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

Chapter 11

**DEBTOR'S STATUS CONFERENCE
STATEMENT FOR BANKRUPTCY CASE**

Judge: Hon. William J. Lafferty

Status Conference:

Date: September 9, 2025

Time: 10:00 a.m.

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

**TO THE HONORABLE WILLIAM J. LAFFERTY, UNITED STATES BANKRUPTCY JUDGE
AND ALL INTERESTED PARTIES AND/OR THEIR COUNSEL OF RECORD:**

The Roman Catholic Bishop of Oakland, a California corporation sole, and the debtor and debtor in possession (the “Debtor”) in the above-captioned chapter 11 bankruptcy case (the “Chapter 11 Case”), hereby files this Status Conference Statement.

Unfortunately, the Debtor has concluded there are no likely prospects for a consensual resolution between the Debtor, the Official Committee of Unsecured Creditors’ (the “Committee”) and the Debtor’s insurance carriers (the “Insurers”) in this Chapter 11 Case. Accordingly, the Debtor will be seeking dismissal of this Chapter 11 Case.

For the past twenty-eight months, the Debtor has worked tirelessly to balance two important objectives: a fair and equitable resolution of abuse claims filed against it, and the continuation of its vital mission of shepherding the 500,000+ Catholic faithful in the East Bay and serving the needy in the broader East Bay community. To achieve these goals, the Debtor engaged the Committee and the Insurers in extensive and intense mediation sessions to resolve the key issues of the case. Mediation between the Debtor and the Committee began in February 2024, and between the Debtor, Committee and Insurers in June 2024. Below is a list of the mediations that occurred during this Chapter 11 Case:

Date	Location	Participants with Debtor
February 27, 2024	San Francisco	Mediators
March 18-19, 2024	San Francisco	Committee
April 15-16, 2024	San Francisco	Committee
May 13-14, 2024	Chicago	Committee
June 18-19, 2024	San Francisco	Committee and Insurers
August 13, 2024	Chicago	Committee
September 10-11, 2024	Chicago	Committee
September 30, 2024	Remote	Committee

STATUS CONFERENCE STATEMENT FOR SEPTEMBER 9, 2025

October 1, 2024	Remote	Committee
October 16-17, 2024	San Francisco	Committee and Insurers
October 22, 2024	San Francisco	Insurers
October 31, 2024	Remote	Insurers
November 6, 2024	Remote	Insurers
November 7, 2024	Remote	Insurers
February 24 – 25, 2025	San Francisco	Committee and Insurers

In addition to the formal mediation sessions, the Debtor has discussed settlement with the Mediators, with counsel for the Committee, and with counsel for various Insurers. Unfortunately, as this Court has correctly observed, global settlement negotiations are in a logjam which began in September 2024 and persists to this date.

At the status conference on August 13, 2025, the Debtor informed this Court and all stakeholders it would make one last attempt to break this impasse and achieve a consensual resolution of this Chapter 11 Case now. To that end, two weeks ago the Debtor delivered its final settlement proposal to the parties. More specifically, on August 25, 2025, the Debtor delivered to the Committee its proposal for final resolution of this Chapter 11 Case, increasing the amount the Debtor will pay and communicating an increase in the offer from Schools, in the total amount of \$165 million, together with a commitment it would adopt enhanced child protection protocols for which the Committee advocated more than one year ago. Exh. A. This proposal was not made through the mediators nor pursuant to or in furtherance of mediation, and thus is not protected by any privilege. The Debtor's proposal is not merely fair and equitable. It would allow an average per survivor recovery of \$463,768 from the Debtor and Non-Debtor Catholic Entities alone. This substantially exceeds all average diocesan-only recovery amounts in diocesan bankruptcies in which it least 200 non-duplicative abuse claims were filed and in which a consensual plan was confirmed on or after January 1, 2015. The following chart compares the average payment-per-

survivor claim under the Debtor's August 25, 2025 proposal – which the Committee did not accept – to other such cases:

