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**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

**NOTICE OF FILING OF FIRST
AMENDED DISCLOSURE
STATEMENT FOR THE OFFICIAL
COMMITTEE OF UNSECURED
CREDITORS' PLAN OF
REORGANIZATION, DATED
MARCH 27, 2026**

[No Hearing Requested]

PLEASE TAKE NOTICE THAT pursuant to the direction of the Court, the Official Committee of Unsecured Creditors submits the following:

1. Attached hereto as **Exhibit A** is the *First Amended Disclosure Statement for the Official Committee of Unsecured Creditors' Plan of Reorganization, Dated March 27, 2026* (the "**Committee's Amended Disclosure Statement**").



1 2. Attached hereto as **Exhibit B** is a redline comparing the Committee’s Amended
2 Disclosure Statement to the *Disclosure Statement for the Official Committee of Unsecured*
3 *Creditors’ Plan of Reorganization, Dated March 27, 2026* [Dkt. No. 2753].

4 3. Nothing contained in the Committee’s Amended Disclosure Statement shall
5 constitute or be deemed an admission or a waiver or release of any claims by the Committee or to
6 prejudice in any manner the rights, claims, defenses and legal and factual positions of the
7 Committee in any proceedings.

8 Dated: April 9, 2026

LOWENSTEIN SANDLER LLP
BURNS BAIR LLP
KELLER BENVENUTTI KIM LLP

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

*Counsel for the Official Committee of
Unsecured Creditors*

Exhibit A

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**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

**FIRST AMENDED DISCLOSURE STATEMENT FOR
THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS' PLAN OF REORGANIZATION,
DATED MARCH 27, 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 • *Vote to ACCEPT the Committee Plan;*
15 • *Vote to REJECT the Diocese Plan; and*
16 • *NOT CONSENT to granting the Roman Catholic Welfare Corporation of
17 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 a final installment due no later
20 than September 2029 (assuming the Committee Plan becomes effective before that date) and
offers a release of all claims against RCWC if it agrees to pay \$118.9 million to the
21 Survivors’ Trust over the same period. If RCWC exercises its option, the total consideration
to the Survivors’ Trust from the Debtor and RCWC under the Committee Plan would be
22 \$314.1 million. But as of the date of this letter, RCWC has explicitly and unequivocally
rejected the Committee Plan and stated it will not contribute any funds or consideration to
the Committee Plan under any circumstances.

23 In contrast, the Diocese Plan proposes that the Diocese pay just \$150 million to the
24 Survivors’ Trust on a timetable that cannot be determined at this time, but is likely to extend
25 into late 2030 and beyond, and provides a mechanism through which RCWC may receive a
release of Abuse Claims filed against it by paying just \$30 million. The problem with the
26 Diocese Plan is that the settlement amount contributed from both the Diocese and RCWC
for payment to Survivors is far too low. The Diocese and RCWC have millions of dollars
27 of assets from which to compensate Survivors and can do so in far less time than is proposed
in the Diocese Plan.

28 Many of you were harmed by some of the most notorious perpetrators in the Church.
The Diocese Plan does not begin to fairly compensate Survivors for the years of negligence

1 and the harm the Diocese failed to stop. Accordingly, the Committee filed the Committee
2 Plan which: (i) provides for the Diocese to pay \$195.2 million to Survivors over a shorter
3 period of time than the Diocese Plan; (ii) gives RCWC the option to pay \$118.9 million for
4 a release of Abuse Claims filed against it; (iii) permits Survivors to pursue the Debtor's
5 insurers to compel them to pay what they owe; and (iv) requires long-term, meaningful
6 changes to the way the Diocese protects its children now and in the future.

7 The Committee believes:

- 8 • The Debtor and RCWC have the resources available to pay more to Abuse
9 Claimants than they propose in the Diocese Plan.
- 10 • The Committee Plan will provide Abuse Claimants with a greater monetary
11 recovery than the Diocese Plan.
- 12 • The Committee Plan's mandate that the Diocese change the way it operates—
13 so that the horrific harm the Diocese caused never happens again—is vital to
14 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' PLAN*
5 *OF REORGANIZATION, DATED MARCH 27, 2026*. A COPY OF THE COMMITTEE PLAN
6 IS ATTACHED TO THIS DISCLOSURE STATEMENT AS **EXHIBIT A**.¹

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

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

20 HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE COMMITTEE PLAN
21 SHOULD NOT RELY ON ANY REPRESENTATIONS OR INDUCEMENTS MADE TO
22 SECURE ACCEPTANCE OF THE COMMITTEE PLAN, OTHER THAN THOSE SET
23 FORTH IN THIS DISCLOSURE STATEMENT. NO PERSON MAY GIVE ANY
24 INFORMATION ON BEHALF OF THE COMMITTEE REGARDING THE COMMITTEE
25 PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE COMMITTEE PLAN, OTHER
26 THAN THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, EXCEPT
27 FOR THE DEBTOR, WHICH FILED THE *DEBTOR'S MODIFIED FOURTH AMENDED*
28 *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,
THOSE HOLDERS OF CLAIMS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR

¹ CAPITALIZED TERMS NOT DEFINED HEREIN HAVE THE MEANING ASCRIBED TO THEM IN
THE COMMITTEE PLAN.

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

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

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

23 THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY
24 PURPOSE OTHER THAN TO DETERMINE WHETHER TO VOTE TO ACCEPT OR
25 REJECT THE COMMITTEE PLAN, AND NOTHING STATED IN THIS DISCLOSURE
26 STATEMENT CONSTITUTES AN ADMISSION OF ANY FACT OR LIABILITY BY ANY
27 PERSON OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE COMMITTEE,
28 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.

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.

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1 **THE COMMITTEE RECOMMENDS THAT HOLDERS OF ABUSE CLAIMS**
2 **VOTE TO ACCEPT THE COMMITTEE PLAN AND REJECT THE DIOCESE PLAN**
3 **BECAUSE, AMONG OTHER THINGS, THE COMMITTEE PLAN PROVIDES AN**
4 **ADDITIONAL \$44.2 MILLION TO ABUSE CLAIMANTS AND ACHIEVES OTHER**
5 **IMPORTANT GOALS SET OUT BY ABUSE CLAIMANTS.**

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

15 The Debtor filed the Diocese Plan on March 29, 2026. For the reasons described below,
16 the Committee does not support the treatment of Abuse Claims proposed by the Debtor under the
17 Diocese Plan. The problem with the Diocese Plan is that, among other things, the settlement
18 amount being paid to Abuse Claimants is far too low. The Diocese proposes to pay over 375
19 Abuse Claimants just \$150 million on a timetable that cannot be determined at this time, but is
20 likely to extend into late 2030 and beyond. And non-debtor affiliate, RCWC, proposes to pay
21 just \$30 million in consideration for releases of Abuse Claims asserted against it. But the
22 Committee values those claims as multiples of that amount.

23 The Committee thus filed the Committee Plan so that:

- 24 (i) The Debtor must pay **\$195.2 million** in installments with future payments due by
25 measuring the year 1, 2, 3 and 3.5 anniversary payments from March 6, 2026;
- 26 (ii) RCWC, if it chooses, can elect to pay **\$118.9 million** in 2 installments with the
27 last payment due no later than March 5, 2028 (assuming the Committee Plan has
28 become effective by that date) in consideration for releases of claims against it;²
- (iii) Abuse Claimants can elect to litigate against the Debtor's insurers, which are
contractually obligated to pay certain Abuse Claims, in order 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.

² 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 explained by an example: if the Effective Date of the Committee Plan occurs
3 on March 7, 2028, the entirety of the Debtor’s contributions to the Survivors’ Trust must be paid
4 by **September 7, 2029**. In contrast, if the Effective Date of the Diocese Plan occurs on March 7,
2028, the entirety of the Debtor’s contributions to the Survivors’ Trust must be paid by **August
7, 2031**.

5 ARTICLE I

6 INTRODUCTION

7 A. Purpose and Contents of this Disclosure Statement

8 This Disclosure Statement is intended as a “plain English” explanation and summary of
9 the Committee Plan and is qualified in its entirety by the full terms of the Committee Plan. You
10 should review the Committee Plan and Disclosure Statement in their entirety because the
11 Committee Plan, if approved by the Bankruptcy Court, will control how your Abuse Claim, the
12 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.

13 This Disclosure Statement was approved by the Bankruptcy Court on [●], 2026. A copy
14 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
[●], 2026.

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

- 17 (i) the Committee Plan;
- 18 (ii) the Diocese Plan;
- 19 (iii) the Debtor’s Disclosure Statement; and
- 20 (iv) ballots for voting to accept or reject the Committee Plan and the Diocese
21 Plan with instructions on how to complete and return the ballots.

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

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

26 Article III of this Disclosure Statement, “Frequently Asked Questions,” answers important
27 questions about the Committee Plan and the Diocese Plan.
28

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

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

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

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

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

13 To be counted, your Ballot must be received, pursuant to the following instructions, by
14 Kurtzman Carson Consultants, LLC dba Verita Global (“**Verita**”), on or before **5:00 p.m.**
15 **(prevailing Pacific Time) on [●], 2026** (the “**Voting Deadline**”) by one of the following
16 methods:

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

18 The Roman Catholic Bishop of Oakland – Ballot Processing c/o Verita
19 222 N. Pacific Coast Highway, 3rd Floor
20 El Segundo, CA 90245

21 By electronic, online submission:

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

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

28 **IF YOU HOLD A CLAIM ENTITLED TO VOTE:**

Please (i) complete the information requested on the Ballot; (ii) sign, date and indicate
your vote to accept or reject the Committee Plan and (iii) return the completed Ballot in the
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.

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

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

9 ARTICLE II

10 EXECUTIVE SUMMARY

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

17 To that end, the Committee Plan provides for (i) the Debtor to contribute \$195.2 million
18 to a settlement trust (the “**Survivors’ Trust**”) established for the sole benefit of Abuse Claimants
19 and (ii) RCWC to contribute \$118.9 million, if it elects to contribute to the Committee Plan in
20 exchange for releases of its liability for Abuse Claims, for a total of **\$314.1 million**. The
21 contributions will be made in installments with the last payment due on or before September 5,
22 2029. Payments due under the Committee Plan may extend beyond September 5, 2029 if appeals
23 of any Order confirming the Committee Plan are filed and not resolved before that date. The
24 Debtor will also assign the proceeds of its insurance policies to the Survivors’ Trust. The
25 Committee Plan also provides for robust changes to the ways in which the Diocese protects its
26 children to make certain the harm that befell Abuse Claimants never happens again.

27 In contrast, the Diocese Plan provides for a contribution of just \$150 million from the
28 Debtor and, if it elects to contribute to the Diocese Plan in exchange for releases, \$30 million
from RCWC for a total of **\$180 million**. The contributions will be made within three and a half
years of the Effective Date of the Diocese Plan, which will occur no earlier than July 2026, and
likely will not occur until all appeals of any Order confirming the Diocese Plan are resolved –
which could take several years. The Debtor will assign the proceeds of its insurance policies to
the Survivors’ Trust. The Committee also 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.

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

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

1 **Second**, the Committee Plan authorizes Abuse Claimants to grant RCWC a release only
2 if it pays \$118.9 million to Abuse Claimants, which is \$88.9 million more than RCWC is required
3 to pay under the Diocese Plan. The Committee estimates, but subject to further review, that there
4 may be as many as 120 Abuse Claims against RCWC, meaning RCWC would be paying \$990,833
5 per Abuse Claim under the Committee Plan and just \$250,000 per Abuse Claim under the Diocese
6 Plan. RCWC has advised that it will not participate in the Committee Plan. The Committee
believes that few if any Survivors will agree to the release in the Diocese Plan. It is therefore a
possibility that RCWC will not participate under either the Committee Plan or the Diocese Plan
and that Survivors will retain the right to sue RCWC for damages in state court.

7 **Third**, the insurance provisions of the Diocese Plan fail to adequately protect the rights of
8 Abuse Claimant by granting rights to Non-Settling Insurers to object to claims when the Non-
9 Settling Insurers do not hold such rights. The Non-Settling Insurers cannot demonstrate an
10 “injury in fact” if an Abuse Claim is allowed against the Survivors’ Trust because no party has
11 liability for those claims other than the Survivors’ Trust. *See* Diocese Plan, § 9.6 (“[t]he
12 Survivors’ Trust shall, as of the Effective Date, assume sole and exclusive responsibility and
13 liability for all Abuse Claims against the Released Parties, and such Claims shall be paid by the
14 Survivors’ Trust from the Survivors’ Trust Assets”); *see* Survivors’ Trust Distribution Plan
§ 1.3 (“The Plan and the RCBO Survivors’ Trust Agreement contemplate the creation of the
Survivors’ Trust for satisfaction of the Abuse Claims. The Plan and Survivors’ Trust Distribution
Plan provide the sole and exclusive method by which holders of Abuse Claims (both known and
unknown) may recover against the Debtor, Contributing Non-Debtor Catholic Entities, or
Insurers.”). Without facing a concrete injury that is real and actual, the Non-Settling Insurers lack
standing to object to Abuse Claims. *See In re Sisk*, 962 F.3d 1133, 1141–42 (9th Cir. 2020).

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

ARTICLE III

FREQUENTLY ASKED QUESTIONS

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

23 On May 3, 2023, the Diocese filed its chapter 11 case (the “**Chapter 11 Case**”) in the
24 United States Bankruptcy Court for the Northern District of California. The Diocese filed its
25 Chapter 11 Case to address and resolve claims arising out of sexual abuse asserted against the
26
27
28

1 Diocese in light of the State of California re-opening the window during which such claims may
2 be asserted.

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

7 **2. What is the Committee?**

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

13 **3. What is a chapter 11 plan?**

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

24 **4. What is the Disclosure Statement?**

25 This Disclosure Statement is intended to provide you with enough information so that you
26 can make an informed decision on whether to accept or reject the Committee Plan. This
27 Disclosure Statement summarizes how the Committee Plan will affect your Abuse Claim against
28 the Diocese and 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 an assignment of certain of the Debtor's rights 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. Under the Committee Plan, the Survivors' Trust
created for the benefit of Abuse Claimants will be funded by:

- (i) the Debtor in the amount of ***\$195.2 million***; and

- 1 (ii) RCWC (provided it elects to participate and receives releases from Class
2 4 Claimants holding Claims against it) in the amount of **\$118.9 million** for
3 a total of **\$314.1 million**.³

4 The Committee Plan provides for payments from the Debtor and RCWC (provided it
5 receives releases from Class 4 Claimants holding Claims against it) over 3.5 years from the
6 Original Plan Filing Date of March 6, 2026. Payments due under the Committee Plan could be
7 delayed beyond that date to the extent any appeals of any Order confirming the Committee Plan
8 are not resolved by that date. The Committee Plan also provides that the Diocese will assign to
9 the Survivors' Trust insurance proceeds realized from any insurer that has not settled with the
10 Committee and the Diocese by the Effective Date.

11 **6. How much does the Diocese Plan propose to pay Abuse Claimants?**

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

- 16 (i) the Debtor in the amount of \$150 million; and
17 (ii) RCWC (provided it receives releases from Class 4 Claimants holding
18 Claims against it) in the amount of \$30 million for a total of **\$180 million**.⁴

19 The Diocese Plan provides for payments from the Debtor and RCWC (provided it receives
20 releases from Class 4 Claimants holding Claims against it) over 3.5 years from the Effective Date,
21 which has not yet occurred and will occur no earlier than July 2026, and likely will not occur until
22 all appeals of any Order confirming the Diocese Plan are resolved, which could take several years.
23 The Diocese Plan also provides for the Debtor to assign to the Survivors' Trust certain claims and
24 causes of action of the Debtor in the Non-Settling Insurer Policies.

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

28 No. The Debtor continues to tout the Diocese Plan as groundbreaking, asserting that, if
confirmed, the “[Debtor] Plan will ... provide the highest per claim average payout to survivors
of any similarly-sized diocesan bankruptcy filed in the United States.” *Executive Summary,
Frequently Asked Questions, and General Information Regarding Debtor’s Fourth Amended Plan
of Reorganization* [Dkt. No. 2654-1] (“**Debtor’s Plan Summary**”), 4:15–16. But comparing the
Debtor’s proposed distribution to Abuse Claimants in this Chapter 11 Case to other diocesan

³ 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.

