbitration Procedures**,” and such matters being the “**Arbitration Matters**”), the Arbitrator shall make the ultimate determination of such dispute pursuant to the following procedures:

(a) Both the Compliance Monitor and the Bishop shall submit their positions concerning the Arbitration Matter at issue to the Arbitrator in writing. Either party may request a hearing before the Arbitrator, which may occur virtually. The decision whether to conduct a hearing on the Arbitration Matter at issue shall be within the discretion of the Arbitrator. Within 30 days following the later of: (i) receipt of the parties’ written submissions or (ii) any hearing regarding such Arbitration Matter (or communication by the Arbitrator of the denial of such hearing), the Arbitrator shall make a determination regarding the Arbitration Matter. The decision of the Arbitrator as to the Arbitration Matter shall be final.

(b) If an Arbitration Matter concerns a specific individual, including an Accused or an individual named on the Credibly Accused List, such individual or their attorney, agent, estate, executor, or otherwise, shall be noticed by the Compliance Monitor of the proceeding

before the Arbitrator on no less than 30 days' written notice and may appear and be heard by the Arbitrator as to the Arbitration Matter, including by written submission.

(c) Nothing herein shall limit the rights of any Accused or individual that is named on the Credibly Accused List from asserting any legal, equitable, or other rights with respect to the Arbitration Matter including, but not limited to, assertions of privilege.

11.2 **Resolution of Conflicts or Inconsistencies.** To the extent of any conflict or inconsistency as between the requirements of the USCCB Charter and these Child Protection Protocols, these Child Protection Protocols shall govern. To the extent of any conflict or inconsistency as between these Child Protection Protocols and applicable federal, state, or common law, such applicable federal, state, or common law shall govern.

IV.

A PROMISE TO HEAL

1. The Diocesan Entities shall support and encourage the reporting of suspected Sexual Abuse of a Minor on their websites and in print documents posted in their office facilities. The websites and documents shall seek to educate Clergy and Diocesan Personnel on the reporting of Sexual Abuse of Minors and the protection afforded to Accusers who make good-faith Accusations.

2. In instances where a claim of Sexual Abuse of a Minor is deemed a Substantiated Claim, if requested by the Survivor (i) Diocesan Entities' leadership, including the Bishop, shall meet with the Survivor or his or her support person(s) as may be reasonably arranged, with due respect for the needs of both the Survivor and Diocesan Entities' personnel and (ii) the Bishop shall, on behalf of the Diocesan Entities, send a personally signed letter of apology to the Survivor.

3. In consultation with Survivors, the Bishop shall lend support that leads to healing. For example, the Bishop shall willingly and pastorally preside over a healing service at least once per calendar year dedicated to supporting Survivors and preventing sexual abuse of children. In connection therewith, the Bishop shall issue a public statement acknowledging that he is grateful that Survivors came forward and encouraging all Clergy in writing to attend the annual healing service. The Diocesan Entities shall cause to be announced in bulletins at least one month in advance the time and location of this annual healing service. The location of this annual healing service shall be the Cathedral of Christ the Light in Oakland, California.

4. At least once a year, the Bishop shall send written statements to each of the Diocesan Entities, stating that Survivors of Sexual Abuse of a Minor are not at fault for their abuse and are not enemies of the church. Suggested language for the Bishop's written statement includes: "God's children are valued members of the flock who need and deserve the Catholic's community's empathy, care, and above all, protection."

5. The Diocesan Entities shall continue (i) posting the names of all known Clergy, including diocesan priests, nuns, teachers and/or other agents, for whom childhood sexual abuse allegations are found to be a Substantiated Claim in accordance with the Child Protection Protocols and the Child Protection Policies on the Diocese's website for not less than 25 years

after the Effective Date of the Plan of Reorganization and (ii) providing contact information on their websites for anonymously reporting abuse complaints.

6. The Diocesan Entities shall make an announcement on their websites of (i) the full and complete release of all Survivors from any previous confidentiality requirement and (ii) a commitment and promise not to require any confidentiality provision concerning the sexual perpetrators or factual circumstances surrounding sexual abuse going forward, except upon written request of a settling Survivor. Confidentiality shall be respected only to preserve the identity or privacy of the Survivor.

7. For ten years after the Effective Date, the Diocesan Entities shall allow Survivors to publish their stories of abuse in *The Catholic Voice*.

8. The Diocesan Entities shall display in each diocesan or parish school signage, in form and substance approved by the Compliance Monitor, stating that Sexual Abuse of Minors by any person, including Clergy, in that parish, church or school or anywhere, shall not be tolerated and advising that any report or complaint of child sexual abuse will be fully investigated in a manner that respects and protects the victim of such abuse.