<u>Case name/no.</u>	<u>Date Plan confirmed</u>	<u>No. of survivor claims</u>	<u>Average per-claim recovery from Debtor/NDCE contribution¹</u>	<u>Average per-survivor claim recovery from insurance contribution</u>	<u>Average per-survivor claim recovery, total</u>
<i>In re The Roman Catholic Bishop of Helena, Montana</i> , 14-60074 (Bankr. D. Mt.)	3/5/2015	388	\$16,753	\$37,081	\$53,834
<i>In re Archdiocese of Milwaukee</i> , 11-20059 (Bankr. E.D. Wis.)	11/13/2015	352	\$30,114	\$30,966	\$61,080
<i>In re The Archdiocese of Saint Paul and Minneapolis</i> , 15-30125 (Bankr. D. Minn.)	9/25/2018	450	\$88,889	\$377,778	\$466,667
<i>In re The Roman Catholic Archdiocese of Agana</i> , 19-00010 (Bankr. D. Guam)	10/19/2022	255	\$98,039	\$107,059	\$205,098
<i>In re The Diocese of Camden, New Jersey</i> , 20-21257 (Bankr. D.N.J.)	3/14/2024	324	\$270,062	unknown (insurance assignment)	unknown (insurance assignment)
<i>In re The Roman Catholic Diocese of Rockville Centre, New York</i> , 20-12345 (Bankr. S.D.N.Y.)	12/4/2024	565	\$415,584	\$151,372	\$566,956
<i>In re The Roman Catholic Diocese of Syracuse, New York</i> , 20-30663 (Bankr. N.D.N.Y.)	N/A (hearing 8/27/25)	374	\$267,380	unknown (insurance assignment)	unknown (insurance assignment)
<i>In re The Diocese of Rochester</i> , 19-20905 (Bankr. W.D.N.Y.)	N/A (hearing 9/5/25)	471	\$116,773	\$406,263	\$523,036
<i>In re The Roman Catholic Church of the Archdiocese of New Orleans</i> , 20-10846 (Bankr. E.D. La.)	N/A (hearing 11/12/25)	660	\$295,132 ²	unknown (\$44,356 plus insurance assignment)	unknown (\$339,488** plus insurance assignment)
In re The Roman Catholic Bishop of Oakland, 23-40523 (Bankr. N.D. Cal.)	N/A	345	\$463,768	unknown (insurance assignment)	unknown (insurance assignment)

¹ “Debtor/NDCE” contribution includes amounts contributed by the Debtor entity and any other non-debtor Catholic entity (e.g. separately incorporated parishes, Catholic Charities, schools entities, etc.) to the class of survivors.

² In its First Amended Disclosure Statement, the Archdiocese of New Orleans provides a value range for survivor recoveries. The figures in the above chart reflect the “middle value” range. [Dkt. No. 4193 at 10-11, § 3.03.] The Archdiocese identified 660 non-duplicative survivor claims, of which it estimated 250 were filed after the applicable claims bar date. [Dkt. No. 4193 at 22, § 5.01.] If all 250 late-filed claims are disallowed, the average per-survivor claim recovery from Debtor/NDCE sources becomes \$475,122, and \$546,494 from all sources, again using the “middle value” range.

1 The Committee disputes these other diocesan bankruptcy case outcomes are a relevant measure of
2 a fair and equitable settlement or plan. The Debtor disagrees and believes these other case outcomes are
3 an important data point for this Chapter 11 Case. At minimum, they reflect the culmination of nine other
4 litigated Catholic diocesan bankruptcies in the United States, with a result those respective parties
5 ultimately arrived at in good faith, and the respective court approved as fair and reasonable. All of those
6 results are below the average per-survivor recovery offered by the Debtor here – most of the results are
7 substantially below.

8 The Debtor provided a copy of its August 25, 2025, settlement proposal to the Insurers the
9 following day, and urged the Insurers and the Committee to immediately negotiate together (and with the
10 Debtor) to finalize a consensual resolution within fourteen days. **Exh. A (redacted)**. The Debtor has made
11 clear to both the Committee and the Insurers it would not settle with either in a vacuum because the Debtor
12 cannot not afford a protracted fight with either.

13 The Debtor made clear if the Committee did not accept the Debtor's proposal or provide a counter-
14 proposal with respect to non-monetary terms and reach agreement with the Debtor and Insurers before
15 September 8, 2025³, the Debtor would seek to move this Chapter 11 Case in a different direction. The
16 Debtor only late today received the Committee's response, which the Committee elected to communicate
17 through one of the Mediators. Because of this, the Debtor is not providing this Court with the details
18 regarding the Committee's specific response to the Debtor's settlement proposal. However, the Debtor
19 will inform the Court there is **nothing** about the Committee's response which changes the Debtor's belief
20 there are no likely prospects for a consensual resolution between the Debtor, the Committee and the
21 Insurers. Indeed, the Committee's response only reinforced this belief.