⁴ The Committee does not believe many Survivors will agree to grant a release to RCWC as proposed in the Diocese Plan, and therefore the proposed RCWC contribution may not be available for distribution to Survivors.

1 bankruptcy cases to justify its fairness is wrong as a matter of law and highly misleading. Even
2 if the distributions made to Abuse Claimants in other bankruptcy cases had relevancy when
3 determining whether the Diocese Plan is fair and equitable—they do not—the Debtor ignores
4 precedents that do not support its narrative and instead relies on purported comparables involving
cases with materially different facts and circumstances that would plainly and significantly affect
the value of the underlying claims:

- 5 • Repeatedly fails to include settlements that took place outside of the bankruptcy
6 context in its analysis. These datapoints are a better indication of the value of Abuse
7 Claims. Indeed, settlements outside the bankruptcy context are typically negotiated
8 at arm's length and are not limited by the Debtor's ability to pay or restrained by
9 the amount of insurance available or level of cooperation from insurers.
- 10 • Insists, in the face of black letter law to the contrary, that the Diocese Plan be found
11 fair and equitable because the proposed distribution is measured by comparing it to
12 distributions made to *other* survivors, in *other* bankruptcy cases, pending in *other*
13 jurisdictions, in cases with *different* governing law, *different* estate assets, *different*
14 insurance programs and *different* historical jury verdicts and settlements. The
15 Debtor also fails to factor into its analysis whether the statute of limitations was
16 open in prior cases, which is a material factor in determining claim values.
- 17 • Under applicable non-bankruptcy law, jury verdicts and individual case settlements
18 are the proper mechanism to liquidate the value of Survivors' claims.
- 19 • Ignores the results of other diocesan bankruptcy cases that do not support its
20 narrative.
- 21 • In addition, the Debtor continues to assert that there are only 345 valid Abuse
22 Claims filed in the Chapter 11 Case. The Committee disputes the Debtor's
23 conclusion and contends that there are at least 375 facially valid Abuse Claims. The
24 Debtor also asserts that the Survivors' Trust will distribute \$180 million. This
25 assertion is inaccurate for several reasons:

26 *First*, assuming a \$180 million contribution to the Survivors' Trust, the
27 Debtor and RCWC propose to pay this amount over three and a half years,
28 without interest, of the Effective Date, which date is currently unknown
and unknowable.

Second, the Debtor's calculation includes the \$5 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 \$145 million available to Class 4 Abuse Claimants in
the Chapter 11 Case.

1 Assuming 375 Abuse Claimants, whom do not consent to a release of
2 RCWC, and using the present value of the Diocese Plan funding (excluding
3 the Unknown Abuse Claim Reserve), in the amount of \$123.9 million, the
4 average distribution to each Abuse Claimant is \$330,455, a far cry from
5 the Debtor's assertion that the average distribution to Abuse Claimants is
\$521,739. Assuming RCWC received releases, the present value of the
total Diocese Plan payments available to Class 4 Abuse Claimants is
\$150.3 million, or \$400,742 per Abuse Claim.

- 6 • In comparison, assuming (i) 375 Abuse Claimants and (ii) RCWC elects not to
7 contribute to the Committee Plan, and using the present value of the Committee
8 Plan funding (excluding the Unknown Abuse Claim Reserve), in the amount of
9 \$184.9 million, the average distribution to each Abuse Claimant under the
10 Committee Plan is \$448,552. Assuming RCWC elected to contribute to the
11 Committee Plan, the present value of the total Committee Plan payments available
12 to Class 4 Abuse Claimants is \$283.27 million, or \$755,395 per Abuse Claim.

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

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

14 **7. How will the Committee Plan work?**

15 **(i) Establishment of the Survivors' Trust**

16 The Committee Plan establishes a Survivors' Trust for the benefit of Abuse Claimants.
17 The Survivors' Trust will distribute funds to Abuse Claimants from (i) the \$195.2 million of
18 settlement funds from the Diocese, (ii) if RCWC elects to contribute to the Survivors' Trust in
19 exchange for releases, the \$118.9 million of settlement funds from RCWC and (iii) any additional
20 funds collected through litigation and/or settlement with the Debtor's insurers. \$7.7 million of
this amount will be set aside to pay any unknown claims, which are Abuse Claims filed after the
Committee Plan Effective Date.

21 The Survivors' Trust will protect and enforce Abuse Claimants' rights by continuing
22 litigation against the Debtors' insurers so that they are held liable for their contractual obligations.
23 Certain Abuse Claimants may also seek to pursue the insurers for liability.

23 **(ii) Method for Determining Payments to Abuse Claimants**

24 Funds will be distributed to Abuse Claimants under guidelines described in the
25 "Survivors' Trust Distribution Plan" which is attached as an exhibit to the Committee Plan. The
26 Survivors' Trust Distribution Plan provides guidelines for an independent claim reviewer, the
27 "Abuse Claims Reviewer," to analyze Abuse Claimants' Abuse Claims and award each Allowed
28 Abuse Claim a point score between 0 and 100 taking into account both the nature of the abuse

1 inflicted and the impact of abuse on each Abuse Claimant. The settlement funds will be
2 distributed based on the scores awarded by the Abuse Claims Reviewer.

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

9 The Committee recognizes that each Abuse Claimants' trauma is unique and believes that
10 assessment by an independent evaluator provides a fair and efficient way to consider what
11 happened to each Abuse Claimant and the effects of the abuse on each Abuse Claimant. The
12 Committee recognizes that money alone is not sufficient to compensate Abuse Claimants for the
13 abuse they suffered and the decades of trauma each Abuse Claimants suffered because of the
14 abuse. The Committee also recognizes that excessive, onerous procedures for reviewing and
15 allocating payment for Abuse Claims would cause delay and expense that would cause Abuse
16 Claimants to wait longer to receive less money. For example, if evidentiary reviews (including
17 documents and witnesses) were required to assess each Abuse Claim, the Committee believes that
18 each review may take a minimum of 10-15 hours for a claims reviewer. In addition, Abuse
19 Claimants would have to spend time preparing documents, testimony, and expert reports. Rather
20 than force Abuse Claimants to wait longer for less money, the Committee believes the Survivors'
21 Trust Distribution Plan strikes the right balance of efficiency and fairness to Abuse Claimants.

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

24 Notwithstanding the foregoing, Holders of Abuse Claims may elect to receive an
25 immediate payment of \$50,000.00 (the "**Immediate Payment**") in accordance with the
26 procedures set forth in the Committee Plan. If an Abuse Claimant elects to receive the Immediate
27 Payment, the payment will be made shortly after the Committee Plan becomes effective. That
28 date is indeterminate and may be meaningfully delayed as set forth in Article VI, Section 6.C.7.
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, the Insurers and RCWC (and
the RCWC Escrow).

For all other Abuse Claimants, the Survivors' Trustee will make an initial distribution of
\$5,000.00 to Abuse Claimants holding Allowed Abuse Claims. Subsequently, as soon as
practicable once all Abuse Claims have been scored under the Survivors' Trust Distribution Plan
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.

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

- 1
- There are 375 Abuse Claimants holding Allowed Abuse Claims with an average score of 50 points per Abuse Claim;
- 2
- 50 points per claim multiplied by 375 Abuse Claims yields 18,750 total points;
- 3
- A total distributable amount of \$195.2 million is available, meaning each point would be valued at \$10,411 (\$195.2 million divided by 18,750 points); and thus
- 4
- Allowed Abuse Claims assigned 25, 50 and 75 points would receive projected total recoveries of \$260,275, \$520,550 and \$780,825 from the Survivors' Trust, respectively.
- 5
- 6
- 7

8 If RCWC elects to contribute to the Committee Plan, the calculations would be increased as follows:

- 9
- A total distributable amount of \$314.1 million is available, meaning each point would be valued at \$16,752 (\$314.1 million divided by 18,750 points); and thus
- 10
- Allowed Abuse Claims assigned 25, 50 and 75 points would receive projected total recoveries of \$418,800, \$837,600 and \$1,256,400 from the Survivors' Trust, respectively.
- 11
- 12

13 In contrast, if there are ultimately 375 Allowed Abuse Claims 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:

- 14
- There are 375 claimants holding Allowed Abuse Claims with an average score of 50 points per claim;
- 15
- 50 points per claim multiplied by 375 claims yields 18,750 total points;
- 16
- 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
- 17
- 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.
- 18
- 19
- 20
- 21
- 22

23 If RCWC elects to contribute to the Diocese Plan, the calculations would be increased as follows:

- 24
- A total distributable amount of \$180 million is available, meaning each point would be valued at \$9,600 (\$180 million divided by 18,750 points); and thus
- 25
- Trust Claims assigned 25, 50 and 75 points would receive projected total recoveries of \$240,000, \$480,000 and \$720,000 from the Survivor's Trust, respectively.
- 26
- 27
- 28

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

3 Points	Committee Plan	Diocese Plan
25	\$260,275	\$200,000
50	\$520,550	\$400,000
4 75	\$780,825	\$600,000

5 The difference in treatment of Abuse Claims under the Committee Plan and the Diocese
6 Plan if RCWC elects to contribute under both Plans is summarized in this chart:

7 Points	Committee Plan	Diocese Plan
25	\$418,800	\$240,000
8 50	\$837,600	\$480,000
9 75	\$1,256,400	\$720,000

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

11 The Committee Plan establishes a framework for post-confirmation litigation for Abuse
12 Claimants seeking recovery from Non-Settling Insurers through the Litigation Option. Under the
13 Committee Plan, if settlements acceptable to the Committee cannot be reached with all Insurers
14 before confirmation of the Committee Plan, then, under the Committee Plan, Abuse Claimants
15 with claims within the Non-Settling Insurers' coverage periods may pursue claims insured by
16 Non-Settling Insurers as Litigation Claimants as authorized by the Survivors' Trustee in
17 accordance with the Survivors' Trust Documents. The Survivors' Trust would retain the right to
18 pursue causes of action of the Diocese against the Non-Settling Insurers and to settle with the
19 Non-Settling Insurers on a global basis.

20 No later than the first anniversary of the Effective Date (i) Trust Claimants holding Abuse
21 Claims against the Debtor may elect to pursue litigation against the Debtor (as nominal party
22 only), Non-Settling Insurers and/or other parties and (ii) Trust Claimants that have executed and
23 delivered a written form release of RCWC for all conduct occurring on or before the Effective
24 Date of the Committee Plan (the "**RCWC Release Agreement**") may elect to pursue litigation
25 against RCWC (as nominal party only), Non-Settling Insurers and/or other parties by filing the
26 Litigation Option Notice. Only those Trust Claimants who are authorized by the Survivors'
27 Trustee are permitted to move forward with a Litigation Claim against the Debtor, RCWC, Non-
28 Settling Insurer(s) and/or other parties.

29 If the Survivors' Trustee enters into an Insurance Settlement Agreement with respect to a
30 Target Policy that covers a Litigation Claimant's Abuse Claim, such Claimant is entitled to an
31 enhanced Distribution (the "**Claim Enhancement**") as set forth below to his or her allocation
32 under the Survivors' Trust Distribution Plan, which enhanced amount will be payable from the
33 proceeds of the applicable Insurance Settlement Agreement. To the extent the Debtor and the
34 Committee enter into an Insurance Settlement Agreement before the Confirmation Date with
35 respect to a Target Policy that covers an Abuse Claim for which the automatic stay has been
36 modified or lifted by the Bankruptcy Court such that it may continue after the Petition Date, such
37 Abuse Claim will also be entitled to the Claim Enhancement. The Claim Enhancements are
38 independent of one another and are not intended to be cumulative. The Survivors' Trustee will

1 reserve sufficient amounts to fund such enhanced payments before making any Distribution of
2 Insurance Settlement Agreement proceeds to Abuse Claimants who are not Litigation Claimants.

3 The Claim Enhancement will be applied as follows:

- 4 • A Litigation Claimant will be entitled to an enhancement of 10% if the Survivors'
5 Trust negotiates an Insurance Settlement Agreement for a Target Policy of such
6 Litigation Claimant if the Insurance Settlement Agreement is entered into prior to
7 commencing litigation in such Litigation Claimant's case.
- 8 • A Litigation Claimant will be entitled to an enhancement of 25% if the Survivors'
9 Trust negotiates an Insurance Settlement Agreement for a Target Policy of such
10 Litigation Claimant if the Insurance Settlement Agreement is entered into after
11 litigation commences but before a deposition or interview of the Litigation
12 Claimant by opposing counsel in such Litigation Claimant's case.
- 13 • A Litigation Claimant will be entitled to an enhancement of 40% if the Survivors'
14 Trust negotiates an Insurance Settlement Agreement for a Target Policy of such
15 Litigation Claimant if the Insurance Settlement Agreement is entered into after a
16 deposition or interview of the Litigation Claimant by opposing counsel but before
17 commencement of a trial in such Litigation Claimant's case.
- 18 • A Litigation Claimant will be entitled to an enhancement of 50% if the Survivors'
19 Trust negotiates an Insurance Settlement Agreement for a Target Policy of such
20 Litigation Claimant if the Insurance Settlement Agreement is entered into on or
21 after the first day of a trial in such Litigation Claimant's case.
- 22 • A Litigation Claimant will be entitled to an enhancement of 100% if the Survivors'
23 Trust negotiates an Insurance Settlement Agreement for a Target Policy of such
24 Litigation Claimant if the Insurance Settlement Agreement is entered into after a
25 Litigation Claim Award entered in favor of the Litigation Claimant in such litigation
26 becomes final and non-appealable.

27 The Committee believes that the efforts of Litigation Claimants will materially enhance
28 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 Claim to
receive more than the total amount of his or her Litigation Claim Award, then (a) all amounts to

1 be paid under such Litigation Claim Award that would be in excess of such Litigation Claim
2 Award will be paid to the Survivors' Trustee to be allocated for distribution to other Trust
3 Claimants on account of their *pro rata* share of Survivors' Trust Assets, or (b) if such amounts
4 are paid directly to the Litigation Claimant, such Litigation Claimant will immediately turn them
5 over to the Survivors' Trustee; *provided, however*, any such Abuse Claimant is not barred by
6 Section 9.9 of the Committee Plan from seeking extracontractual damages under the holding of
7 *Hand* (defined below) and (iii) all defenses and the rights of any Non-Settling Insurer to oppose
8 any such claim by an Abuse Claimant under *Hand* are fully preserved, including that *Hand* is not
9 a correct statement of applicable law and that it would not apply to any such asserted claim.

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

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

18 An integral part of the Committee Plan is the Child Protection Protocols. The Committee
19 is steadfast in its determination to make sure that the harm that befell Abuse Claimants does not
20 happen to the children within the Diocese's care now and in the future. To that end, the
21 Committee requires the Debtor to retain a Compliance Monitor for a default term of ten years,
22 with whether that term should be extended being submitted to an arbitrator if the Compliance
23 Monitor and the Bishop cannot agree. In contrast, the Diocese Plan only provides for a five-year
24 default term. In the Debtor's Child Protection Protocols, after the Compliance Monitor's term
25 ends, all powers, duties, and responsibilities of the Compliance Monitor revert to the Bishop. The
26 Committee vehemently opposes this proposal. Time has shown that the Diocese needs an
27 independent third-party to make certain the organization is doing everything within its power to
28 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.

(v) 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.

1 The Channeling Injunction does not bar claims against any Non-Settling Insurer except to the
2 extent a Non-Settling Insurer becomes a Settling Insurer.⁵

3 **ARTICLE IV**

4 **COMMITTEE PLAN OVERVIEW**

5 **A. Summary of Committee Plan’s Treatment of Claims**

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

10 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 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

19 The only class of creditors permitted to vote on the Committee Plan are Class 4 Abuse
20 Claims and Class 5 Unknown Abuse Claims, through the vote of the Unknown Abuse Claims
21 Representative. The Committee Plan seeks to satisfy the rights of Abuse Claimants in two ways.
22 First, the Committee Plan ensures that the Debtor uses more of its assets to pay Abuse Claimants,
23 including making certain the Debtor’s insurance rights are pursued vigorously. Second, the

24 ⁵ The Committee Plan defines “**Channeled Claims**” to mean “any Abuse Claim against a Released Party or
25 any Settling Insurer arising from, in connection with, or related to an Abuse Claim, or any of the Abuse
26 Insurance Policies issued by any Settling Insurers, including Abuse Related Contribution Claims, including
27 (a) an Abuse Claim against any Person who personally committed an act or acts of Abuse resulting in a
28 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.