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

Schedule 1.1.32
Schedule of Churches

Church Listing

	Church Names	City
1		
2		
3	Holy Spirit/Newman Hall Church	Berkeley
4	St. Mary Magdalen Church	Berkeley
5	Cathedral Of Christ The Light	Oakland
6	St. Theresa Church	Oakland
7	St. Patrick Mission	Crockett
8	St. Barnabas Church	Alameda
9	St. Joseph Basilica	Alameda
10	St. Ambrose Church	Berkeley
11	Our Lady Of Grace Church	Castro Valley
12	Transfiguration Church	Castro Valley
13	St. Raymond Penafort Church	Dublin
14	Corpus Christi Church	Fremont
15	Holy Spirit Church	Fremont
16	St. James The Apostle Church	Fremont
17	St. Joseph Church	Fremont
18	Our Lady Of Guadalupe Church	Fremont
19	All Saints Church	Hayward
20	St. Bede Church	Hayward
21	St. Clement Church	Hayward
22	St. Joachim Church	Hayward
23	St. Charles Borromeo Church	Livermore
24	St. Michael Church	Livermore
25	St. Edward Church	Newark
26	St. Augustine Church	Oakland
27	St. Benedict Church	Oakland
28	St. Bernard Church	Oakland
29	St. Elizabeth Church	Oakland
30	St. Leo The Great Church	Oakland
31	Our Lady Of Lourdes Church	Oakland
32	St. Margaret Mary Church	Oakland
33	St. Patrick Church	Oakland
34	Sacred Heart Church	Oakland
35	Corpus Christi Church	Piedmont
36	Catholic Community Of Pleasanton	Pleasanton
37	Church Of The Assumption	San Leandro
38	Our Lady Of Good Counsel	San Leandro
39	St. Felicitas Church	San Leandro
40	St. Leander Church	San Leandro
41	St. John The Baptist Church	San Lorenzo
42	Our Lady Of The Rosary Church	Union City
43	St. Anne Church	Union City
44	St. Ignatius Of Antioch Church	Antioch
45	Immaculate Heart Of Mary Church	Brentwood
46	St. Agnes Church	Concord
47	St. Bonaventure Church	Concord

	Church Names	City
1	St. Francis Of Assisi Church	Concord
2	Queen Of All Saints Church	Concord
3	St. Rose Of Lima Church	Crockett
	St. Isidore Church	Danville
4	St. Jerome Church	El Cerrito
	St. John The Baptist Church	El Cerrito
5	St. Callistus Church	El Sobrante
	St. Perpetua Church	Lafayette
6	St. Catherine Of Siena Church	Martinez
7	St. Monica Church	Moraga
	St. Anthony Church	Oakley
8	Santa Maria Church	Orinda
	St. Joseph Church	Pinole
9	Church Of The Good Shepherd	Pittsburg
	Our Lady Queen Of The World	Bay Point
10	St. Peter Martyr Church	Pittsburg
11	Christ The King Church/St. Stephen Church	Pleasant Hill/Walnut Creek
	Our Lady Of Mercy Church	Point Richmond
12	St. Cornelius Church	Richmond
	St. David Of Wales Church	Richmond
13	St. Patrick Church	Rodeo
	St. Joan Of Arc Church	San Ramon
14	St. Anne Church	Walnut Creek
15	St. John Vianney Church	Walnut Creek
	St. Mary Church	Walnut Creek
16	Divine Mercy Church	Oakland
	St. Mark Church	Richmond
17	St. Anthony	Mary Help Of Christians
	St. Columba Church	Oakland
18	St. Jarlath Church	Oakland
19	St. Louis Bertrand	Oakland
	Most Holy Rosary Church	Antioch
20	St. Joseph The Worker Church	Berkeley
	St. Anne Church	Byron
21	St. Paul Church	San Pablo
22	St. Philip Neri	St. Albert The Great Church Alameda
23		
24		
25		
26		
27		
28		

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

EXHIBIT B

[INTENTIONALLY LEFT BLANK]

Exhibit C

DIOCESE OF OAKLAND
Plan Funding Analysis (Note 1)