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23
24 ³ If the Committee complains this was not enough time to act, the Debtor's response is this. First, the Committee has not made
25 a demand of the Debtor since September 20, 2024 – nearly one year ago. The Debtor has now made four separate proposals
26 since the Committee's last demand. The Committee has had plenty of time to think about what it would want to put in a
27 counteroffer. Second, the Debtor has been working daily to put itself in a position to make this final proposal, and the Committee
28 and its members are capable of doing the same. The Committee members owe a fiduciary duty to act on behalf of creditors,
and knowing the Debtor intended to take action in the space between the last status conference and the September 9 status
conference, the Committee could have easily scheduled meetings and worked on this if its members and professionals wanted
to do so.

1 The Debtor has now received monetary settlement proposals from four Insurers (either directly or
2 through Mediator Tim Gallagher). Although these proposals are a somewhat positive development, again,
3 they do not change the Debtor's belief there are no likely prospects for a consensual resolution among the
4 Debtor, the Committee and the Insurers. It appears to the Debtor that the Committee and the Insurers are
5 still not directly engaged in anything but the most superficial communications with each other (or with
6 each other and the Mediators) which accomplish nothing but further delay and the Debtor incurring further
7 professional fees it simply cannot afford. Stated differently, even if the Debtor could somehow afford the
8 Committee's settlement demand (it absolutely cannot), the Debtor *still* cannot cause a settlement between
9 the Committee and the Insurers who are not even negotiating with each other.

10 From November 2024 until last month, the Debtor had pursued approval of its Plan of
11 Reorganization, including the Third Amended Plan of Reorganization (the "Plan"), for which the Court
12 approved a Disclosure Statement and allowed solicitation in April 2025. However, the Debtor continues
13 to experience substantial and continuing losses in this Chapter 11 Case and no longer has sufficient cash
14 to seek confirmation of its pending plan, or any plan, through a contested cram-down confirmation
15 process. The Committee has successfully bled the Debtor dry of its ability to continue to pay the
16 administrative expenses of this Chapter 11 Case. Even if that were not the case, the Debtor does not believe
17 it makes any sense to continue to pay the cost to remain a debtor in chapter 11 where there are no present
18 prospects for a global settlement. The cost is too high, and the survivors in this Chapter 11 Case – and the
19 500,000+ faithful Catholics in the Diocese of Oakland – deserve better.

20 In a "normal" bankruptcy case, alongside its litigation efforts, a committee would respond to a
21 debtor's repeated offers with counteroffers. After two and a half years in bankruptcy, one would think the
22 counteroffer would be somewhat reasonable. In a "normal" bankruptcy case, a committee would work
23 with all stakeholders to try to reach a consensual outcome and exit from chapter 11. But the Committee
24 would have this Court believe this is not a "normal" case; that it is somehow detached from recoveries in
25 numerous other bankrupt Catholic dioceses that have faced remarkably similar challenges. While the
26 Debtor recognizes and respects that its creditor body is largely sexual abuse survivors, the Debtor has
27 struggled throughout this Chapter 11 Case to understand why this 9-member Committee representing the
28

interests of those creditors will not move off its demand of radical multiples of other case recoveries when it knows the Debtor cannot afford anything near that amount.

In addition to the burden of administrative expenses which continue to grow, the July MOR (the last MOR completed) shows the Debtor suffered a monthly loss of \$1,761,375.00 and a cumulative loss of \$28,970,173.00 for the case to date. The Debtor ended July with an unrestricted cash balance of \$1.9 million (excluding Bishop's Appeal funds in the amount of \$350,000.00) compared to an estimated professional liability of \$8.7 million still due. To make it through August, the RCBO pulled from LTC/SERP (priest retirement) funds, and will likely need to pull the remainder of the LTC funds (~\$3.0 million) to make it through September assuming the remainder of the January-April professional fees are paid in September along with the July fees. In addition, unless the CCSS and RCC pledge agreements are approved (which the Committee appears to have talked itself into opposing), the Debtor will struggle to remain administratively solvent through October. The Debtor currently projects it will have approximately zero cash in October 2025 and crossing to negative cash in December (including Bishop's Appeal). Importantly, this is actual cash. The Debtor's practical liquidity (unrestricted cash + Bishop's Appeal – Accrued Professional fees) has been below zero since May 2025 and is projected to remain so without \$3.0+ million+ in cash and real estate sales. The Committee wants to ignore all of this, but this is the reality of the Debtor's financial condition at this time.