1 Committee Plan sets forth nonmonetary provisions designed to assist Abuse Claimants in healing
2 and ensure – to the maximum extent possible – that abuse does not continue.

3 **B. Committee Plan’s Treatment of Abuse Claims**

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

10 **(i) Cash Contributions to the Committee Plan**

11 The Survivors’ Trust will be funded by:

- 12 (i) the Debtor in the amount of \$195.2 million; and
- 13 (ii) RCWC (provided it receives post-confirmation releases from Class 4
14 Claimants holding Claims against it) in the amount of \$118.9 million, for
15 a total of ***\$314.1 million***. See Committee Plan, Section 9.3.⁶

16 The Committee Plan provides for payments from the Debtor and RCWC (provided it
17 receives releases from Class 4 Claimants holding Claims against it) over 3.5 years from the
18 Original Plan Filing Date of March 6, 2026, to be paid as follows:

- 19 • Effective Date: A total of \$103.1 million, of which (i) \$33.1 million will be paid
20 by the Debtor and (ii) \$70 million will be paid by RCWC (provided it receives post-
21 confirmation releases from Class 4 Claimants holding claims against it).
- 22 • Year 1: A total of \$6 million, all of which will be paid by the Debtor.
- 23 • Year 2: A total of \$77.7 million, of which (i) \$28.9 million will be paid by the
24 Debtor and (ii) \$48.9 million will be paid by RCWC (provided it receives post-
25 confirmation releases from Class 4 Claimants holding claims against it).
- 26 • Year 3: A total of \$46.3 million, all of which will be paid by the Debtor.
- 27 • Year 3.5: A total of \$80.9 million, all of which will be paid by the Debtor.

28 RCWC has advised that it does not support the Committee Plan and will not elect to
receive releases or make any payments to the Survivors’ Trust. On the Effective Date, the
Survivors’ Trust will segregate \$5 million into the Unknown Abuse Claims Reserve for the

⁶ 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 benefit of Holders of Class 5 Claims. The Survivors' Trust will increase the amount in the
2 Unknown Abuse Claims Reserve by \$1.3 million within one year after the Effective Date and by
3 \$1.4 million within two years of the Effective Date, for a total of \$7.7 million.

4 The Committee Plan is not predicated on the Debtor selling any particular piece of real
5 property. Nor does the Committee Plan require a loan of any kind other than the postpetition loan
6 the Debtor has stated it will need to continue paying the administrative expenses of the Chapter
7 11 Case. Rather, the Committee Plan is predicated on the guidance from the United States
8 Supreme Court, which has recognized that “[a] debtor can win a discharge of its debts if it
9 proceeds with honesty and places virtually all its assets on the table for its creditors.” See
10 *Harrington v. Purdue Pharma L.P.*, 603 U.S. 204, 209 (2024). Putting aside the Debtor’s millions
11 of dollars in cash and investments, the Debtor owns over 250 pieces of real property.

12 In any event, the Debtor has conceded it can continue its mission even while selling:

- 13 • twelve vacant real estate parcels titled in the name of the Debtor which are not part
14 of a larger parcel containing a Church or ministry-related building;
- 15 • vacant portions of eighteen real estate parcels titled in the name of the Debtor which
16 the Debtor has determined may be liquidated while allowing the Debtor to continue
17 its mission;
- 18 • Debtor-owned portions of twelve real property locations on which Churches
19 currently operate either as primary or secondary locations;
- 20 • five residential homes owned by the Debtor and one residential home owned by
21 Adventus; and
- 22 • certain other real estate currently being used in support of the Debtor’s ministry.

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

24 The Debtor has a myriad of other ways in which to fund the Debtor Contribution,
25 including executing on its prepetition plan to cluster, merge or close 30 or so parishes, reducing
26 its operating reserves for a temporary period of time, using restricted assets for their intended
27 purpose and, in turn, allowing the Debtor to use more unrestricted assets to make the Debtor
28 Contribution and/ or borrowing from its affiliates, financial institutions and/or the public markets,
as it has done before.

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

30 RCWC, the Roman Catholic Cemeteries of the Diocese of Oakland (“**RCC**”), and
31 Adventus (collectively, the “**Non-Debtor Catholic Entities**”) have each explicitly and
32 unequivocally rejected the Committee Plan. None of these entities support the Committee Plan,
33 and they have advised that they will not contribute any funds or consideration to the Committee
34 Plan under any circumstances. The Committee has removed all references to Adventus from the
35

1 Committee Plan⁷ but has retained its offer to RCWC to provide consensual third-party releases in
2 accordance with the terms of the Committee Plan. RCWC may reject that offer.

3 **(iii) The RCWC Escrow**

4 RCWC may, by written notice filed on the docket within seven days after the Voting
5 Deadline, elect to contribute the RCWC Contribution of \$118.9 million into an escrow account
6 managed by a third party (the "**RCWC Escrow**") on the Effective Date and thus, be entitled to
7 receive voluntary releases from Holders of Abuse Claims. RCWC will not receive a discharge,
8 release or benefit from any injunction under the Committee Plan and will only be entitled to
9 receive releases in accordance with the Committee Plan. RCWC has advised that it does not
10 support the Committee Plan and will not elect to receive releases or make any payments to the
11 Survivors' Trust.

12 The Survivors' Trust may withdraw amounts from the RCWC Escrow in accordance with
13 the Survivors' Trust Documents and the escrow agreement between the Survivors' Trust, RCWC,
14 and the escrow agent. Those documents will provide that distributions from the RCWC Escrow
15 will only be made on account of Holders of Class 4 Claims whom the Abuse Claims Reviewer
16 determines asserted a compensable Claim against RCWC in the Holder's Proof of Claim. Such
17 withdrawals from the RCWC Escrow will not commence until after the Preliminary Abuse Claim
18 Allowance Deadline. The escrow agreement will provide the Survivors' Trust may withdraw
19 from the RCWC Escrow no more than the pro rata share of the RCWC Escrow balance designated
20 for each Holder of an Abuse Claim asserted against RCWC who has executed and returned to
21 RCWC a RCWC Release. The pro rata share of each Holder will be determined by the Survivors'
22 Trustee.

23 The RCWC Escrow construct is designed to allow RCWC to obtain consensual releases
24 from Abuse Claimants holding Claims against it while enhancing the recovery to all Abuse
25 Claimants. If any amount remains in the RCWC Escrow on account of an RCWC Claimant
26 holding an Allowed Claim against RCWC having failed to execute a RCWC Release Agreement
27 as of the three and a half-year anniversary of the Effective Date, the RCWC Escrow Agent will
28 return such amount, less expenses of the RCWC Escrow, to RCWC no later than five (5) business
29 days after the later of (i) the three and a half-year anniversary of the Effective Date or (ii)
30 distribution to the Survivors' Trust of all payments to Holders of Allowed Class 4 Claims who
31 executed and returned to RCWC an RCWC Release Agreement on or before the three and a half-
32 year anniversary of the Effective Date.

33 **(iv) The Committee Plan's Insurance Assignment**

34 The Committee Plan further contemplates an assignment of certain of the Debtor's claims
35 and causes of action to the Survivors' Trust under its insurance policies with Non-Settling
36 Insurers. This assignment will allow Abuse Claimants to pursue additional recoveries against

37 ⁷ The Committee will amend the Committee Plan before entry of any order approving this Disclosure
38 Statement to make this change and any other changes directed by the Bankruptcy Court.

1 Non-Settling Insurers through litigation in state court and the Survivors' Trust to continue
2 litigating the Coverage Action. At present, there are no Settling Insurers.⁸

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

9 The Committee believes that the Committee Plan is insurance neutral. The Committee's
10 Survivors' Trust Distribution Plan has no impact on post-confirmation litigation against the Non-
11 Settling Insurers. Instead, it simply sets forth how the monetary value of Survivors' Trust
12 distributions will be determined by the Abuse Claims Reviewer and the Survivors' Trustee solely
13 for purposes of distributing Survivors' Trust Assets. The distributions and Survivors' Trust
14 Distribution Plan scoring have no impact on the Non-Settling-Insurers' rights or obligations,
15 which are determined solely under their policies and applicable law. See Committee Plan § 8.3.1
16 ("With respect to Non-Settling Insurers, nothing in the Plan, the Plan Documents, the
17 Confirmation Order, or the Survivors' Trust Documents, including any provision that purports to
18 be preemptory or supervening, shall in any way operate to, or have the effect of, impairing,
19 altering, supplementing, changing, expanding, decreasing, or modifying (i) the terms and
20 conditions of an Abuse Insurance Policy, (ii) the rights and obligations of the Debtor, its Estate
21 or the Reorganized Debtor and any Non-Settling Insurers (and third-party claims administrators)
22 under the Abuse Insurance Policies, or (iii) the coverage or benefits provided under the Abuse
23 Insurance Policies.")⁹

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

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⁸ 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.

⁹ LMI contend that the Committee Plan is internally inconsistent because: (1) section 13.1 of the Committee Plan does not state that it is not binding on insurers and does not limit the rights of insurers and (2) third parties may be authorized under the Committee Plan to assert coverage positions against insurers. LMI 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 counterclaim in connection with any Abuse Claim or Abuse
2 Insurance Policy in accordance with applicable law ...

3 Committee Plan § 8.3.2.

4 Stated otherwise, a Non-Settling Insurer may not be liable for an Abuse Claim post-
5 confirmation unless (i) a judgment is obtained in the underlying State Court Action against the
6 Debtor or other co-insured parties; and (ii) coverage is then established for that judgment through
7 an insurance coverage lawsuit. Non-Settling Insurers are entitled to both (i) defend the Debtor
8 and other co-insured parties against the underlying lawsuits; and (ii) contest coverage for those
9 lawsuits through separate litigation, subject to the terms of their policies and applicable law. For
10 these reasons, the Committee Plan is insurance neutral and any insurance-related objections
11 should be overruled.

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

10 The Committee Plan further contemplates meaningful enhancements to the Debtor’s
11 existing protocols and practices for the protection of youth and vulnerable adults embodied in the
12 *Child Protection Protocols for the Roman Catholic Bishop of Oakland, California* attached to the
13 Committee Plan as Schedule 1.1.34. The meaningful distinctions between the Committee’s Child
14 Protection Protocols and the Debtor’s Child Protection Protocols are discussed in the Executive
15 Summary above.

14 **ARTICLE V**

15 **DIOCESE PLAN OVERVIEW**

16 **A. Summary of Diocese Plan’s Treatment of Claims**

17 The Diocese Plan, like the Committee Plan, divides various creditors into classes.
18 Individual claimants are classified based on the nature of their claims. The following chart
19 summarizes the classification and proposed treatment of all claims and classes under the Diocese
20 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	Class Description	Status	Voting Rights
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. The Debtor will also contribute and assign to the Survivors' Trust certain claims and causes of action of the Debtor in the Non-Settling Insurer Policies.

The Survivors' Trust or RCWC Escrow will receive the following contributions from the Debtor or RCWC on the following schedule:

- Effective Date: A total of \$47.7 million, of which (i) \$40 million will be paid by the Debtor and (ii) \$7.7 million will be paid by RCWC (provided it receives post-confirmation releases from Class 4 Claimants holding claims against it).
- Year 1: A total of \$10.2 million, of which (i) \$7.2 million will be paid by the Debtor and (ii) \$3 million will be paid by RCWC (provided it receives post-confirmation releases from Class 4 Claimants holding claims against it).
- Year 2: A total of \$10.7 million, of which (i) \$4.7 million will be paid by the Debtor and (ii) \$6 million will be paid by RCWC (provided it receives post-confirmation releases from Class 4 Claimants holding claims against it).
- Year 3.5: A total of \$111.4 million, of which (i) \$98.1 million will be paid by the Debtor and (ii) \$13.3 million will be paid by RCWC (provided it receives post-confirmation releases from Class 4 Claimants holding claims against it).

The Debtor's contribution to the Survivors' Trust will be facilitated, in part, by an additional \$40 million new-money loan from Debtor affiliate, RCC, as part of a refinance of an anticipated \$55 million new money loan provided to the Debtor after the Petition Date. Remaining amounts will come from the Debtor's unrestricted cash and proceeds raised from future sales of real estate owned by the Debtor or Adventus, one of the Non- Debtor Catholic

1 Entities. RCWC’s contribution will come from unrestricted cash and proceeds raised from the
2 future sale of real estate owned by RCWC. Should RCWC make its full contribution, the
3 contributions from the Debtor and RCWC to the Survivors’ Trust will be \$180 million in the
4 aggregate. The Committee recommends that Survivors do not agree to grant RCWC releases of
5 its liability under the Diocese Plan. If Survivors accept this recommendation, the total value paid
6 under the Diocese Plan will be \$150 million from the Debtor and Survivors will retain their rights
7 to sue RCWC in state court. On the Effective Date, the Survivors’ Trust will segregate \$5 million
8 into the Unknown Abuse Claims Reserve for the benefit of Holders of Class 5 Claims.

9 The Committee believes the Debtor fails to use a large portion of its assets to satisfy Abuse
10 Claims. In an effort to satisfy the Bankruptcy Code’s requirement that creditors receive at least
11 as much under the Diocese Plan than if the Debtor were hypothetically liquidated, the Debtor
12 continues to mistakenly insist that it need not include all of its assets because it cannot be forced
13 to sell its real estate. *See* Debtor’s Plan Summary, 11;12-14 (“The sale of real property on which
14 a Church currently sits and operates, or which is used in its ministry, would not happen in a forced
15 liquidation under chapter 7 of the Bankruptcy Code.”); *see also Disclosure Statement for Debtor’s*
16 *Plan of Reorganization*, Ex. B, at 7, ¶ F, Dkt. No. 1445-2 (arguing that Debtor need not include
17 substantially all of its improved real estate in its liquidation analysis “[b]ecause the Debtors (sic)
18 cannot have their chapter 11 cases (sic) converted into chapter 7 cases involuntarily, the Debtors
19 (sic) also cannot be forced to close and sell Churches.”). The Debtor is mistaken.

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

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

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

27 After a thorough investigation, the Committee has concluded that the Diocese has, or has
28 access to, millions of dollars of assets that it is not using to compensate Abuse Claimants.
Moreover, while the Bankruptcy Court determined that substantive consolidation is not a viable
cause of action in the Chapter 11 Case—a decision the Committee is appealing—in the context
of determining whether the Diocese Plan is fair and equitable, the fact that the Bishop has touted
his ability to control his non-Debtor affiliates when he needed money in the past should not be
ignored. In fact, it is highly relevant. When the Debtor needed funds to complete the construction
of its Cathedral, the Bishop informed his prospective creditors that he could take any number of
actions within his Diocese to raise funds to repay debt, including directing non-Debtors to pay
the debt. Now, the Bishop takes an about-face, insisting he cannot and will not take any similar
action. Although, non-Debtor’s Adventus and Furrer are both contributing assets to the Diocese
Plan with no cognizable benefit, reinforcing the Committee’s position. For example:

- Under the Diocese Plan, the Diocese ignores the Bishop’s wide-ranging power to control the operations and purse strings of the Non-Debtor Catholic Entities, and

1 fails to use those powers to contribute available assets to the Survivors' Trust for
2 the benefit of Abuse Claimants.

- 3 • In Article IV.D of the Debtor's Third Amended Disclosure Statement, the Diocese
4 asserts that all funds raised through the Bishop's Ministries Appeal are "restricted
5 to fund the particular ministries and programs that the BMA was designed to
6 support and facilitate ..." But when the Diocese was attempting to raise funds in
7 the bond market, the Bishop represented that all funds received from the "Bishop's
8 Appeal" were unrestricted and available to pay "the budgeted expenses of the
9 Diocese as well as any amounts payable on debt of the Diocese, including the
10 Bonds."