Description	Notes	Funding Calculations for the Four-Year				Period from 1-Jan-26 to 31-Dec-29
		12-Month Period Ending 31-Dec-26	12-Month Period Ending 31-Dec-27	12-Month Period Ending 31-Dec-28	12-Month Period Ending 31-Dec-29	
(1) Net Proceeds from Real Estate Sales (Including 12 Whole Parish Sites)	(2)	\$ 1,111,500	\$ 7,240,700	\$ 53,203,200	\$ 21,446,400	\$ 83,001,800
(2) Incremental Net Proceeds from Real Estate Sales (Including 16 Additional Whole Parish Sites)	(3)	-	-	(825,600)	66,921,600	66,096,000
(3) Incremental Net Proceeds from the Sale of Two Additional Parish Sites	(4)	1,596,000	-	-	28,963,200	30,559,200
(4) Operating Reserves from Parish Closures	(5)	-	-	2,150,000	4,450,000	6,600,000
(5) Estimated Professional Fees Through Plan Confirmation	(6)	(15,000,000)	-	-	-	(15,000,000)
(6) Estimated Professional Fees During Appeal	(7)	(2,500,000)	(5,000,000)	(2,500,000)	-	(10,000,000)
(7) Payments to Class 3 Creditors	(8)	-	-	(1,400,000)	-	(1,400,000)
(8) Debt Service Payments on \$26 Million RCC Loan	(9)	(1,421,029)	(1,421,029)	(8,622,883)	(1,915,953)	(13,380,895)
(9) Estimated Operating Cash Flow	(10)	7,600,000	7,600,000	7,435,000	5,500,000	28,135,000
(10) Annual Cash Flow (Sum of (1) through (9))		\$ (8,613,529)	\$ 8,419,671	\$ 49,439,717	\$ 125,365,247	\$ 174,611,105
(11) Total Cash and Investments - Beginning Balance	(11)	\$ 82,859,630	\$ 74,246,101	\$ 82,665,772	\$ 64,105,488	\$ 82,859,630
(12) Estimated Permanently Restricted Cash and Investments	(12)	16,671,300	16,671,300	16,671,300	16,671,300	16,671,300
(13) Spendable Cash and Investments - Beginning Balance ((11)-(12))	(13)	66,188,330	57,574,801	65,994,472	47,434,188	66,188,330
(14) Annual Cash Flow (From Row (10))		(8,613,529)	8,419,671	49,439,717	125,365,247	174,611,105
(15) Plan Funding	(14)	-	-	(68,000,000)	(127,200,000)	(195,200,000)
(16) Spendable Cash and Investments - Ending Balance (Sum of (13) through (15))	(15)	57,574,801	65,994,472	47,434,188	45,599,435	45,599,435
(17) Estimated Permanently Restricted Cash and Investments		16,671,300	16,671,300	16,671,300	16,671,300	16,671,300
(18) Total Cash and Investments - Ending Balance (Sum of (16) through (17))		\$ 74,246,101	\$ 82,665,772	\$ 64,105,488	\$ 62,270,735	\$ 62,270,735
(19) Estimated Six-Month Operating Reserve (Based on Spendable Cash and Investments)	(15)	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000

Notes to Plan Funding Analysis

All of the information set forth in the “IMPORTANT INFORMATION ABOUT THIS DISCLOSURE STATEMENT” Section of the Disclosure Statement are incorporated by reference and should be reviewed in connection with reviewing this Plan Funding Analysis.

Although this Plan Funding Analysis represent the Committee’s commercially reasonable estimates and good faith judgment of the Debtor’s ability to fund the Committee Plan using specific assets at the times and in the amounts set forth therein, this Plan Funding Analysis is only an estimate and actual results may vary considerably. Consequently, this Plan Funding Analysis should not be regarded as a representation by the Committee, the Committee’s advisors, or any other person that the projections will be achieved. This Plan Funding Analysis is based on forecasts that may be significantly impacted by several factors, many of which are outside of the Committee’s control. Consequently, the estimates and assumptions underlying this Plan Funding Analysis are inherently uncertain and are subject to material operational, economic, and other uncertainties.

1. This Plan Funding Analysis assumes that 30 whole Parish / Church sites are sold to fund contributions to the Committee Plan.

As discussed in greater detail in the Disclosure Statement and throughout the Notes to this Plan Funding Analysis, the Debtor has other means available to provide the funding amounts set forth in this Plan Funding Analysis.

This Plan Funding Analysis assumes an Effective Date of June 30, 2028. This assumption is based, at least in part, on the likelihood that the Debtor and/ or the Non-Settling Insurers will appeal any Order confirming the Committee Plan.

In addition, this Plan Funding Analysis assumes that cash and investments held by the Parishes are available to make payments to the Survivors’ Trust, as well as to pay professional fees / restructuring costs.