This is not where the Debtor envisioned it would be at this point when it filed bankruptcy two and a half years ago, nor two weeks ago when it offered a proposed settlement that would set a new high-water mark on average recoveries for survivors. The Debtor genuinely believed its strategy of transparency and prompt production of information to the Committee throughout this Chapter 11 Case, suing the Insurers for coverage, and making the settlement proposals it made would resolve this Chapter 11 Case consensually and quickly relative to other diocesan bankruptcies. That obviously has not happened. Unfortunately, the course of the case has demonstrated the limitations of the bankruptcy process, at least for *this* Debtor in *this* Chapter 11 Case at *this* time.

Recognizing it will take at least a short period of time for the Debtor's Motion to Dismiss to be briefed and argued and decided by this Court, the Debtor commits to continue during such period to

1 negotiate with the Committee and the Insurers to press for a consensual resolution between the Committee
2 and Insurers, including through the mediation process pursuant to recent communications received from
3 Judge Sontchi and Tim Gallagher (and including Judge Newsome should he elect to participate).

4
5 DATED: September 8, 2025

Respectfully submitted,

6 **FOLEY & LARDNER LLP**

Eileen R. Ridley

7 Shane J. Moses

Ann Marie Uetz

8 Matthew D. Lee

Geoffrey S. Goodman

9 Mark C. Moore

10 /s/ Shane J. Moses

11 SHANE J. MOSES

12 *Counsel for the Debtor*
13 *and Debtor in Possession*
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EXHIBIT A

August 25, 2025

Via Email

Jeffrey D. Prol
Lowenstein Sandler LLP
jprol@lowenstein.com

Re: ***In re The Roman Catholic Bishop of Oakland – Case No. 23-40523***

Dear Mr. Prol:

I write on behalf of the Roman Catholic Bishop of Oakland, a California corporation sole, the debtor and debtor in possession (the “Debtor”) in the above-captioned chapter 11 case, to convey the following to the Official Committee of Unsecured Creditors (the “Committee”) regarding final resolution of the chapter 11 case.

EXECUTIVE SUMMARY

Nearly one year ago, in September 2024, the Committee made its most recent official settlement proposal to the Debtor in the amount [REDACTED], which as you well know is [REDACTED] in any diocesan bankruptcy case (or out-of-court settlement). Since then the Debtor has, through three separate proposals, increased the amount of compensation it proposes to pay survivors of sexual abuse, including through its *Third Amended Plan* [Docket No. 1830] filed March 17, 2025, which remains pending. The Committee has only said “no” in response to the Debtor’s three most recent proposals. The Debtor makes this last proposal with the good faith belief that if the Committee accepts and the chapter 11 case resolves through a global settlement, survivors will be fairly compensated, much sooner than almost every other diocesan chapter 11 case, and the Debtor will have paid survivors as much as it reasonably can while continuing its mission. The Debtor believes this proposal compares extremely favorably to settlements in similar diocesan bankruptcy cases, as illustrated by the chart attached to this letter.

If accepted, the proposal will (i) increase contributions to the Survivors’ Trust from the Debtor and Roman Catholic Welfare Corporation (“RCWC”), (ii) assign the Debtor’s insurance rights to the Survivors’ Trust, and (iii) implement the revised child protection protocols [REDACTED]

[REDACTED] Nor has the Committee made clear the terms it would be willing to accept for an

assignment of the Debtor's rights, claims, interests, benefits, responsibilities, and obligations under its insurance policies.

Thus, and unfortunately, like the Debtor's other proposals to the Committee, this proposal is being made in a vacuum, caused by the Committee's unwillingness to state or to even negotiate the terms the Committee would accept in a consensual plan.

The Debtor requests the Committee either communicate its acceptance of this proposal or propose non-monetary modifications the Debtor can reasonably accept no later than Monday, September 8, 2025. The Committee must also reach agreement with the Debtor's insurers, if the Committee rejects the insurance assignment proposed herein. This deadline will not be extended. The Debtor cannot afford this chapter 11 case to be drawn out any further, especially with no prospects for resolution with the Committee.