11 The Diocese Plan provides for RCWC to pay \$30 million to the Survivors' Trust
12 contingent on receiving the RCWC Releases. The Committee projects that there may be
13 approximately 120 Abuse Claims against RCWC, meaning it would be paying \$250,000 per
14 Abuse Claim. The Committee urges Abuse Claimants not to grant RCWC a release because its
15 proposed payment dramatically undervalues its liability. *First*, prior settlements of Abuse Claims
16 by the Diocese and RCWC averaged \$1.7 million per claim (adjusted for inflation). Even this per
17 claim amount does not reflect what an Abuse Claimant might receive if he or she were to litigate
18 their claim in California state court. *Second*, RCWC owns millions of dollars in assets, including
19 cash, investments, and unencumbered real estate. Thus, a contribution far greater than \$250,000
20 per Abuse Claimant is required before any Abuse Claimant grants RCWC a release.

21 (ii) The Diocese Plan's Treatment of Insurance Claims

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

28 C. The Diocese Plan's Child Protection Protocols

While the Diocese Plan also provides for certain child protection protocols, the Debtor's
proposal to retain a Compliance Monitor for a limited five-year term fundamentally
misunderstands the nature and scope of institutional reform. In addition, the Debtor's proposal
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.

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ARTICLE VI

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

A. General Confirmation Requirements

The Bankruptcy Code requires that, in order to confirm the Committee Plan, the Bankruptcy Court must make a series of findings on the Committee Plan and the Committee, including that: (i) the Committee Plan classifies Claims in a permissible manner; (ii) the Committee Plan complies with applicable provisions of the Bankruptcy Code; (iii) the Committee has complied with applicable provisions of the Bankruptcy Code; (iv) the Committee propose the Committee Plan in good faith and not by any means forbidden by law; (v) the disclosures required by section 1125 of the Bankruptcy Code have been made; (vi) the Committee Plan has been accepted by the requisite votes of Creditors (except to the extent that cramdown is available under section 1129(b) of the Bankruptcy Code); (vii) the Committee Plan is feasible and confirmation 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, as determined by the Bankruptcy Court at the Confirmation Hearing, have been paid or the Committee Plan provides for the payment of such fees on the Effective Date.

B. Best Interests Test

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

C. Financial Feasibility

In order to confirm a plan, the Bankruptcy Code requires that a Bankruptcy Court find that confirmation of the plan is unlikely to be followed by liquidation or the need to further financially reorganize the Debtor (the “**Feasibility Test**”). For a plan to meet this test, the Bankruptcy Court must determine there is a reasonable likelihood that the reorganized debtor will possess the working capital and other resources necessary to meet its obligations under the plan.

1 Based upon the financial projections attached as **Exhibit C**¹⁰ and the assumptions set forth
2 therein, the Committee believes that the Reorganized Debtor will be able to timely make all
3 distributions required by the Committee Plan and to fund its operations going forward and,
4 therefore, that confirmation of the Committee Plan is unlikely to be followed by liquidation or
5 the need for further reorganization.

6 ***THE FEASIBILITY OF THE COMMITTEE PLAN IS NOT RELIANT ON ANY
7 SINGLE FUNDING SOURCE. IT IS NOT WHOLLY RELIANT ON THE DEBTOR
8 SECURING A LOAN, NOR DOES IT CONTEMPLATE A LOAN, AND IT IS NOT WHOLLY
9 RELIANT ON THE SALE OF CERTAIN REAL PROPERTY.***

10 Rather, the Debtor has a myriad of ways in which to fund the Debtor Contribution,
11 including, but not limited to, selling the real property it has committed to sell under the Diocese
12 Plan, executing on its prepetition plan to cluster, merge or close 30 or so parishes, reducing its
13 operating reserves for a temporary period of time, using restricted assets for their intended purpose
14 and, in turn, allowing the Debtor to use more unrestricted assets to make the Debtor Contribution
15 and/ or borrowing from its affiliates, financial institutions and/or the public markets, as it has
16 done before.

17 The Bishop may also decide to execute on the actions contemplated in his May 8, 2023
18 letter to parishioners and friends of the Diocese of Oakland in which he stated the Diocese would:

- 19 • “re-align our resources to meet the needs of our diocese, while addressing claims
20 coming through the bankruptcy process.”
- 21 • Address the “current reality in our diocese,” by “focus[ing] on our mission to serve
22 people, not on maintenance of structures which no longer serve our mission.”
- 23 • “right size our parishes to serve the faithful.” According to the Bishop, “[t]his effort
24 will require us to close some of our worship sites and re-imagine how we use other
25 locations.”

26 In that same letter, Bishop Barber stated: “Though MAP did not anticipate this eventuality
27 [the bankruptcy filing], the work done through MAP will be useful as the courts assess how the
28 Diocese can restructure and constitute a source of funds for settlements of cases.”

29 The Committee Plan also anticipates, ***but is not reliant upon***, a Bankruptcy Court ruling
30 that at least 90% of the assets the Debtor alleges are restricted are unrestricted in the adversary
31 proceeding captioned *The Official Committee of Unsecured Creditors of the Roman Catholic
32 Bishop of Oakland v. The Roman Catholic Bishop of Oakland and The Oakland Parochial Fund,
33 Inc.* (Adv. Pro. 24-04051 WJL) (the “**Restricted Asset Litigation**”). Through the Restricted
34 Asset Litigation, the Committee seeks a declaratory judgment that more than \$33.3 million held

35 ¹⁰ The Committee has not filed financial projections with this Disclosure Statement because the Debtor has
36 not filed its financial projections in support of the Diocese Plan. After the Debtor does so, the Committee
37 will promptly file its projections which will be based on the Debtor’s projections as modified to incorporate
38 assumptions underlying the Committee Plan.

1 by the Debtor and its Churches are not held in trust and/or are donor restricted such that those
2 funds can be used to satisfy creditor claims. While the Committee is optimistic it will prevail in
3 the Restricted Asset Litigation, litigation is inherently uncertain and thus the Bankruptcy Court
4 may hold that some or all of the \$33.3 million in question is unavailable to pay creditor claims.
Even if that is the case, the Committee has concluded that the Debtor can timely make all of the
payments under the Committee Plan.

5 **D. Certain Risk Factors**

6 ALL HOLDERS OF IMPAIRED CLAIMS SHOULD READ AND CAREFULLY
7 CONSIDER THE RISK FACTORS SET FORTH BELOW AS WELL AS THE OTHER
8 INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT (AND SCHEDULES
9 AND EXHIBITS) BEFORE DETERMINING WHETHER AND HOW TO VOTE ON THE
10 COMMITTEE PLAN. IF ANY OF THE FOLLOWING RISKS ACTUALLY OCCURS, THE
11 COMMITTEE PLAN MAY NOT BE CONFIRMED BY THE BANKRUPTCY COURT AND/
12 OR CREDITOR RECOVERIES COULD BE LOWER THAN OTHERWISE DESCRIBED
HEREIN. THE RISKS AND UNCERTAINTIES BELOW ARE NOT EXHAUSTIVE, BUT
REPRESENT THE RISKS THAT THE COMMITTEE BELIEVES ARE MATERIAL. THERE
MAY BE ADDITIONAL RISKS THAT THE COMMITTEE CURRENTLY CONSIDERS NOT
TO BE MATERIAL OR WHICH THE COMMITTEE IS CURRENTLY UNAWARE.

13 **1. *Failure to Satisfy Vote Requirement***

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

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

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

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

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

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 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 Diocese Plan is Not Confirmed

If the Diocese Plan is not confirmed, the Diocese may seek to dismiss the Chapter 11 Case. But, before the Chapter 11 Case may be dismissed, the Bankruptcy Court would need to find that dismissal is in the best interests of creditors.

6. The Debtor and Certain Non-Debtor Catholic Entities Will Raise Objections to Confirmation

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

7. Non-Settling Insurers Will Raise Objections to Confirmation

Non-Settling Insurers will likely object to confirmation of the Committee Plan by 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

1 that the Committee Plan is not proposed in good faith, is not feasible or otherwise not confirmable.
2 Non-Settling Insurers will also oppose the Insurance Assignment.

3 The Insurance Assignment effected by the Committee Plan provides Trust Claimants who
4 choose the Litigation Option (“**Litigation Claimants**”) with the opportunity to liquidate their
5 claims against the Debtor (as a nominal party) by way of a judgment in the tort system and then
6 seek to recover the amount of their judgment under any applicable insurance policies of the
7 Debtor. The ability of Litigation Claimants to monetize their judgment through recovery from
8 Non-Settling Insurers on account of the Assigned Insurance Interests is a fundamental aspect of
the Committee Plan that the Committee believes has value for such Claimants in the form of
contractual rights (i.e., the potential insurance 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).

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

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

18 The Insurers contest whether any bad faith claims could be successfully asserted by
19 Litigation Claimants, whether directly or through assignment from the Debtor. The Insurers
20 assert, *inter alia*, that the Debtor will not be negatively affected by any post Effective Date future
21 Insurer actions and therefore will not have a bad faith cause of action against the Insurers capable
22 of assignment post Effective Date. The Insurers further contest whether *Hand* is a correct
23 statement of California law such that Litigation Claimants may hold a direct bad faith cause of
24 action against any Insurers. They also assert that supposed future bad faith claims based on things
25 that have not yet happened are speculative. If the Insurers’ contentions in this regard are upheld
26 by a court in future litigation, Litigation Claimants that obtain a covered judgment against the
27 Debtor in name only could recover money from the Non-Settling Insurers under any applicable
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
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
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

1 an Insurer's violation of that obligation could give rise to a direct bad faith cause of action on the
2 part of Litigation Claimants.

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

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

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

17 **9. *Risk of Delay or Non-Occurrence of the Effective Date***

18 If the Committee Plan is approved by the Bankruptcy Court, the Committee expects the
19 Debtor and/or the Non-Settling Insurers to appeal the Confirmation Order. In such case, the
20 Effective Date of the Committee Plan will be delayed and if the Debtor and/ or the Non-Settling
21 Insurers prevail on their appeal, the Effective Date will not occur.¹¹

21 **10. *Uncertainty of Value***

22 The value of Abuse Claimants' distributions from the Survivors' Trust will depend, in
23 part, on the risks outlined above and to the extent those risks materialize. In addition, the
24 resolution of appeals, causes of action held by the Survivors' Trust and the reconciliation,
25 liquidation and allowance of Abuse Claims may require considerable time, during which time
26 interest will not accrue on allowed claims in the subject classes. These delays could affect or

26 ¹¹ LMI contend that the Committee Plan cannot be confirmed. LMI contend that if the Bankruptcy Court
27 confirms (i.e. approves) the Committee Plan, the Committee Plan will be reversed on appeal. The
28 Committee disputes these contentions by LMI.

1 reduce the ultimate value of any recovery. The ultimate realized value of insurance assets may
2 be different than the values assigned to such policies.

3 **11. Certain Federal Income Tax Considerations**

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

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

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

15 NO REPRESENTATIONS ARE MADE REGARDING THE PARTICULAR TAX
16 CONSEQUENCES OF THE COMMITTEE PLAN TO ANY HOLDER OF A CLAIM OR ANY
17 OTHER ENTITY OR PERSON. EACH HOLDER OF A CLAIM SHOULD CONSULT ITS
18 TAX PROFESSIONAL TO UNDERSTAND FULLY THE FEDERAL, STATE AND LOCAL
19 AND FOREIGN TAX CONSEQUENCES OF THE COMMITTEE PLAN.

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

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

29 **(i) Tax Consequences to Creditors**

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

34 The character of any gain or loss recognized as long-term or short-term capital gain or
35 loss or as ordinary income or loss will be determined by a number of factors, including, among
36 other things, the tax status of the creditor, whether the claim constitutes a capital asset in the hands
37 of the creditor, whether the claim has been held for more than one year, and whether and to what
38

1 extent the creditor has claimed a bad debt deduction (or charged a reserve for bad debts) with
2 respect to the claim.

3 The Committee anticipates that distributions to Class 4 and 5 Claimants will, in all
4 instances, constitute payment for damages on account of personal physical injuries or sickness
5 arising from an occurrence, within the meaning of Section 104(a)(2) of the Tax Code. The
6 Committee has not, however, fully analyzed such tax issues and cannot (and does not hereby)

7 MANY FACTORS WILL DETERMINE THE TAX CONSEQUENCE TO EACH
8 HOLDER OF AN UNSECURED CLAIM. FURTHERMORE, THE TAX CONSEQUENCES
9 OF THE COMMITTEE PLAN ARE COMPLEX, AND IN SOME CASES, UNCERTAIN. IT
10 IS THUS IMPORTANT THAT EACH HOLDER OF AN UNSECURED CLAIM OBTAIN HIS,
11 HER, OR ITS OWN PROFESSIONAL TAX ADVICE REGARDING THE TAX
12 CONSEQUENCES TO SUCH HOLDER OF AN UNSECURED CLAIM AS A RESULT OF
13 THE COMMITTEE PLAN.

14
15 **(ii) Tax Consequences to the Debtor**

16 The Debtor is a non-profit, non-stock member corporation having tax-exempt status under
17 26 U.S.C. § 501(c)(3). Due to the Debtor's status as a non-profit corporation, the Committee does
18 not expect that the Committee Plan will result in any significant federal income tax consequences
19 to the Debtor.

20
21 **(iii) Tax Consequences to the Survivors' Trust**

22 The Survivors' Trust may satisfy the requirements of a designated settlement fund under
23 § 468B of the Tax Code or a qualified settlement fund under Regulation 1.468B-1 of the Treasury
24 Regulations. There are certain tax consequences associated with the characterization of the
25 Survivors' Trust as a designated settlement fund or a qualified settlement fund.

26 The Committee expresses no opinion on whether the Survivors' Trust is a designated
27 settlement fund or a qualified settlement fund. The Committee has not requested a ruling from
28 the Internal Revenue Service or an opinion of counsel regarding whether the Survivors' Trust is
a designated settlement fund or a qualified settlement fund. Accordingly, each creditor is urged
to consult its own tax advisor regarding the characterization of the Survivors' Trust and the tax
consequences of such characterization.

12. *Appeal Risk*

If the Committee Plan is confirmed, it is possible that one or more parties, including the
Debtor and its insurers, may appeal the order confirming the Committee Plan.

E. Alternatives to the Committee Plan

The Committee believes the Committee Plan is in the best interests of the Creditors and
should thus be accepted and thereafter confirmed. If the Committee Plan as proposed, however,

1 is not confirmed, the following alternatives may be available: (a) the Diocese Plan may be
2 confirmed or (b) the Chapter 11 Case may be dismissed. As discussed below, one other option,
liquidation under Chapter 7, is not a viable alternative in the Chapter 11 Case.

3 **1. *Alternative Plan under Chapter 11 of the Bankruptcy Code***

4 If the Committee Plan is not confirmed, the Bankruptcy Court may confirm the Diocese
5 Plan. For the reasons set forth herein, the Committee believes that the terms of the Committee
Plan provide for far superior treatment of Creditors than under the Diocese Plan.

6 **2. *Dismissal of the Chapter 11 Case***

7 If the Committee Plan is not confirmed, the Diocese or another party in interest may seek
8 to dismiss the Chapter 11 Case. After appropriate notice and a hearing, the Bankruptcy Court
9 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.

10 Upon dismissal of the Chapter 11 Case, the protection of the Bankruptcy Code would be
11 lost, potentially resulting in an expensive and time-consuming process of negotiation and
12 protracted litigation between the Diocese and individual Abuse Claimants and between the
13 Diocese and its Insurers. Therefore, the Committee believes that dismissal of the Chapter 11 Case
14 is not a preferable alternative to confirming the Committee Plan. However, the Committee
15 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
16 delay, a more fair and equitable option than cram down as Survivors would be able to pursue their
17 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.

18 **3. *Chapter 7 Liquidation is Not a Viable Alternative***

19 Pursuant to 11 U.S.C. § 1112(c), if a debtor is “not a moneyed corporation,” a debtor’s
20 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.

