

O'MELVENY & MYERS LLP
Tancred V. Schiavoni (admitted *pro hac vice*)
1301 Avenue of the Americas, Suite 1700
New York, NY 10019
Telephone: (212) 326-2000
Facsimile: (212) 408-2419
Email: tschiavoni@omm.com

CLYDE & CO US LLP
Alexander Potente (S.B. #208240)
Jason J. Chorley (S.B. #263225)
150 California Street, 15th Floor
San Francisco, CA 94111 USA
Telephone: (415) 365-9800
Email: alex.potente@clydeco.us
jason.chorley@clydeco.us

Alexandra J. Wolter (S.B. #317951)
400 South Hope Street, Suite 1900
Los Angeles, CA 90071
Telephone: (213) 430-6000
Facsimile: (213) 430-6407
Email: awolter@omm.com

*Attorneys for Pacific Indemnity Company, Pacific
Employers Insurance Company, Insurance Company of
North America, and Westchester Fire Insurance
Company*

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

In re:

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

Debtor

**PACIFIC INSURERS' CASE STATUS
STATEMENT**

Case No. 23-40523 WJL

Chapter 11

On March 30, 2026, a settlement conference was held for Alameda Superior Court Case *John Doe OK 1022 v. The Roman Catholic Bishop of Oakland*, Case No. HG19048685. The plaintiff in that lawsuit is the Chairman of the Committee in this bankruptcy case. Case HG19048685 is one of the seven cases for which this Court granted limited stay relief. The Committee Chairman alleges abuse during a discrete time, 1975 - 1976.

In response to the Diocese's request that insurers attend, all insurers attended the March 30 conference. Three insurers submitted mediation statements. The primary insurer that issued a policy or policies over the period of the alleged abuse conveyed a willingness to negotiate a resolution of the Committee Chairman's case before and at the conference. The Diocese had

1 previously advised this Court that it entered into settlements with the excess insurers above the
2 primary in an amount exceeding \$44 million (*see* Dkt. Nos. 2504 and 2505) and a portion of those
3 settlements was available to resolve the Committee Chairman’s case together with a share of the
4 Diocese’s contribution under the competing plans filed by Debtor and the Committee.

5 The Committee Chairman took the position that he would not settle and refused to negotiate
6 his case ostensibly unless 60 other cases are settled. While the Committee Chairman has a fiduciary
7 duty to all claimants, he does not represent any of the 60 other claimants nor was he authorized to
8 make decisions on their behalf, which was apparent to everyone. In an email to Your Honor’s clerk
9 about tomorrow’s conference, counsel for the Committee Chairman conveyed straightforwardly
10 that the Committee Chairman “wants his day in court.”

11 To the extent the Committee Chairman is interested in pursuing a resolution that includes
12 claims beyond his own, the insurers conveyed at the March 30 settlement conference that there is
13 a mediation in place in this bankruptcy case, with three mediators appointed by this Court to oversee
14 settlement discussions of a global resolution. Pursuant to the mediation order entered on January
15 22, 2024, this Court provided the parties with an established forum for conducting discussion of a
16 global settlement.¹

17 Contrary to the assertion by Diocese’s counsel that insurers declined to negotiate, insurers
18 conveyed a willingness to negotiate a resolution of the Committee Chairman’s case and requested
19 to refer to the appointed mediators for discussion of any proposal beyond the resolution of the case
20 of the Committee Chairman. The insurers have participated in those discussions in good faith and
21 conveyed during the settlement conference and in writing beforehand that they are prepared to
22 continue to do so within the existing mediation framework.

23 The lift stay order creates an economic incentive for claimants whose cases are granted stay
24 relief to press their cases to judgement before those of other claimants to obtain preferential
25 treatment. The imminence of trial is a powerful disincentive for a claimant granted stay relief to
26 support a global resolution. The fact that the plaintiff in the *John Doe OK 1022* case is the
27

28 ¹ *See* Order Referring Parties to Mediation, Appointing Mediators, and Granting Related Relief,
Dkt. No. 810 (Bankr. N.D. Cal. Jan. 22, 2024).

1 Chairman of the Committee magnifies the impact on the estate of these incentives.

2 With a confirmation hearing for a plan of reorganization having now been set to begin the
3 week of June 15, 2026, solicitation of claimants as a whole will be going forward on competing
4 plans of reorganization for resolving all claims (one plan by Debtor, one plan by the creditors'
5 committee). It would be highly disruptive of the bankruptcy plan confirmation process now
6 underway and efforts to achieve a global resolution to propose that a subset of 61 claimants—
7 approximately 15% of the total claimant population—be given preferential treatment over other
8 claimants at the same time solicitation of plans of reorganization are going forward.²

9 The Diocese's status conference statement also fails to disclose to the Court that on March
10 27, the Diocese unilaterally terminated its settlements with the excess insurers. Those settlements
11 would have provided more than \$44 million to all of the claimants against the Debtor, not payments
12 to just the Committee Chairman and a small subset of claimants selected by him (or his counsel).
13 Insurer monetary settlements were subsequently removed from the Diocese's Plan filed thereafter.
14 In requesting today's conference, the Diocese did not give notice that it seeks any relief, and there
15 is no motion before the Court. The mediation order entered by this Court remains in place. The
16 mediation is not over; indeed, the mediators remain available and continue to monitor the case. The
17 Court need not make advisory rulings or weigh in on settlement, when it can simply refer the parties
18 to three already-appointed, highly skilled mediators or, instead, let the confirmation process play
19 out, with claimants choosing which of the competing plans they prefer, and the Court hearing
20 objections.

21 Finally, the lift stay order is before the District Court on appeal. The point of the released
22 cases was supposedly to set values to inform insurance settlements. There now are no insurer
23 settlements in either proposed Plan and stay relief is being used to favor the Committee Chairman
24 and a subset of claimants (with the other 85% of claimants relegated to be compensated on some
25 other system). It makes no sense.

26
27 ² See Debtor's Statement for March 20, 2026 Status Conference, Dkt. No. 2736 (Bankr. N.D. Cal.
28 Jan. 22, 2024) (discussing proposed schedule for plan confirmation). At a hearing on March 25,
Your Honor said you would adopt this schedule with a few minor modifications agreed to by the
parties during the March 25 hearing.

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Dated: March 31, 2026

By: /s/ Alexandra Wolter

O'MELVENY & MYERS LLP
TANCRED V. SCHIAVONI (pro hac vice)
1301 Avenue of the Americas, Suite 1700
New York, NY 10019
Telephone: (212) 326-2000
Facsimile: (212) 408-2419
Email: tschiavoni@omm.com

ALEXANDRA J. WOLTER (S.B. #317951)
400 South Hope Street, Suite 1900
Los Angeles, CA 90071
Telephone: (213) 430-6000
Facsimile: (213) 430-6407
Email: awolter@omm.com

CLYDE & CO. US LLP
ALEXANDER E. POTENTE (S.B. #208240)
JASON J. CHORLEY (S.B. #263225)
150 California Street, 15th Floor
San Francisco, CA 94111
Telephone: (415) 365-9800
Facsimile: (415) 365-9801
Email: alex.potente@clydeco.us
jason.chorley@clydeco.us

*Attorneys for
Pacific Indemnity Company,
Century Indemnity Company as successor to
CCC Insurance Company as successor to
Insurance Company of North America,
Pacific Employers Insurance Company, and
Westchester Fire Insurance Company*