HOW THE CASE GOT TO THIS POINT

Following eight months of mediation, on November 8, 2024, the Debtor filed its first *Plan of Reorganization* [Docket No. 1444] and *Disclosure Statement* [Docket No. 1445] in support thereof. The original Plan contemplated the creation and funding of a Survivors' Trust through contributions by the Debtor of approximately \$103 million and real property comprised of a 122.5-acre tract owned by Adventus commonly referred to as the "Livermore Property," as well as \$14.25 million to be contributed by RCWC, a non-debtor non-profit entity engaged in the education of children, in exchange for consensual third-party releases for RCWC. The Plan further contemplated a complete assignment to the Survivors' Trust of the Debtor's rights, claims, interests, benefits, responsibilities, and obligations under certain insurance policies. Not including potential recoveries from the Debtor's insurers, the Debtor calculated an average per-claimant recovery for approximately 345 sexual abuse claimants in this case would be \$339,855 on the low end, plus a variable of up to an additional \$235,000 per claim driven by the potential ultimate sale price of the Livermore Property.

The Plan's insurance assignment bears discussion here. The Debtor and the mediators (Tim Gallagher and Judge Newsome) convened several mediation sessions among Debtor professionals, Committee professionals, and counsel for the insurers. Some were held in person at the Debtor's attorneys' offices in San Francisco and some were held remotely. Multiple versions of a term sheet were exchanged between the Debtor and the insurers, with the Debtor repeatedly imploring the Committee to provide its own feedback on the proposal. The insurance assignment in the original Plan, and the Plan as subsequently amended, gives each individual survivor a choice of several claim satisfaction outcomes:

- (i) an immediate one-time-only payment of \$50,000;
- (ii) a right to receive a distribution from the Survivors' Trust in an amount to be determined by the Claims Reviewer; or

- (iii) a right to pursue a judgment in state court against any insurance carrier with coverage for the survivor's claim.

The Debtor cannot imagine a more fair way to compensate survivors than to let each survivor decide how to liquidate his or her respective claims. The Committee has complained in and out of Court it opposes the assignment in large part because it believes too few survivors will select (iii) – the right to pursue a judgment in state court against an insurer. The Debtor is at a loss as to why the Committee opposes this potential outcome **if it is the outcome the survivors themselves choose.**

[REDACTED]
[REDACTED]
[REDACTED] the Committee never subsequently engaged in negotiations with the Debtor and the insurers over the insurance assignment – despite the Debtor's intense negotiations with the insurers continuing until the very day the Debtor filed its first plan of reorganization. In fact, at an in-person mediation session held in San Francisco on October 22, 2024, barely two weeks before the exclusivity deadline, [REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] Indeed, more than ten months later the Committee **still** has not turned a redline of the insurance assignment terms to try to reach agreement with the insurers and the Debtor on acceptable language. The Committee essentially “quiet quit” negotiations over the insurance assignment.

The Committee flatly rejected the original Plan and objected to approval of the original Disclosure Statement. As part of its “alternate vision of case resolution,” the Committee then proceeded to file: 1) a motion to modify the automatic stay to allow six unspecified state-court actions to proceed to trial or individual settlements; 2) a declaratory-relief action asserting that the Churches within the Diocese of Oakland are, in fact, parts of the Debtor – which the Debtor conceded long ago – and should be substantively consolidated (the “First Adversary”); 3) a second declaratory-relief and substantive consolidation action against RCWC, the Roman Catholic Cemeteries of the Diocese of Oakland (“RCC”), Adventus, and the Oakland Parochial Fund (“OPF”), also seeking to substantively consolidate each of their assets into the Debtor's estate (“Second Adversary”); and 4) motions for derivative standing to take over the Debtor's adversary proceeding against its insurance carriers and to prosecute avoidance actions related to real property held in trust for the Churches and transfers to the OPF. None of this litigation validated the Committee's “alternate vision” of the chapter 11 case. The Committee's motions were denied. Both adversary cases improperly sought to bring non-debtor assets into the Debtor's estate. To date, both have accomplished nothing, particularly the Second Adversary, which the Bankruptcy Court dismissed with prejudice by order entered on July 26, 2025. This ruling means the assets of the non-debtor entities the Committee repeatedly states should be part of the assets available to pay creditors are not, as a matter of fact and law, part of the assets the Debtor must use to pay creditors. Regarding the First Adversary, though the restricted-assets challenge remains pending, even a complete victory by the Committee (to which the Debtor assigns a 0% likelihood) would

only add approximately \$38 million to the Debtor's unrestricted cash which could *possibly* be used to pay creditors. The facts, bankruptcy law and California state law are both in the Debtor's favor on this issue. There is a strong risk the Committee does not prevail, but it seems certain your law firm and BRG will spend millions of estate dollars on attorneys' fees pursuing this, meaning the First Adversary is unlikely to yield material net positive financial results for survivors. This is especially true where the Debtor's settlement proposals – including this current proposal – include the use of a \$55 million loan which the Debtor is not obligated to incur. So even if the Committee prevails in the First Adversary, that does not mean the creditors will automatically receive \$38 million more in resolution of their claims. The First Adversary is a waste of time and money and only further delays resolution and payment of the survivor claims in this case.