21 Dated: April 9, 2026

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BURNS BAIR LLP
KELLER BENVENUTTI KIM LLP**

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23 Tobias S. Keller
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- and -

Timothy W. Burns
Jesse J. Bair

*Counsel for the Official Committee of
Unsecured Creditors*

Exhibit D

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*Special Insurance Counsel for Official
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11 *Attorneys for Official Committee of*
12 *Unsecured Creditors*

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

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

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

19 **FIRST AMENDED DISCLOSURE STATEMENT FOR**
20 **THE OFFICIAL COMMITTEE**
21 **OF UNSECURED**
22 **CREDITORS' PLAN OF REORGANIZATION,**
23 **DATED MARCH 27, 2026**
24
25
26
27
28

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

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

12 The Committee and the Diocese have each filed a Plan of Reorganization (the
13 “**Committee Plan**” and the “**Diocese Plan**”) which propose to compensate Survivors for the
14 horrendous pain and trauma they have suffered at the hands of the Diocese. All Survivors
15 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 ~~vote to ACCEPT the Committee Plan and REJECT the Diocese
Plan.~~*

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

20 The Committee Plan proposes that the Diocese pay \$195.2 million to a Survivors’
21 Trust for the benefit of Survivors in three installments with ~~the last payment a final~~
installment due no later than September 2029 (assuming the Committee Plan becomes
22 effective before that date) and offers a release of all claims against ~~the Roman Catholic~~
Welfare Corporation of Oakland (“RCWC”) if it agrees to pay \$118.9 million to the
23 Survivors’ Trust over the same period. If RCWC exercises its option, the total consideration
to the Survivors’ Trust from the Debtor and RCWC under the Committee Plan would be
24 \$314.1 million. But as of the date of this letter, RCWC has explicitly and unequivocally
rejected the Committee Plan and stated it will not contribute any funds or consideration to
25 the Committee Plan under any circumstances.

26 In contrast, the Diocese Plan proposes that the Diocese pay just \$150 million to the
27 Survivors’ Trust on a timetable that cannot be determined at this time, but is likely to extend
28 into late 2030 and beyond, and ~~offers~~provides a mechanism through which RCWC may
receive a release ~~if of Abuse Claims filed against it pays only by paying just \$30 million.~~ The
Diocese Plan also proposes that several of its insurers contribute money to the Survivors’
Trust in exchange for a release of all further liability under their insurance policies. ~~The~~

1 problem with the Diocese Plan is that the settlement amount ~~being paid~~ contributed from both
2 the Diocese and RCWC for payment to Survivors is far too low ~~and it severely~~
3 ~~underestimates the value of its insurance coverage.~~ The Diocese ~~has~~ and RCWC have
4 millions of dollars of assets from which to compensate Survivors and can do so in far less
5 time than is proposed in the Diocese Plan.

6 Many of you were harmed by some of the most notorious perpetrators in the Church.
7 The Diocese Plan does not begin to fairly compensate Survivors for the years of negligence
8 and the harm the Diocese failed to stop. Accordingly, the Committee filed the Committee
9 Plan which: (i) ~~pays~~ provides for the Diocese to pay \$195.2 million to Survivors over a
10 shorter period of time than the Diocese Plan; (ii) gives RCWC the option to pay \$118.9
11 million for a release of Abuse Claims filed against it; (iii) permits Survivors to pursue the
12 Debtor's insurers to compel them to pay what they owe; and ~~(iiiiv)~~ requires long-term,
13 meaningful changes to the way the Diocese protects its children now and in the future.

14 The Committee believes:

- 15 • The Debtor ~~has~~ and RCWC have the resources available to pay more to Abuse
16 Claimants than ~~it proposes to~~ they propose in the Diocese Plan.
- 17 • The Committee Plan will provide Abuse Claimants with a greater monetary
18 recovery than the Diocese Plan.
- 19 • The Committee Plan's mandate that the Diocese change the way it operates—
20 so that the horrific harm the Diocese caused never happens again—is vital to
21 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' PLAN*
5 *OF REORGANIZATION, DATED MARCH 27, 2026*. A COPY OF THE COMMITTEE PLAN
6 IS ATTACHED TO THIS DISCLOSURE STATEMENT AS **EXHIBIT A**.¹

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

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

20 HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE COMMITTEE PLAN
21 SHOULD NOT RELY ON ANY REPRESENTATIONS OR INDUCEMENTS MADE TO
22 SECURE ACCEPTANCE OF THE COMMITTEE PLAN, OTHER THAN THOSE SET
23 FORTH IN THIS DISCLOSURE STATEMENT. —NO PERSON MAY GIVE ANY
24 INFORMATION ON BEHALF OF THE COMMITTEE REGARDING THE COMMITTEE
25 PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE COMMITTEE PLAN, OTHER
26 THAN THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, EXCEPT
27 FOR THE DEBTOR, WHICH FILED THE *DEBTOR'S MODIFIED FOURTH AMENDED*
28 *PLAN OF REORGANIZATION* [DKT. NO. ~~26541~~2758] ON ~~FEBRUARY 20~~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 ~~EFFECTIVE DATE OF THE~~ COMMITTEE PLAN ~~OCCURS,BECOMES~~
EFFECTIVE (THE "EFFECTIVE DATE"), ALL HOLDERS OF CLAIMS AGAINST THE

¹ CAPITALIZED TERMS NOT DEFINED HEREIN HAVE THE MEANING ASCRIBED TO THEM IN
THE COMMITTEE PLAN.

1 DEBTOR (INCLUDING, WITHOUT LIMITATION, THOSE HOLDERS OF CLAIMS WHO
2 DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE COMMITTEE PLAN OR WHO
3 ARE NOT ENTITLED TO VOTE ON THE COMMITTEE PLAN, EXCEPT AS OTHERWISE
4 PROVIDED IN THE COMMITTEE PLAN) WILL BE BOUND BY THE TERMS OF THE
5 COMMITTEE PLAN AND THE TRANSACTIONS DESCRIBED IN THE COMMITTEE
6 PLAN.

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

1 THE TAX OR OTHER LEGAL EFFECTS OF THE COMMITTEE PLAN ON THE DEBTOR,
2 THE COMMITTEE, ANY RELEASED PARTY OR HOLDERS OF CLAIMS.

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

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

17 [THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY ORDER OF THE
18 BANKRUPTCY COURT AS CONTAINING ADEQUATE INFORMATION OF A KIND AND
19 IN SUFFICIENT DETAIL TO ENABLE HOLDERS OF CLAIMS TO MAKE AN INFORMED
20 JUDGMENT WITH RESPECT TO VOTING TO ACCEPT OR REJECT THE COMMITTEE
21 PLAN]. HOWEVER, THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE
22 STATEMENT IS NOT A RECOMMENDATION OR DETERMINATION BY THE
23 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.

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

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1 **THE COMMITTEE RECOMMENDS THAT HOLDERS OF ABUSE CLAIMS**
2 **VOTE TO ACCEPT THE COMMITTEE PLAN AND REJECT THE DIOCESE PLAN**
3 **BECAUSE, AMONG OTHER THINGS, THE COMMITTEE PLAN PROVIDES AN**
4 **ADDITIONAL \$44.2 MILLION TO ABUSE CLAIMANTS AND ACHIEVES OTHER**
5 **IMPORTANT GOALS SET OUT BY ABUSE CLAIMANTS.**

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

10 The Debtor filed the Diocese Plan on ~~February 20~~ March 29, 2026. For the reasons
11 described below, the Committee does not support the treatment of Abuse Claims proposed by the
12 Debtor under the Diocese Plan. The problem with the Diocese Plan is that, among other things,
13 the settlement amount being paid to Abuse Claimants is far too low. The Diocese proposes to
14 pay over 375 Abuse Claimants just \$150 million on a timetable that cannot be determined at this
15 time, but is likely to extend into late 2030 and beyond. And non-debtor affiliate, RCWC, proposes
to pay just \$30 million in consideration for releases of Abuse Claims asserted against it.
~~Moreover, the Debtor proposes to settle its claims against certain insurers for approximately \$44.3~~
~~million.~~ But the Committee values those claims as multiples of that amount.

16 The Committee thus filed the Committee Plan so that:

- 17 (i) The Debtor must pay **\$195.2 million** in ~~three~~ installments with ~~the last~~
18 ~~payment~~ future payments due ~~no later than September 2029~~ by measuring the year
1, 2, 3 and 3.5 anniversary payments from March 6, 2026;
- 19 (ii) RCWC, if it chooses, can elect to pay **\$118.9 million** in ~~two~~ 2 installments with the
20 last payment due no later than March 5, 2028 (assuming the Committee Plan has
become effective by that date) in consideration for releases of claims against it;²
- 21 (iii) Abuse Claimants can elect to litigate against the Debtor's insurers, which are
22 contractually obligated to pay certain Abuse Claims, in order to receive a recovery
23 from the Debtor's valuable insurance policies; and
24
25

26 ² As of the date of this Disclosure Statement, RCWC has explicitly and unequivocally rejected the Committee
27 Plan and has advised the Committee that it will not contribute any funds or consideration to the Committee
28 Plan under any circumstances.

1 (iv) Abuse Claimants, the children in the care of the Diocese and society at large can
2 be assured that the Debtor must take all steps necessary to make certain the harm
3 that befell Abuse Claimants never occurs again.

4 The Committee Plan's expedited timing for distributions to Survivors as compared to the
5 Diocese Plan is best explained by an example: if the Effective Date of the Committee Plan occurs
6 on March 7, 2028, the entirety of the Debtor's contributions to the Survivors' Trust must be paid
7 by September 7, 2029. In contrast, if the Effective Date of the Diocese Plan occurs on March 7,
8 2028, the entirety of the Debtor's contributions to the Survivors' Trust must be paid by August
9 7, 2031.

7 ARTICLE I

8 INTRODUCTION

9 A. Purpose and Contents of this Disclosure Statement

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

17 This Disclosure Statement was approved by the Bankruptcy Court on [●], 2026. A copy
18 of the order approving this Disclosure Statement is attached as **Exhibit B**. The Bankruptcy Court
19 will hold a hearing on confirmation of the Committee Plan and the Diocese Plan commencing on
20 [●], 2026.

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

- 23 (i) the Committee Plan;
- 24 (ii) the Diocese Plan;
- 25 (iii) the Debtor's Disclosure Statement; and
- 26 (iv) 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.

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

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

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

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

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

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

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

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

15 To be counted, your Ballot must be received, pursuant to the following instructions, by
16 Kurtzman Carson Consultants, LLC dba Verita Global (“**Verita**”), on or before **5:00 p.m.**
17 **(prevailing Pacific Time) on [●], 2026** (the “**Voting Deadline**”) by one of the following
18 methods:

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

20 The Roman Catholic Bishop of Oakland – Ballot Processing c/o Verita
21 222 N. Pacific Coast Highway, 3rd Floor
22 El Segundo, CA 90245

23 By electronic, online submission:

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

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

IF YOU HOLD A CLAIM ENTITLED TO VOTE:

Please (i) complete the information requested on the Ballot; (ii) sign, date and indicate
your vote to accept or reject the Committee Plan and (iii) return the completed Ballot in the
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.

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

3 IF YOU HAVE QUESTIONS ABOUT THE BALLOT, DID NOT RECEIVE A
4 RETURN ENVELOPE WITH YOUR BALLOT, DID NOT RECEIVE AN ELECTRONIC
5 COPY OF THE DISCLOSURE STATEMENT AND THE COMMITTEE PLAN OR NEED
6 PHYSICAL COPIES OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE
7 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.

8 ARTICLE II

9 EXECUTIVE SUMMARY

10 The Chapter 11 Case was filed against the backdrop of a terrible crisis and breach of trust.
11 For the preservation of the Catholic Church and the well-being of all affected constituencies,
12 particularly Abuse Claimants who hold the overwhelming majority of Claims in this Chapter 11
13 Case (in both number and amount), the Debtor must fully commit 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.

14 To that end, the Committee Plan provides for (i) the Debtor to contribute \$195.2 million
15 to a settlement trust (the “**Survivors’ Trust**”) established for the sole benefit of Abuse Claimants
16 and (ii) RCWC to contribute \$118.9 million, if it elects to contribute to the Committee Plan in
17 exchange for releases of its liability for Abuse Claims, for a total of **\$314.1 million**. The
18 contributions will be made in installments with the last payment due on or before September 5,
2029. Payments due under the Committee Plan may extend beyond September 5, 2029 if appeals
19 of any Order confirming the Committee Plan are filed and not resolved before that date. The
20 Debtor will also assign the proceeds of its insurance policies to the Survivors’ Trust, ~~which the~~
21 ~~Committee believes are worth far more than the amounts the Debtor has agreed to accept under~~
~~the Diocese Plan.~~ The Committee Plan also provides for robust changes to the ways in which
the Diocese protects its children to make certain the harm that befell Abuse Claimants never
happens again.

22 In contrast, the Diocese Plan provides for a contribution of just \$150 million from the
23 Debtor and, if it elects to contribute to the Diocese Plan in exchange for releases, \$30 million
24 from RCWC for a total of **\$180 million**. The contributions will be made within three and a half
25 years of the Effective Date of the Diocese Plan, which will occur no earlier than July 2026, and
likely will not occur until all appeals of any Order confirming the Diocese Plan are resolved –
26 which could take several years. ~~Five Settling Insurers will contribute \$44.3 million to the~~
~~Survivors’ Trust on the Effective Date of the Diocese Plan, which will provide for total Diocese~~
~~Plan funding of \$224.3 million, and the~~ Debtor will assign the proceeds ~~underof~~ its insurance
27 policies ~~with three Non-Settling Insurers to the Survivors’ Trust. The Committee believes that~~
~~these settlements significantly underestimate the value of the Debtor’s insurance policies to the~~
~~Survivors’ Trust.~~ The Committee also believes that the insurance assignment in the Diocese Plan

1 ~~in highly~~is prejudicial to Abuse Claimants and could negatively impact the value of insurance
2 available from Non-Settling Insurers.

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

5 **First**, the Committee Plan provides for the Debtor to contribute \$45.2 million more than
6 the Diocese Plan ~~by September 5, 2029, while~~and in all events, in less time than provided for
7 ~~under~~ the Diocese Plan ~~does not have a definitive date by which all of~~measured from the Debtor
8 ~~Contributions must be made~~Effective Date.

9 **Second**, the Committee Plan authorizes Abuse Claimants to grant RCWC a release only
10 if it pays \$118.9 million to Abuse Claimants, which is \$88.9 million more than RCWC is required
11 to pay under the Diocese Plan. The Committee estimates, but subject to further review, that there
12 may be as many as 120 Abuse Claims against RCWC, meaning RCWC would be paying \$990,833
13 per Abuse Claim under the Committee Plan and just \$250,000 per Abuse Claim under the Diocese
14 Plan. ~~RCWC has advised that it will not participate in the Committee Plan. The Committee
15 believes that few if any Survivors will agree to the release in the Diocese Plan. It is therefore a
16 possibility that RCWC will not participate under either the Committee Plan or the Diocese Plan
17 and that Survivors will retain the right to sue RCWC for damages in state court.~~

18 **Third**, the insurance provisions of the Diocese Plan fail to adequately protect the rights of
19 Abuse Claimants. ~~The Debtor has agreed to tentative insurance settlements with five of its
20 insurers that undervalue the carriers' exposure. By way of example, the first two cases released
21 from the stay in the Archbishop of San Francisco's bankruptcy recently settled for a combined
22 \$10.3 million which amount is being funded solely by the Archbishop's insurers (many of
23 whom are the same insurers in this case). Based on the Committee's analysis, there are at least
24 325 Abuse Claims that allege abuse, in part, during a solvent insurers' coverage period. Using a
25 placeholder of \$1 million per claim (which is significantly less than the average of the first two
26 San Francisco lift stay settlements) produces a total insurance exposure of \$325 million. Yet the
27 Debtor has settled with five of its eight insurers for a fraction of that amount. Thus, by tentatively
28 settling with five of its eight insurers for an inadequate amount, the Debtor has both (i) failed to
appropriately monetize the policies of the five settling insurers and (ii) impaired the value of the
insurance assignment by permitting further recovery solely against the three remaining non-
settling insurers.~~

~~In addition, the Diocese Plan strips the Survivors' Trust's ability to pursue the insurance
declaratory judgment actions captioned *In re: The Roman Catholic Bishop of Oakland Insurance
Adversary Proceeding Litigation*, Case Nos. Claimant by granting rights to Non-Settling Insurers
to object to claims when the Non-Settling Insurers do not hold such rights. The Non-Settling
Insurers cannot demonstrate an "injury in fact" if an Abuse Claim is allowed against the
Survivors' Trust because no party has liability for those claims other than the Survivors' Trust.
See Diocese Plan, § 9.6 ("[t]he Survivors' Trust shall, as of the Effective Date, assume sole and
exclusive responsibility and liability for all Abuse Claims against the Released Parties, and such
Claims shall be paid by the Survivors' Trust from the Survivors' Trust Assets"); see
Survivors' Trust Distribution Plan § 1.3 ("The Plan and the RCBO Survivors' Trust Agreement
contemplate the creation of the Survivors' Trust for satisfaction of the Abuse Claims. The Plan~~

1 and Survivors' Trust Distribution Plan provide the sole and exclusive method by which holders
2 of Abuse Claims (both known and unknown) may recover against the Debtor, Contributing Non-
3 Debtor Catholic Entities, or Insurers.”). Without facing a concrete injury that is real and actual,
4 the Non-Settling Insurers lack standing to object to Abuse Claims. See *In re Sisk*, 962 F.3d 1133,
5 1141–42 (9th Cir. 2020). ~~3:24 cv 00709 JSC, 3:24 cv 00711 JSC (N.D. Cal.)~~ (the “**Coverage**
6 **Action**”), for the benefit of Abuse Claimants. The Diocese Plan provides that “any effort to
7 collect from Abuse Insurance Policies issued by the Non Settling Insurers to satisfy an Abuse
8 Claim after Confirmation of the Plan shall be sought individually by the applicable Holder of an
9 Abuse Claim” Diocese Plan at § 8.3.13. As a result, common legal questions applicable to
10 many of the Abuse Claims will need to be decided through a multiplicity of wasteful, individual
11 coverage lawsuits, rather than an efficient, omnibus Coverage Action.