2. “Net Proceeds from Real Estate Sales (Including 12 Whole Parish Sites)” are based on Hilco appraisals and reflect net proceeds from Debtor real estate sales that the Debtor proposes to sell to fund the Diocese Plan. Estimated transaction costs have been calculated by Stout.

3. “Incremental Net Proceeds from Real Estate Sales (Including 16 Additional Whole Parish Sites)” is the difference between net proceeds discussed in Note 2 (\$83,001,800) and net proceeds from Debtor real estate sales based on the John C. Satter report dated July 1, 2025, which considers the value of 28 whole Parish sites. Estimated transaction costs have been calculated by Stout.

4. “Incremental Net Proceeds from the Sale of Two Additional Parish Sites” reflects the net proceeds from the sale of St. John Vianney Church and St. Joan of Arc Church. The value estimates and transaction costs have been calculated by Stout.

The amount of net proceeds discussed in Note 3 (\$66,096,000) and Note 4 (\$30,559,200, for a total of \$96,655,200) reflect net proceeds from real estate sales that have not been agreed to by the Debtor. Other options are available to the Debtor to generate proceeds to fund the Survivors' Trust as set forth in the Committee Disclosure Statement. Such options include, but are not limited to:

- (a) The sale of the Livermore Property, which the Debtor includes in the Diocese Plan. Stout estimates the net proceeds from the sale of Livermore to be \$100,940,000.
- (b) Obtain a loan, which the Diocese Plan contemplates. Specifically, the Diocese Plan provides for a \$55 million loan from RCC.
- (c) The selection of Parish sites that are different than those identified in this Plan Funding Analysis.
- (d) Pursue collection efforts on the CCCEB Note, which approximates \$40 million.

The real estate sales in Note 3 and Note 4 are included in this Plan Funding Analysis in order to provide one example of how the Debtor can generate proceeds to fund its obligations under the Committee Plan.

5. "Operating Reserves from Parish Closures" are calculated at 50% of the estimated operating reserve for the Parishes / Churches assumed to be closed in this Plan Funding Analysis.

6. "Estimated Professional Fees Through Plan Confirmation" (assumed to be June 30, 2026) are estimated to be \$15 million based on the amount of the Debtor's DIP loan.

7. This Plan Funding Analysis assumes "Estimated Professional Fees During Appeal" of \$10 million during the assumed two-year period between a June 30, 2026 Confirmation Date and a June 30, 2028 Effective Date.

8. "Payments to Class 3 Creditors" are estimated to be \$1.4 million based on statements made in pleadings filed by the Debtor.

9. "Debt Service Payments On \$26 Million RCC Loan" are based on the terms of the loan agreement and an assumed Effective Date of June 30, 2028.

10. "Estimated Operating Cash Flow" are largely supported in Paul N. Shields' expert report dated July 1, 2025, and will be explained in further detail in Mr. Shields expert report that is expected to be issued in support of the Committee's Plan.

11. "Total Cash and Investments – Beginning Balance" is based on (i) cash and investment balances reported in supplemental files to the Monthly Operating Report dated December 31, 2025, (ii) draft Parish financial statements dated December 31, 2024 (which are the most recent financial statements provided to date), and (iii) Deposit and Loan Fund balance for the Parishes / Churches reported in the Debtor's Third Amended Disclosure Statement.

12. “Estimated Permanently Restricted Cash and Investments” in the amount of \$16,671,300 are estimated based on the assumption that 50% of the alleged Debtor restricted assets set forth in the Charles M. Moore expert report dated June 30, 2025, are permanently restricted, and 50% are temporarily restricted.

13. “Spendable Cash and Investments” is a term used by Moody’s Investors Service. It is defined as unrestricted cash and investments and temporarily restricted cash and investments.

14. Based on the assumption of a June 30, 2028 Effective Date, a payment in the amount of \$68.0 million (\$33.1 million + \$6.0 million + \$28.9 million) would be made to the Survivors’ Trust on the Effective Date. Payments of \$127.2 million would be made thereafter (\$46.3 million + \$80.9 million).

15. Depending on the timing of certain cash flow items set forth in this Plan Funding Analysis, Spendable Cash and Investments (which includes both unrestricted cash and investments as well as temporarily restricted cash and investments) could drop below a six-month operating reserve. However, such a condition would not persist for more than a year and at no point would the Debtor have unrestricted cash and investments of less than three months operating expenses. Further, as reflected in this Plan Funding Analysis, by the end of the funding contemplated in the Committee Plan, the Debtor would be restored to a six-month operating reserve of Spendable Cash and Investments.