The original Plan ultimately became the *Third Amended Plan* [Docket No. 1830] filed March 17, 2025. The Committee's objections included that the Debtor was over-valuing the Livermore Property; the Committee claimed (disingenuously, [REDACTED] that the Livermore Property was of uncertain value and would somehow burden the Survivors' Trust. So, the Debtor removed the grant of that asset from the Third Amended Plan. Instead, the Third Amended Plan *increased* the cash contributions from the Debtor and RCWC to \$115 million and \$28.5 million, respectively. Taking into consideration that \$5 million was earmarked for unknown abuse claimants, the average per-claimant recovery to approximately 345 sexual abuse claimants would be approximately \$401,449.28, an increase from the low-end projection in the original Plan and a removal of "uncertainty" to which the Committee objected so strongly. This per-claim figure, which would then be augmented by insurance contributions, was already an extremely favorable outcome compared to similar diocesan and religious-order bankruptcy settlements.

The Committee continued to strenuously oppose the Third Amended Plan, although eventually the Committee dropped its opposition to the Third Amended Disclosure Statement [Docket No. 1831] and agreed to allow solicitation. The Committee then urged abuse claimants and their counsel to vote against the Third Amended Plan based on the Committee's assertion the proposed contributions were insufficient. Yet still, the Committee did not make a counter-proposal or inform the Debtor in any way what resolution the Committee might find sufficient, despite the Debtor's repeated requests that you do so. Regrettably, we are now approaching the one-year anniversary of the last official Committee counter-proposal in this case.

To date RCBO has incurred over \$40 million of professional fees in the 27+ months of this chapter 11 case – mostly driven by the Committee's litigation tactics and the fees it has charged, which in many months exceeded the Debtor's professional fees (a ratio which is extremely unusual in chapter 11 cases). As a result, and as the Debtor has repeatedly informed the Court and other parties in interest, as of May 2025, the Debtor had negative practical liquidity considering its unrestricted cash and the Bishop's Appeal balance less accrued professional fees. Assets once potentially available for Survivors have had to be redirected to professionals including especially those representing abuse survivors. This should be an affront to every abuse survivor who has waited many years and who now seeks compensation for his or her claims in this chapter 11 case, and it cannot continue.

THE DEBTOR'S PROPOSED CONSENSUAL RESOLUTION

At the hearing on July 18, 2025, regarding the Debtor's motion to continue the existing confirmation hearing and abate the prior scheduling order, the Debtor suggested the parties (the Debtor and Committee) submit last-and-final offers to the Court in an effort to break the logjam. The Committee opposed this suggestion. The Debtor (and some insurers) also suggested Judge Lafferty participate in settlement discussions. Again, the Committee opposed this suggestion.

The Debtor sends this letter in a last attempt to break the logjam and reach a consensual resolution in this case – a real resolution, which takes into account not only the survivor claims and outcomes in other dioceses (both in-court and out-of-court), but also the reality for this particular Debtor, meaning the assets available to it; its needs and obligations on a go-forward basis, including significant debt-service obligations; and the reality that because this case has been so expensive already, the amount the Debtor may have otherwise been able to pay survivors is meaningfully different from what it can pay now.

The Debtor's proposal is as follows:

The Debtor's cash contribution to the Survivors' Trust shall increase to \$122 million, as a show of its good faith desire to fairly compensate survivors. This will include an initial contribution of \$45 million on the Effective Date of a confirmed plan, with the balance to be paid over the ensuing five years.

We have been authorized by counsel for RCWC, Ryan Manns, to communicate that as part of the proposed settlement, [REDACTED]

[REDACTED] **with a total contribution by RCWC to Survivors' Trust of \$43 million**, part to be made on the Effective Date and the balance to be paid periodically over the ensuing five years.

The treatment under the existing Plan of all classes other than Class 4 will remain the same.