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

ARTICLE III

FREQUENTLY ASKED QUESTIONS

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

24 On May 3, 2023, the Diocese filed its chapter 11 case (the “**Chapter 11 Case**”) in the
25 United States Bankruptcy Court for the Northern District of California. The Diocese filed its
26 Chapter 11 Case to address and resolve claims arising out of sexual abuse asserted against the
27 Diocese in light of the State of California re-opening the window during which such claims may
28 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 related to the Diocese before
the Chapter 11 Case.

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

1 continue to suffer to this day. The Committee hired counsel to advise it on bankruptcy and
2 insurance matters and hired a financial advisor to aid in its investigation of the Diocese's assets.

3 **3. What is a chapter 11 plan?**

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

14 **4. What is the Disclosure Statement?**

15 This Disclosure Statement is intended to provide you with enough information so that you
16 can make an informed decision on whether to accept or reject the Committee Plan. This
17 Disclosure Statement summarizes how the Committee Plan will affect your Abuse Claim against
18 the Diocese and also explains the deficiencies in the Diocese Plan, which the Committee does not
19 support.

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

21 The Committee Plan provides that all Abuse Claims asserted against the Diocese will be
22 channeled to, and paid from, the Survivors' Trust. The Survivors' Trust is a legal entity that will
23 receive an assignment of certain of the Debtor's rights under its insurance policies with any
24 insurer that does not settle with the Diocese and the Committee before the ~~date the Committee
25 Plan becomes effective (the "Effective Date")~~ and will distribute settlement funds to Abuse
26 Claimants. Under the Committee Plan, the Survivors' Trust created for the benefit of Abuse
27 Claimants will be funded by:

- 28 (i) the Debtor in the amount of **\$195.2 million**; and
- (ii) RCWC (provided it elects to participate and receives releases from Class 4 Claimants holding Claims against it) in the amount of **\$118.9 million** for a total of **\$314.1 million**.³

The Committee Plan provides for payments from the Debtor and RCWC (provided it receives releases from Class 4 Claimants holding Claims against it) over 3.5 years from the Original Plan Filing Date of March 6, 2026. Payments due under the Committee Plan could be delayed beyond that date to the extent any appeals of any Order confirming the Committee Plan

³ 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 ~~are not resolved by that date.~~ The Committee Plan also provides that the Diocese will assign to
2 the Survivors' Trust insurance proceeds realized from any insurer that has not settled with the
Committee and the Diocese by the Effective Date.

3 **6. How much does the Diocese Plan propose to pay Abuse Claimants?**

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

7 ~~(i) _____ (i) _____~~ the Debtor in the amount of \$150 million; and

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

10 The Diocese Plan provides for payments from the Debtor and RCWC (provided it receives
11 releases from Class 4 Claimants holding Claims against it) over 3.5 years from the Effective Date,
which has not yet occurred and will occur no earlier than July 2026, and likely will not occur until
12 all appeals of any Order confirming the Diocese Plan are resolved, which could take several years.
The Diocese Plan also provides for ~~approximately \$44.3 million the Debtor to be~~
13 ~~contributed assign~~ to the Survivors' Trust ~~by five Settling Insurers certain claims~~ and ~~the Debtor~~
14 ~~assigning to the Survivors' Trust the rights and obligations causes of action~~ of the Debtor in the
~~three remaining~~ Non-Settling Insurer Policies.

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

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

25 _____
26 ⁴ ~~The Committee does not believe many Survivors will agree to grant a release to RCWC as proposed in the~~
27 ~~Diocese Plan, and therefore the proposed RCWC contribution may not be available for distribution to~~
28 ~~Survivors.~~

- 1 • Repeatedly fails to include settlements that took place outside of the bankruptcy
2 context in its analysis. These datapoints are a better indication of the value of Abuse
3 Claims. Indeed, settlements outside the bankruptcy context are typically negotiated
4 at arm's length and are not limited by the Debtor's ability to pay or restrained by
5 the amount of insurance available or level of cooperation from insurers.
- 6 • Insists, in the face of black letter law to the contrary, that the Diocese Plan be found
7 fair and equitable because the proposed distribution is measured by comparing it to
8 distributions made to *other* survivors, in *other* bankruptcy cases, pending in *other*
9 jurisdictions, in cases with *different* governing law, *different* estate assets, *different*
10 insurance programs and *different* historical jury verdicts and settlements. The
11 Debtor also fails to factor into its analysis whether the statute of limitations was
12 open in prior cases, which is a material factor in determining claim values.
- 13 • Under applicable non-bankruptcy law, jury verdicts and individual case settlements
14 are the proper mechanism to liquidate the value of Survivors' claims.
- 15 • Ignores ~~precedents~~ the results of other diocesan bankruptcy cases that do not support
16 its narrative, ~~including two California diocesan bankruptcy settlements: Diocese~~
17 ~~of San Diego and Diocese of Stockton.~~
- 18 • In addition, the Debtor continues to assert that there are only 324345 valid Abuse
19 Claims filed in the Chapter 11 Case. The Committee disputes the Debtor's
20 conclusion and contends that there are at least 375 facially valid Abuse Claims. The
21 Debtor also asserts that the Survivors' Trust will distribute \$180 million. This
22 assertion is inaccurate for several reasons:
- 23 • *First*, assuming a \$180 million contribution to the Survivors' Trust,
24 the Debtor and RCWC propose to pay this amount over three and a half
25 years, without interest, of the Effective Date, which date is currently
26 unknown and unknowable. ~~However unlikely, if the Effective Date~~
27 ~~occurred by year end, the present value of the proposed settlement is~~
28 ~~\$150.3 million (assuming a 6.75% discount rate).~~
 - *Second*, the Debtor's calculation includes the \$5 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 \$145 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 present value of the Diocese Plan funding
(excluding the Unknown Abuse Claim Reserve), in the amount of \$123.9
million, the average distribution to each Abuse Claimant is \$330,455, a far

1 cry from the Debtor's assertion that the average distribution to Abuse
2 Claimants is \$521,739. Assuming RCWC received releases, the present
3 value of the total Diocese Plan payments available to Class 4 Abuse
Claimants is \$150.3 million, or \$400,742 per Abuse Claim.

- 4 • In comparison, assuming (i) 375 Abuse Claimants and (ii) RCWC elects not to
5 contribute to the Committee Plan, and using the present value of the Committee
6 Plan funding (excluding the Unknown Abuse Claim Reserve), in the amount of
7 \$184.9 million, the average distribution to each Abuse Claimant under the
Committee Plan is \$448,552. Assuming RCWC elected to contribute to the
Committee Plan, the present value of the total Committee Plan payments available
to Class 4 Abuse Claimants is \$283.27 million, or \$755,395 per Abuse Claim.

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

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

12 **7. *How will the Committee Plan work?***

13 **(i) Establishment of the Survivors' Trust**

14 The Committee Plan establishes a Survivors' Trust for the benefit of Abuse Claimants.
15 The Survivors' Trust will distribute funds to Abuse Claimants from (i) the \$195.2 million of
16 settlement funds from the Diocese, (ii) if RCWC elects to contribute to the Survivors' Trust in
17 exchange for releases, the \$118.9 million of settlement funds from RCWC and (iii) any additional
18 funds collected through litigation and/or settlement with the Debtor's insurers. \$7.7 million of
this amount will be set aside to pay any unknown claims, which are Abuse Claims filed after the
Committee Plan Effective Date.

19 The Survivors' Trust will protect and enforce Abuse Claimants' rights by continuing
litigation against the Debtors' insurers so that they are held liable for their contractual obligations.
20 Certain Abuse Claimants may also seek to pursue the insurers for liability.

21 **(ii) Method for Determining Payments to Abuse Claimants**

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

27 The Committee believes that the process described in the Survivors' Trust Distribution
Plan is a fair and reasonable way to distribute the funds available for payment of Abuse Claims.
28

1 Under the Survivors' Trust Distribution Plan, Abuse Claimants may supplement their claims to
2 provide more information they believe the Abuse Claims Reviewer should consider. The
3 Survivors' Trust Distribution Plan also allows Abuse Claimants to appeal their award if they
4 believe the award is too low.

4 The Committee recognizes that each Abuse Claimants' trauma is unique and believes that
5 assessment by an independent evaluator provides a fair and efficient way to consider what
6 happened to each Abuse Claimant and the effects of the abuse on each Abuse Claimant. The
7 Committee recognizes that money alone is not sufficient to compensate Abuse Claimants for the
8 abuse they suffered and the decades of trauma each Abuse Claimants suffered because of the
9 abuse. The Committee also recognizes that excessive, onerous procedures for reviewing and
10 allocating payment for Abuse Claims would cause delay and expense that would cause Abuse
11 Claimants to wait longer to receive less money. For example, if evidentiary reviews (including
12 documents and witnesses) were required to assess each Abuse Claim, the Committee believes that
13 each review may take a minimum of 10-15 hours for a claims reviewer. In addition, Abuse
14 Claimants would have to spend time preparing documents, testimony, and expert reports. Rather
15 than force Abuse Claimants to wait longer for less money, the Committee believes the Survivors'
16 Trust Distribution Plan strikes the right balance of efficiency and fairness to Abuse Claimants.

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

14 Notwithstanding the foregoing, Holders of Abuse Claims may elect to receive an
15 immediate payment of \$50,000.00 (the "**Immediate Payment**") in accordance with the
16 procedures set forth in the Committee Plan. If an Abuse Claimant elects to receive the Immediate
17 Payment, the payment will be made shortly after the Committee Plan becomes effective. That
18 date is indeterminate and may be meaningfully delayed as set forth in Article VI, Section 6.C.7.
19 After receiving the Immediate Payment, an Abuse Claimant is not entitled to any further
20 distributions from the Survivors' Trust and may not pursue any Abuse Claim against the Debtor,
21 the Reorganized Debtor, the Survivors' Trust, the Released Parties, the Insurers and RCWC (and
22 the RCWC Escrow).

19 For all other Abuse Claimants, the Survivors' Trustee will make an initial distribution of
20 \$5,000.00 to Abuse Claimants holding Allowed Abuse Claims. Subsequently, as soon as
21 practicable once all Abuse Claims have been scored under the Survivors' Trust Distribution Plan
22 and any requests for reconsideration have been addressed, the Abuse Claims Reviewer will make
23 distributions to Abuse Claimants proportionally based on the scores awarded by the Abuse Claims
24 Reviewer, subject to certain adjustments as explained in the Survivors' Trust Distribution Plan.

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

- 25 • There are 375 Abuse Claimants holding Allowed Abuse Claims with an average
26 score of 50 points per Abuse Claim;
- 27 • 50 points per claim multiplied by 375 Abuse Claims yields 18,750 total points;

- A total distributable amount of \$195.2 million is available, meaning each point would be valued at \$10,411 (\$195.2 million divided by 18,750 points); and thus
- Allowed Abuse Claims assigned 25, 50 and 75 points would receive projected total recoveries of \$260,275, \$520,550 and \$780,825 from the Survivors' Trust, respectively.

If RCWC elects to contribute to the Committee Plan, the calculations would be increased as follows:

- A total distributable amount of \$314.1 million is available, meaning each point would be valued at \$16,752 (\$314.1 million divided by 18,750 points); and thus
- Allowed Abuse Claims assigned 25, 50 and 75 points would receive projected total recoveries of \$418,800, \$837,600 and \$1,256,400 from the Survivors' Trust, respectively.

In contrast, if there are ultimately 375 Allowed Abuse Claims 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:

- There are 375 claimants holding Allowed Abuse Claims with an average score of 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.

If RCWC elects to contribute to the Diocese Plan, the calculations would be increased as follows:

- A total distributable amount of \$180 million is available, meaning each point would be valued at \$9,600 (\$180 million divided by 18,750 points); and thus
- Trust Claims assigned 25, 50 and 75 points would receive projected total recoveries of \$240,000, \$480,000 and \$720,000 from the Survivor's 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

The difference in treatment of Abuse Claims under the Committee Plan and the Diocese Plan if RCWC elects to contribute under both Plans is summarized in this chart:

Points	Committee Plan	Diocese Plan
25	\$418,800	\$240,000
50	\$837,600	\$480,000
75	\$1,256,400	\$720,000

(iii) Assignment of Insurance Claims to the Survivors’ Trust

The Committee Plan establishes a framework for post-confirmation litigation for Abuse Claimants seeking recovery from Non-Settling Insurers through the Litigation Option. Under the Committee Plan, if settlements acceptable to the Committee cannot be reached with all Insurers before confirmation of the Committee Plan, then, under the Committee Plan, Abuse Claimants with claims within the Non-Settling Insurers’ coverage periods may pursue claims insured by Non-Settling Insurers as Litigation Claimants 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), 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, Non-Settling Insurer(s) and/or other parties.

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

1 The Claim Enhancement will be applied as follows:

- 2 • A Litigation Claimant will be entitled to an enhancement of 10% if the Survivors'
3 Trust negotiates an Insurance Settlement Agreement for a Target Policy of such
4 Litigation Claimant if the Insurance Settlement Agreement is entered into prior to
5 commencing litigation in such Litigation Claimant's case.
- 6 • A Litigation Claimant will be entitled to an enhancement of 25% if the Survivors'
7 Trust negotiates an Insurance Settlement Agreement for a Target Policy of such
8 Litigation Claimant if the Insurance Settlement Agreement is entered into after
9 litigation commences but before a deposition or interview of the Litigation
10 Claimant by opposing counsel in such Litigation Claimant's case.
- 11 • A Litigation Claimant will be entitled to an enhancement of 40% if the Survivors'
12 Trust negotiates an Insurance Settlement Agreement for a Target Policy of such
13 Litigation Claimant if the Insurance Settlement Agreement is entered into after a
14 deposition or interview of the Litigation Claimant by opposing counsel but before
15 commencement of a trial in such Litigation Claimant's case.
- 16 • A Litigation Claimant will be entitled to an enhancement of 50% if the Survivors'
17 Trust negotiates an Insurance Settlement Agreement for a Target Policy of such
18 Litigation Claimant if the Insurance Settlement Agreement is entered into on or
19 after the first day of a trial in such Litigation Claimant's case.
- 20 • A Litigation Claimant will be entitled to an enhancement of ~~one~~ 100% if the
21 Survivors' Trust negotiates an Insurance Settlement Agreement for a Target Policy
22 of such Litigation Claimant if the Insurance Settlement Agreement is entered into
23 after a Litigation Claim Award entered in favor of the Litigation Claimant in such
24 litigation becomes final and non-appealable.

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

1 are paid directly to the Litigation Claimant, such Litigation Claimant will immediately turn them
2 over to the Survivors' Trustee; *provided, however*, any such Abuse Claimant is not barred by
3 Section 9.9 of the Committee Plan from seeking extracontractual damages under the holding of
4 *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.

5 The Survivors' Trust will make distributions of Survivors' Trust Assets to all Abuse
6 Claimants without considering whether an Abuse Claim is or is not covered by an insurance
7 policy. The reasons for this include (a) many Abuse Claims are covered by more than one Insurer
8 and (b) the Settling Insurers are settling their liability with the Diocese as a whole and settlement
9 payments made by the Settling Insurers include an unallocated portion to settle unfiled Abuse
10 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).

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

12 An integral part of the Committee Plan is the Child Protection Protocols. The Committee
13 is steadfast in its determination to make sure that the harm that befell Abuse Claimants does not
14 happen to the children within the Diocese's care now and in the future. To that end, the
15 Committee requires the Debtor to retain a Compliance Monitor for a default term of ten years,
16 with whether that term should be extended being submitted to an arbitrator if the Compliance
17 Monitor and the Bishop cannot agree. In contrast, the Diocese Plan only provides for a five-year
18 default term. In the Debtor's Child Protection Protocols, after the Compliance Monitor's term
19 ends, all powers, duties, and responsibilities of the Compliance Monitor revert to the Bishop. The
20 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.

21 (v) **The Channeling Injunction**

22 The Committee Plan provides for a Channeling Injunction through which Abuse Claims
23 against the Debtor and certain other parties will be enjoined from being asserted against them, but
24 those claims may only be pursued against the Survivors' Trust. It is intended that the channeling
25 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.⁵

26 _____
27 ⁵ The Committee Plan defines "Channeled Claims" to mean "any Abuse Claim against a Released Party or
28 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

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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 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

(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.

1 Survivors' Trust Assets and distribute the proceeds to the Holders of Abuse Claims and Unknown
2 Abuse Claims pursuant to under the procedures contained the Survivors' Trust Distribution Plan.
3 The Survivors' Trust will be created for the purpose of paying distributions to Holders of Allowed
4 Class 4 and Class 5 Claims, the two Classes of Abuse Claims under the Committee Plan.

4 (i) **Cash Contributions to the Committee Plan**

5 The Survivors' Trust will be funded by:

- 6 (i) the Debtor in the amount of \$195.2 million; and
- 7 (ii) RCWC (provided it receives post-confirmation releases from Class 4
8 Claimants holding Claims against it) in the amount of \$118.9 million, for
9 a total of **\$314.1 million**. See Committee Plan, Section 9.3.⁶

9 The Committee Plan provides for payments from the Debtor and RCWC (provided it
10 receives releases from Class 4 Claimants holding Claims against it) over 3.5 years from the
11 Original Plan Filing Date of March 6, 2026, to be paid as follows:

- 11 • Effective Date: A total of \$103.1 million, of which (i) \$33.1 million will be paid
12 by the Debtor and (ii) \$70 million will be paid by RCWC (provided it receives post-
13 confirmation releases from Class 4 Claimants holding claims against it).
- 14 • Year 1: A total of \$6 million, all of which will be paid by the Debtor.
- 15 • Year 2: A total of \$77.7 million, of which (i) \$28.9 million will be paid by the
16 Debtor and (ii) \$48.9 million will be paid by RCWC (provided it receives post-
17 confirmation releases from Class 4 Claimants holding claims against it).
- 18 • Year 3: A total of \$46.3 million, all of which will be paid by the Debtor.
- 19 • Year 3.5: A total of \$80.9 million, all of which will be paid by the Debtor.

19 RCWC has advised that it does not support the Committee Plan and will not elect to
20 receive releases or make any payments to the Survivors' Trust. On the Effective Date, the
21 Survivors' Trust will segregate \$5 million into the Unknown Abuse Claims Reserve for the
22 benefit of Holders of Class 5 Claims. The Survivors' Trust will increase the amount in the
23 Unknown Abuse Claims Reserve by \$1.3 million within one year after the Effective Date and by
24 \$1.4 million within two years of the Effective Date, for a total of \$7.7 million.

23 The Committee Plan is not predicated on the Debtor selling any particular piece of real
24 property. Nor does the Committee Plan require a loan of any kind other than the postpetition loan
25 the Debtor has stated it will need to continue paying the administrative expenses of the Chapter

26 ⁶ Distributions to Abuse Claimants may be subject to fee agreements between Holders of Abuse Claims and
27 their legal counsel. The Committee has no information on any such agreements. Legal counsel to Holders
28 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 11 Case. Rather, the Committee Plan is predicated on the guidance from the United States
2 Supreme Court, which has recognized that “[a] debtor can win a discharge of its debts if it
3 proceeds with honesty and places virtually all its assets on the table for its creditors.” See
4 *Harrington v. Purdue Pharma L.P.*, 603 U.S. 204, 209 (2024). Putting aside the Debtor’s millions
5 of dollars in cash and investments, the Debtor owns over 250 pieces of real property.

6 In any event, the Debtor has conceded it can continue its mission even while selling:

- 7 • twelve vacant real estate parcels titled in the name of the Debtor which are not part
8 of a larger parcel containing a Church or ministry-related building;
- 9 • vacant portions of eighteen real estate parcels titled in the name of the Debtor which
10 the Debtor has determined may be liquidated while allowing the Debtor to continue
11 its mission;
- 12 • Debtor-owned portions of twelve real property locations on which Churches
13 currently operate either as primary or secondary locations;
- 14 • five residential homes owned by the Debtor and one residential home owned by
15 Adventus; and
- 16 • certain other real estate currently being used in support of the Debtor’s ministry.

17 Debtor’s Plan Summary, 7:16-23;8:1-4.

18 The Debtor has a myriad of other ways in which to fund the Debtor Contribution,
19 including executing on its prepetition plan to cluster, merge or close 30 or so parishes, reducing
20 its operating reserves for a temporary period of time, using restricted assets for their intended
21 purpose and, in turn, allowing the Debtor to use more unrestricted assets to make the Debtor
22 Contribution and/ or borrowing from its ~~Non-Debtor Catholic~~ affiliates, financial institutions
23 and/or the public markets, as it has done before.

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

25 RCWC, the Roman Catholic Cemeteries of the Diocese of Oakland (“RCC”), and
26 Adventus (collectively, the “Non-Debtor Catholic Entities”) have each explicitly and
27 unequivocally rejected the Committee Plan. None of these entities support the Committee
28 Plan under any circumstances. The Committee has removed all references to Adventus from the
Committee Plan⁷ 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.

⁷ The Committee will amend the Committee Plan before entry of any order approving this Disclosure Statement to make this change and any other changes directed by the Bankruptcy Court.

1 **(ii)(iii) The RCWC Escrow**

2 RCWC may, by written notice filed on the docket within seven days after the Voting
3 Deadline, elect to contribute the RCWC Contribution of \$118.9 million into an escrow account
4 managed by a third party (the "**RCWC Escrow**") on the Effective Date and thus, be entitled to
5 receive voluntary releases from Holders of Abuse Claims. RCWC will not receive a discharge,
6 release or benefit from any injunction under the Committee Plan and will only be entitled to
7 receive releases in accordance with the Committee Plan. RCWC has advised that it does not
8 support the Committee Plan and will not elect to receive releases or make any payments to the
9 Survivors' Trust.

10 The Survivors' Trust may withdraw amounts from the RCWC Escrow in accordance with
11 the Survivors' Trust Documents and the escrow agreement between the Survivors' Trust, RCWC,
12 and the escrow agent. Those documents will provide that distributions from the RCWC Escrow
13 will only be made on account of Holders of Class 4 Claims whom the Abuse Claims Reviewer
14 determines asserted a compensable Claim against RCWC in the Holder's Proof of Claim. Such
15 withdrawals from the RCWC Escrow will not commence until after the Preliminary Abuse Claim
16 Allowance Deadline. The escrow agreement will provide the Survivors' Trust may withdraw
17 from the RCWC Escrow no more than the pro rata share of the RCWC Escrow balance designated
18 for each Holder of an Abuse Claim asserted against RCWC who has executed and returned to
19 RCWC a RCWC Release. The pro rata share of each Holder will be determined by the Survivors'
20 Trustee.

21 The RCWC Escrow construct is designed to allow RCWC to obtain consensual releases
22 from Abuse Claimants holding Claims against it while enhancing the recovery to all Abuse
23 Claimants. If any amount remains in the RCWC Escrow on account of an RCWC Claimant
24 holding an Allowed Claim against RCWC having failed to execute a RCWC Release Agreement
25 as of the three and a half-year anniversary of the Effective Date, the RCWC Escrow Agent will
26 return such amount, less expenses of the RCWC Escrow, to RCWC no later than five (5) business
27 days after the later of (i) the three and a half-year anniversary of the Effective Date or (ii)
28 distribution to the Survivors' Trust of all payments to Holders of Allowed Class 4 Claims who
executed and returned to RCWC an RCWC Release Agreement on or before the three and a half-
year anniversary of the Effective Date.

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

21 The Committee Plan further contemplates an assignment of certain of the Debtor's
22 rightsclaims and obligationscauses of action to the Survivors' Trust under its insurance policies
23 with Non-Settling Insurers. This assignment will allow Abuse Claimants to immediately pursue
24 additional recoveries against Non-Settling Insurers through litigation in state court and the
25 Survivors' Trust to continue litigating the Coverage Action. At present, there are no Settling
26 Insurers.⁸

26 ⁸ Certain Underwriters at Lloyd's, London and Certain London Market Insurance Companies ("LMI")
27 contend that because this assignment is subject to the terms and conditions of the insurance policies, the
28 assignment cannot give Abuse Claimants any greater right to pursue additional recoveries against Non-

1 Although the Survivors' Trust will need to pay certain fees and expenses of litigation with
2 Non-Settling Insurers, the Committee believes the value of the Debtor's insurance assets is far
3 more valuable than the amount ~~the Debtor has agreed to settle for that would need to be incurred~~
4 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.

5 The Committee believes that the Committee Plan—~~unlike the Diocese Plan, which the~~
6 ~~Insurers support~~—is insurance neutral. The Committee's Survivors' Trust Distribution Plan has
7 no impact on post-confirmation litigation against the Non-Settling Insurers. Instead, it simply
8 sets forth how the monetary value of Survivors' Trust distributions will be determined by the
9 Abuse Claims Reviewer and the Survivors' Trustee solely for purposes of distributing Survivors'
10 Trust Assets. The distributions and Survivors' Trust Distribution Plan scoring have no impact on
11 the Non-Settling-Insurers' rights or obligations, which are determined solely under their policies
12 and applicable law. *See* Committee Plan § 8.3.1 (“With respect to Non-Settling Insurers, nothing
13 in the Plan, the Plan Documents, the Confirmation Order, or the Survivors' Trust Documents,
including any provision that purports to be preemptory or supervening, shall in any way operate
14 to, or have the effect of, impairing, altering, supplementing, changing, expanding, decreasing, or
15 modifying (i) the terms and conditions of an Abuse Insurance Policy, (ii) the rights and obligations
16 of the Debtor, its Estate or the Reorganized Debtor and any Non-Settling Insurers (and third-party
17 claims administrators) under the Abuse Insurance Policies, or (iii) the coverage or benefits
18 provided under the Abuse Insurance Policies.”).⁹

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

16 Nothing in the Plan, the Plan Documents, the Confirmation Order,
17 or the Survivors' Trust Documents shall diminish or impair, or be
18 deemed to diminish or impair, the rights of any Non-Settling Insurer
19 to defend any Abuse Claim or to assert any claim, defense, right, or
20 counterclaim in connection with any Abuse Claim or Abuse
Insurance Policy in accordance with applicable law ...

20 Committee Plan § 8.3.2.

21 Stated otherwise, a Non-Settling Insurer may not be liable for an Abuse Claim post-
22 confirmation unless (i) a judgment is obtained in the underlying State Court Action against the

23 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.

24 ⁹ LMI contend that the Committee Plan is internally inconsistent because: (1) section 13.1 of the Committee
25 Plan does not state that it is not binding on insurers and does not limit the rights of insurers and (2) third
26 parties may be authorized under the Committee Plan to assert coverage positions against insurers. LMI
27 contend that the Committee Plan cannot be confirmed if it has any binding effect on insurers or limits their
28 rights in any way, or authorizes Abuse Claimants to bring coverage claims that are not authorized under
applicable state law.

Debtor or other co-insured parties; and (ii) coverage is then established for that judgment through 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.

C. The Committee Plan’s Child Protection Protocols

The Committee Plan further contemplates meaningful enhancements to the Debtor’s existing protocols and practices for the protection of youth and vulnerable adults embodied in the *Child Protection Protocols for the Roman Catholic Bishop of Oakland, California* attached to the Committee Plan as Schedule 1.1.3334. The meaningful distinctions between the Committee’s Child Protection Protocols and the Debtor’s Child Protection Protocols are discussed in the Executive Summary above.

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

1 **B. Diocese Plan's Treatment of Abuse Claims**

2 **(i) Cash Contributions to the Diocese Plan**

3 The Diocese Plan also establishes a Survivors' Trust which will be funded with Survivors'
4 Trust Assets. The Survivors' Trustee will liquidate the Survivors' Trust Assets and distribute the
5 proceeds to the Holders of Abuse Claims and Unknown Abuse Claims ~~pursuant to under~~ the
6 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.

7 The Survivors' Trust will be funded with (a) \$150 million in cash contributed by the
8 Debtor over a 3.5-year period, and (b) \$30 million in cash contributed by RCWC through an
9 escrow arrangement which will distribute funds to be made available to Abuse Claimants if those
10 Abuse Claimants asserting claims against RCWC grant RCWC post-confirmation ~~releases and~~
~~(c) the proceeds of the settlements by and between the Debtor and the Settling Insurers, which~~
11 ~~settlement amount is currently \$44.3 million.~~ The Debtor will also contribute and assign to the
Survivors' Trust the rights certain claims and obligations causes of action of the Debtor in the Non-
Settling Insurer Policies.

12 The Survivors' Trust or RCWC Escrow will receive the following contributions from the
13 Debtor or RCWC on the following schedule:

- 14 • Effective Date: A total of \$47.7 million, of which (i) \$40 million will be paid by
15 the Debtor and (ii) \$7.7 million will be paid by RCWC (provided it receives post-
confirmation releases from Class 4 Claimants holding claims against it).
- 16 • Year 1: A total of \$10.2 million, of which (i) \$7.2 million will be paid by the Debtor
17 and (ii) \$3 million will be paid by RCWC (provided it receives post-confirmation
releases from Class 4 Claimants holding claims against it).
- 18 • Year 2: A total of \$10.7 million, of which (i) \$4.7 million will be paid by the Debtor
19 and (ii) \$6 million will be paid by RCWC (provided it receives post-confirmation
20 releases from Class 4 Claimants holding claims against it).
- 21 • Year 3.5: A total of \$111.4 million, of which (i) \$98.1 million will be paid by the
22 Debtor and (ii) \$13.3 million will be paid by RCWC (provided it receives post-
confirmation releases from Class 4 Claimants holding claims against it).

23 The Debtor's contribution to the Survivors' Trust will be facilitated, in part, by an
24 additional \$40 million new-money loan from Debtor affiliate, ~~the Roman Catholic Cemeteries of~~
~~the Diocese of Oakland RCC~~, as part of a refinance of an anticipated \$55 million new money loan
25 provided to the Debtor after the Petition Date. Remaining amounts will come from the Debtor's
26 unrestricted cash and proceeds raised from future sales of real estate owned by the Debtor or
27 Adventus, one of the Non- Debtor Catholic Entities. RCWC's contribution will come from
unrestricted cash and proceeds raised from the future sale of real estate owned by RCWC. Should
28 RCWC make its full contribution, the contributions from the Debtor and RCWC to the Survivors'
Trust will be \$180 million in the aggregate.

1 The Committee recommends that Survivors do not agree to grant RCWC releases of its
2 liability under the Diocese Plan. If Survivors accept this recommendation, the total value paid
3 under the Diocese Plan will be \$150 million from the Debtor and Survivors will retain their rights
4 to sue RCWC in state court. On the Effective Date, the Survivors' Trust will segregate \$5 million
5 into the Unknown Abuse Claims Reserve for the benefit of Holders of Class 5 Claims.