The Insurance Assignment from the Third Amended Plan will remain as negotiated by and between the Debtor and its insurers, subject to any modifications agreed to by the Committee, the Debtor and the insurers, if any. As we have made clear, the Debtor sees no benefit in exchanging one set of adversaries (the Committee, state-court counsel, and state-court counsel's litigation financing parties) for another (the insurers) by abandoning an agreement reached in good faith which, despite the Committee's protestations to the contrary, is already insurance-neutral.

The Debtor will adopt and implement the *Child Protection Protocols for the Roman Catholic Bishop of Oakland, California* e-mailed by Mark C. Moore of Foley & Lardner to Lowenstein Sandler on October 17, 2024, [REDACTED]

[REDACTED] These protocols reflected well more than one hundred hours of work by the Debtor, Bishop Barber and his advisors to create what we believe to be the most comprehensive and far-reaching child-protection protocols in the country. It includes new ideas [REDACTED]

[REDACTED]. The Debtor is willing to consider non-material modifications of the protocols, but it will not do so unless and until other settlement terms are agreed to, and it will not engage in a drawn-out document turn in which administrative fees keep flowing and the Committee keeps coming back for more. The Debtor cannot afford this and it believes neither can the survivor creditors who want closure to their claims.

The combined dollar value from the Debtor and RCWC in the Debtor's proposal is \$165 million. Of this, \$5 million would be set aside for Class 5 (unknown abuse claims).

That amounts to more than **\$463,000 per claim (assuming 345 claims), before including any recovery from the Debtor's insurers** (and excluding Class 5 payments). **If there are no Class 5 claims, then this amounts to more than \$478,000 per claim (assuming 345 claims), before including any recovery from the Debtor's insurers.**

This recovery would be approximately \$168,000 per claim higher than the settlement recently announced in the Archdiocese of New Orleans bankruptcy case (excluding amounts contributed by settling insurers).

This recovery would be approximately \$48,000 per claimant higher than the settlement in the Diocese of Rockville Centre bankruptcy case (excluding amounts contributed by settling insurers).

More importantly, this is the absolute most that the Debtor can afford while: 1) servicing approximately \$81 million in debt to the Roman Catholic Cemeteries of the Diocese of Oakland, and 2) continuing its mission to serve the needs of the faithful within the Diocese of Oakland. Moreover, the \$165 million proposed herein is not the limit of potential recoveries, because of course Class 4 Claimants will still have the right, but not the obligation, to pursue the Litigation Option (as defined in the Third Amended Plan). The Debtor's stated intent in filing and prosecuting this bankruptcy case has always been and continues to be fairly and equitably compensating the survivors of child sexual abuse. This proposal manifests this intent while addressing the needs of the Diocese on a go-forward basis.

A chart comparing the per-claim recoveries in this proposal to those realized in other recent confirmed plans in diocesan chapter 11 cases is attached to this letter as Exhibit A.

**THE COMMITTEE HAS FOURTEEN DAYS TO RESPOND
AND TO NEGOTIATE A SETTLEMENT WITH INSURERS**

The Debtor cannot continue to wait for the Committee to tell the Debtor what terms it might accept in a consensual plan of reorganization. Nearly one year has passed since the Committee made any formal proposal to the Debtor, and the Committee has never made clear what specific changes to the proposed insurance assignment language it wants. The Debtor believes it makes no sense to incur the time and high cost of additional mediation sessions, especially because the Debtor believes the Committee did not meaningfully engage in mediation during the many sessions already completed – a belief supported by the indisputable fact the Committee made no counter-proposals during the last eleven months to any of the Debtor's repeated and different proposals to try to settle the claims in this case.

Accordingly, if the Committee does not accept the Debtor's proposal or provide a counter-proposal and reach agreement with the Debtor and its insurers within the next fourteen (14) calendar days, the Debtor will take steps to move the case in a different direction. The Debtor has produced all information necessary for the Committee and the insurers to make informed responses to this settlement proposal. The Committee has spent millions of dollars on discovery in this case, including on experts who have spent years reviewing and analyzing the Debtor's assets. It has all the information it needs to respond to this proposal. We urge the Committee to now do the hard work necessary to reach a global resolution in this chapter 11 case, including with the insurers. Alongside this settlement proposal, we are communicating with the insurers to advise them of the same, as it is long past time for the insurers to put dollars on the table to reach a monetary settlement with the Debtor and the Committee, or for the Committee and the insurers to reach agreement on the language for the terms of the insurance assignment.

We look forward to your response on behalf of the Committee whose members represent and have a fiduciary duty to all sexual abuse survivors who filed claims in the Chapter 11 case.

Sincerely,



Ann Marie Uetz

cc: Michael A. Kaplan (via e-mail)
Brent I. Weisenberg (via e-mail)
Colleen M. Restel (via e-mail)
Rasmeet Chahil (via e-mail)
Timothy Burns (via e-mail)
Gabrielle L. Albert (via e-mail)
Matthew D. Lee (via e-mail)
Mark C. Moore (via email)
Shane J. Moses (via e-mail)
Eileen Ridley (via e-mail)
Elizabeth Mazzocco (via e-mail)

Attachments:

- (1) Chart Comparing to Settlements in Similar Diocesan Bankruptcy Cases
- (2) *Child Protection Protocols for the Roman Catholic Bishop of Oakland, California* e-mailed by Mark C. Moore of Foley & Lardner to Lowenstein Sandler on October 17, 2024

EXHIBIT A

Comparison: RCBO's 8/25/25 Proposal vs. Recent Confirmed Plans in Cases With 200+ Claims

<u>Case name/no.</u>	<u>Date Plan confirmed</u>	<u>No. of survivor claims</u>	<u>Average per-survivor claim recovery from Debtor/NDCE contribution*</u>	<u>Average per-survivor claim recovery from insurance contribution</u>	<u>Average per-survivor claim recovery, total</u>
<i>In re The Roman Catholic Bishop of Helena, Montana, 14-60074 (Bankr. D. Mt.)</i>	3/5/2015	388	\$16,753	\$37,081	\$53,834
<i>In re Archdiocese of Milwaukee, 11-20059 (Bankr. E.D. Wis.)</i>	11/13/2015	352	\$30,114	\$30,966	\$61,080
<i>In re The Archdiocese of Saint Paul and Minneapolis, 15-30125 (Bankr. D. Minn.)</i>	9/25/2018	450	\$88,889	\$377,778	\$466,667
<i>In re The Roman Catholic Archdiocese of Agana, 19-00010 (Bankr. D. Guam)</i>	10/19/2022	255	\$98,039	\$107,059	\$205,098
<i>In re The Diocese of Camden, New Jersey, 20-21257 (Bankr. D.N.J.)</i>	3/14/2024	324	\$270,062	unknown (insurance assignment)	unknown (insurance assignment)
<i>In re The Roman Catholic Diocese of Rockville Centre, New York, 20-12345 (Bankr. S.D.N.Y.)</i>	12/4/2024	565	\$415,584	\$151,372	\$566,956
<i>In re The Roman Catholic Diocese of Syracuse, New York, 20-30663 (Bankr. N.D.N.Y.)</i>	N/A (hearing 8/27/2025)	374	\$267,380	unknown (insurance assignment)	unknown (insurance assignment)
<i>In re The Diocese of Rochester, 19-20905 (Bankr. W.D.N.Y.)</i>	N/A (hearing 9/5/2025)	471	\$116,773	\$406,263	\$523,036
<i>In re The Roman Catholic Church of the Archdiocese of New Orleans, 20-10846 (Bankr. E.D. La.)</i>	N/A (hearing 11/12/2025)	660	\$295,132**	unknown (\$44,356 plus insurance assignment)	unknown (\$339,488** plus insurance assignment)
In re The Roman Catholic Bishop of Oakland, 23-40523 (Bankr. N.D. Cal.)	N/A	345	\$463,768	unknown (insurance assignment)	unknown (insurance assignment)

*-- "Debtor/NDCE" contribution includes amounts contributed by the Debtor entity and any other non-debtor Catholic entity (e.g. separately incorporated parishes, Catholic Charities, schools entities) to the class of survivors.

** -- In its First Amended Disclosure Statement, the Archdiocese of New Orleans provides a value range for survivor recoveries. The figures in the above chart reflect the “middle value” range. [Dkt. No. 4193 at 10-11, § 3.03.] The Archdiocese identified 660 non-duplicative survivor claims, of which it estimated 250 were filed after the applicable claims bar date. [Dkt. No. 4193 at 22, § 5.01.] If all 250 late-filed claims are disallowed, the average per-survivor claim recovery from Debtor/NDCE sources becomes \$475,122, and \$546,494 from all sources, again using the “middle value” range.

**CHILD PROTECTION PROTOCOLS FOR THE ROMAN
CATHOLIC BISHOP OF OAKLAND, CALIFORNIA**

32 Pages Redacted