6 The Committee believes the Debtor fails to use a large portion of its assets to satisfy Abuse
7 Claims. In an effort to satisfy the Bankruptcy Code's requirement that creditors receive at least
8 as much under the Diocese Plan than if the Debtor were hypothetically liquidated, the Debtor
9 continues to mistakenly insist that it need not include all of its assets because it cannot be forced
10 to sell its real estate. *See* Debtor's Plan Summary, 11;12-14 ("The sale of real property on which
11 a Church currently sits and operates, or which is used in its ministry, would not happen in a forced
12 liquidation under chapter 7 of the Bankruptcy Code."); *see also Disclosure Statement for Debtor's*
13 *Plan of Reorganization*, Ex. B, at 7, ¶ F, Dkt. No. 1445-2 (arguing that Debtor need not include
14 substantially all of its improved real estate in its liquidation analysis "[b]ecause the Debtors (sic)
15 cannot have their chapter 11 cases (sic) converted into chapter 7 cases involuntarily, the Debtors
16 (sic) also cannot be forced to close and sell Churches."). The Debtor is mistaken.

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

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

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

24 After a thorough investigation, the Committee has concluded that the Diocese has, or has
25 access to, millions of dollars of assets that it is not using to compensate Abuse Claimants.
26 Moreover, while the Bankruptcy Court determined that substantive consolidation is not a viable
27 cause of action in the Chapter 11 Case—a decision the Committee is appealing—in the context
28 of determining whether the Diocese Plan is fair and equitable, the fact that the Bishop has touted
29 his ability to control his non-Debtor affiliates when he needed money in the past should not be
30 ignored. In fact, it is highly relevant. When the Debtor needed funds to complete the construction
31 of its Cathedral, the Bishop informed his prospective creditors that he could take any number of
32 actions within his Diocese to raise funds to repay debt, including directing non-Debtors to pay
33 the debt. Now, the Bishop takes an about-face, insisting he cannot and will not take any similar
34 action. Although, non-Debtor's Adventus and Furrer are both contributing assets to the Diocese
35 Plan with no cognizable benefit, reinforcing the Committee's position. For example:

- Under the Diocese Plan, the Diocese ignores the Bishop's wide-ranging power to control the operations and purse strings of the Non-Debtor Catholic Entities, and fails to use those powers to contribute available assets to the Survivors' Trust for the benefit of Abuse Claimants.

1 ~~has both (1) failed to appropriately monetize the policies of the five settling insurers and (2)~~
2 ~~impaired the value of the insurance assignment by permitting further recovery solely against the~~
3 ~~three remaining non-settling insurers.~~

4 The Diocese Plan allows Non-Settling Insurers to become Settling Insurers if they agree
5 to make a cash contribution to the Survivors' Trust. Settlement proceeds resulting therefrom
6 ~~to would~~ be used to further supplement recoveries to Trust Claims. To the extent no settlement
7 with a particular Non-Settling Insurer is achieved, the Diocese Plan establishes a framework for
8 post-confirmation litigation for Trust Claimants seeking recovery from Non-Settling Insurers
9 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
15 the fundamental structural conflict of interest that necessitated independent oversight in the first
16 instance.

17 **ARTICLE VI**

18 **CONFIRMATION REQUIREMENTS AND**
19 **RISK ~~FACTORS~~FACTORS OF THE COMMITTEE PLAN**

20 **A. General Confirmation Requirements**

21 The Bankruptcy Code requires that, in order to confirm the Committee Plan, the
22 Bankruptcy Court must make a series of findings on the Committee Plan and the Committee,
23 including that: (i) the Committee Plan classifies Claims in a permissible manner; (ii) the
24 Committee Plan complies with applicable provisions of the Bankruptcy Code; (iii) the Committee
25 has complied with applicable provisions of the Bankruptcy Code; (iv) the Committee propose the
26 Committee Plan in good faith and not by any means forbidden by law; (v) the disclosures required
27 by section 1125 of the Bankruptcy Code have been made; (vi) the Committee Plan has been
28 accepted by the requisite votes of Creditors (except to the extent that cramdown is available under
section 1129(b) of the Bankruptcy Code); (vii) the Committee Plan is feasible and confirmation
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 In order to confirm a plan, the Bankruptcy Code requires that a Bankruptcy Court find
18 that confirmation of the plan is unlikely to be followed by liquidation or the need to further
19 financially reorganize the Debtor (the "**Feasibility Test**"). For a plan to meet this test, the
20 Bankruptcy Court must determine there is a reasonable likelihood that the reorganized debtor will
21 possess the working capital and other resources necessary to meet its obligations under the plan.
22 Based upon the financial projections attached as **Exhibit C**¹⁰ and the assumptions set forth
23 therein, the Committee believes that the Reorganized Debtor will be able to timely make all
24 distributions required by the Committee Plan and to fund its operations going forward and,
25 therefore, that confirmation of the Committee Plan is unlikely to be followed by liquidation or
26 the need for further reorganization.

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

29 **Rather, the** Debtor has a myriad of ways in which to fund the Debtor Contribution,
30 including, but not limited to, selling the real property it has committed to sell under the Diocese
31 Plan, executing on its prepetition plan to **cluster, merge or** close 30 or so parishes, reducing its
32 operating reserves for a temporary period of time, using restricted assets for their intended purpose
33 and, in turn, allowing the Debtor to use more unrestricted assets to make the Debtor Contribution

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35
36 ¹⁰ The Committee has not filed financial projections with this Disclosure Statement because the Debtor has
37 not filed its financial projections in support of the Diocese Plan. After the Debtor does so, the Committee
38 will promptly file its projections which will be based on the Debtor's projections as modified to incorporate
39 assumptions underlying the Committee Plan.

1 and/ or borrowing from its ~~Non-Debtor Catholic~~ affiliates, financial institutions and/or the public
2 markets, as it has done before.

3 The Bishop may also decide to execute on the actions contemplated in his May 8, 2023
4 letter to parishioners and friends of the Diocese of Oakland in which he stated the Diocese would:

- 5 • “re-align our resources to meet the needs of our diocese, while addressing claims
6 coming through the bankruptcy process.”
- 7 • Address the “current reality in our diocese,” by “focus[ing] on our mission to serve
8 people, not on maintenance of structures which no longer serve our mission.”
- 9 • “right size our parishes to serve the faithful.” According to the Bishop, “[t]his effort
10 will require us to close some of our worship sites and re-imagine how we use other
11 locations.”

12 In that same letter, Bishop Barber stated: “Though MAP did not anticipate this eventuality
13 [the bankruptcy filing], the work done through MAP will be useful as the courts assess how the
14 Diocese can restructure and constitute a source of funds for settlements of cases.”

15 The Committee Plan also anticipates ~~that the~~ but is not reliant upon, a Bankruptcy Court
16 will ruleruling that at least 90% of the assets the Debtor alleges are restricted are unrestricted in
17 the adversary proceeding captioned *The Official Committee of Unsecured Creditors of the Roman*
18 *Catholic Bishop of Oakland v. The Roman Catholic Bishop of Oakland and The Oakland*
19 *Parochial Fund, Inc.* (Adv. Pro. 24-04051 WJL) (the “**Restricted Asset Litigation**”). Through
20 the Restricted Asset Litigation, the Committee seeks a declaratory judgment that more than \$33.3
21 million held by the Debtor and its Churches are not held in trust and/or are donor restricted such
22 that those funds can be used to satisfy creditor claims. While the Committee is optimistic it will
23 prevail in the Restricted Asset Litigation, litigation is inherently uncertain and thus the
24 Bankruptcy Court may hold that some or all of the \$33.3 million in question is unavailable to pay
25 creditor claims. Even if that is the case, the Committee has concluded that the Debtor can timely
26 make all of the payments under the Committee Plan.

27 **D. Certain Risk Factors**

28 ALL HOLDERS OF IMPAIRED CLAIMS SHOULD READ AND CAREFULLY
CONSIDER THE RISK FACTORS SET FORTH BELOW AS WELL AS THE OTHER
INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT (AND SCHEDULES
AND EXHIBITS) ~~PRIOR TO BEFORE~~ DETERMINING WHETHER AND HOW TO VOTE
ON THE COMMITTEE PLAN. IF ANY OF THE FOLLOWING RISKS ACTUALLY
OCCURS, THE COMMITTEE PLAN MAY NOT BE CONFIRMED BY THE BANKRUPTCY
COURT AND/ OR CREDITOR RECOVERIES COULD BE LOWER THAN OTHERWISE
DESCRIBED HEREIN. THE RISKS AND UNCERTAINTIES BELOW ARE NOT
EXHAUSTIVE, BUT REPRESENT THE RISKS THAT THE COMMITTEE BELIEVES ARE
MATERIAL. THERE MAY BE ADDITIONAL RISKS THAT THE COMMITTEE
CURRENTLY CONSIDERS NOT TO BE MATERIAL OR WHICH THE COMMITTEE IS
CURRENTLY UNAWARE.

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1. Failure to Satisfy Vote Requirement

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

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

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

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.

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

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 would likely appeal such decision. But, ultimately, if the Bankruptcy Court's decision is affirmed, creditors will be bound by the Diocese Plan.

1 **5. The Diocese May Seek to Dismiss the Chapter 11 Case if the Diocese**
2 **Plan is Not Confirmed**

3 If the Diocese Plan is not confirmed, the Diocese may seek to dismiss the Chapter 11 Case.
4 But, before the Chapter 11 Case may be dismissed, the Bankruptcy Court would need to find that
5 dismissal is in the best interests of creditors.

6 **4.6. The Debtor and Certain Non-Debtor Catholic Entities Will Raise**
7 **Objections to Confirmation**

8 The Debtor and certain Non-Debtor Catholic Entities will object to confirmation of the
9 Committee Plan. The Debtor and certain Non-Debtor Catholic Entities do not support the
10 Committee Plan and contest many of the legal positions taken by the Committee and/or factual
11 statements made herein. Although the Committee does not believe there will be any merit to such
12 objections or assertions, if any, because the Committee Plan complies with federal and state law,
13 ultimately, the Bankruptcy Court will decide any contested legal or factual issues, and there is no
14 guarantee that those issues will be decided in the Committee’s favor. Confirmation is not assured
15 in light of the Debtor’s and certain Non-Debtor Catholic Entities’ opposition, however strongly
16 the Committee believes the Committee Plan can and should be confirmed.

17 **5.7. Non-Settling Insurers Will Raise Objections to Confirmation**

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

26 The Insurance Assignment effected by the Committee Plan provides Trust Claimants who
27 choose the Litigation Option (“**Litigation Claimants**”) with the opportunity to liquidate their
28 claims against the Debtor (as a nominal party) by way of a judgment in the tort system and then
29 seek to recover the amount of their judgment under any applicable insurance policies of the
30 Debtor. The ability of Litigation Claimants to monetize their judgment through recovery from
31 Non-Settling Insurers on account of the Assigned Insurance Interests is a fundamental aspect of
32 the Committee Plan that the Committee believes has value for such Claimants in the form of
33 contractual rights (i.e., the potential insurance coverage for the judgement under the insurance
34 policies) and potential extracontractual rights (i.e., through ~~existing and~~ potential future
35 ~~causecauses~~ of action for bad faith against the Non-Settling Insurers). ~~The Debtor believes that~~
36 ~~it holds no existing bad faith cause of action against any of its Insurers. Thus, the Debtor contends~~
37 ~~that no such cause of action (as opposed to insurance rights) can or will be assigned under the~~
38 ~~Committee Plan. However, the intent of the Committee Plan is to assign all of Debtor’s rights~~
39 ~~under its insurance—including any potential future bad faith claims.~~

40 The Debtor recently amended its complaint in the insurance declaratory judgment action
41 captioned *In re: The Roman Catholic Bishop of Oakland Insurance Adversary Proceeding*

1 Litigation, Case Nos. 3:24-cv 00709-JSC, 3:24-cv-00711-JSC (N.D. Cal.) Committee(the
2 “Coverage Action”) to add bad faith claims against certain Insurers for, among other conduct,
3 failing to accept reasonable settlement offers within those Insurers’ policy limits. The bad faith
4 claims asserted by the Debtor in the Coverage Action will be assigned to the Survivors’ Trust
5 under the Committee Plan. The Non-Settling Insurers, the Committee assumes, will contest the
6 viability of those bad faith claims.

7 The Committee also contends that Litigation Claimants may be able to assert potential
8 direct bad faith claims against any of the Debtor’s insurers should an insurer fail in good faith to
9 pay a covered judgment after the Effective Date based on the decision in *Hand v. Farmers Ins.*
10 *Exch.*, 23 Cal. App. 4th 1847 (1994) (“Hand”). Section 5.14 of the Committee Plan reserves the
11 rights of Litigation Claimants to assert such bad faith claims directly based on potential future
12 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
16 Insurer actions and therefore will not have a bad faith cause of action against the Insurers capable
17 of assignment post Effective Date. The Insurers further contest whether *Hand* is a correct
18 statement of California law such that Litigation Claimants may hold a direct bad faith cause of
19 action against any Insurers. They also assert that supposed future bad faith claims based on things
20 that have not yet happened are speculative. If the Insurers’ contentions in this regard are upheld
21 by a court in future litigation, Litigation Claimants that obtain a covered judgment against the
22 Debtor in name only could recover money from the Non-Settling Insurers under any applicable
23 insurance policy up to the limits of those policies, but would be unable to recover any
24 extracontractual damages (i.e., damages in addition to the insurance coverage provided under the
25 insurance policies) based on any future acts or omissions by the Non-Settling Insurers. The
26 Committee believes the Insurers’ position is not an accurate statement of the law, and certain
27 conduct by Insurers that allegedly violate obligations to act in good faith would survive
28 confirmation of the Committee Plan, such as the obligation to pay a covered judgment, and that
an Insurer’s violation of that obligation could give rise to a direct bad faith cause of action on the
part of Litigation Claimants.

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],
the outcome of the dispute related to potential, future bad faith claims is not merely uncertain, it
is unlikely to be determinable at confirmation, and likely cannot be determined until such time (if
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
asserted by the Debtor in the Coverage Action will be decided by the District Court, not the
Bankruptcy Court, and will likely not be decided until after the Effective Date.

6.8. Post-Confirmation Litigation with Non-Settling Insurers May Not Result
in Additional Recovery

The Committee Plan provides for the assignment to the Survivors’ Trust of Assigned
Insurance Interests against Non-Settling Insurers. The Non-Settling Insurers are likely to assert

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

8 7.9. *Risk of Delay or Non-Occurrence of the Effective Date*

9 If the Committee Plan is approved by the Bankruptcy Court, the Committee expects the
10 Debtor and/or the Non-Settling Insurers to appeal the Confirmation Order. In such case, the
11 Effective Date of the Committee Plan will be delayed and if the Debtor and/ or the Non-Settling
12 Insurers prevail on their appeal, the Effective Date will not occur.¹¹

12 8.10. *Uncertainty of Value*

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

17 9.11. *Certain Federal Income Tax Considerations*

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

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

26 ¹¹ LMI contend that the Committee Plan cannot be confirmed. LMI contend that if the Bankruptcy Court
27 confirms (i.e. approves) the Committee Plan, the Committee Plan will be reversed on appeal. The
28 Committee disputes these contentions by LMI.

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

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

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

17 (i) Tax Consequences to Creditors

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

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

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

MANY FACTORS WILL DETERMINE THE TAX CONSEQUENCE TO EACH
HOLDER OF AN UNSECURED CLAIM. FURTHERMORE, THE TAX CONSEQUENCES
OF THE COMMITTEE PLAN ARE COMPLEX, AND IN SOME CASES, UNCERTAIN. IT
IS THUS IMPORTANT THAT EACH HOLDER OF AN UNSECURED CLAIM OBTAIN HIS,
HER, OR ITS OWN PROFESSIONAL TAX ADVICE REGARDING THE TAX

1 CONSEQUENCES TO SUCH HOLDER OF AN UNSECURED CLAIM AS A RESULT OF
2 THE COMMITTEE PLAN.

3 **(ii) Tax Consequences to the Debtor**

4 The Debtor is a non-profit, non-stock member corporation having tax-exempt status under
5 26 U.S.C. § 501(c)(3). Due to the Debtor's status as a non-profit corporation, the Committee does
6 not expect that the Committee Plan will result in any significant federal income tax consequences
7 to the Debtor.

8 **(iii) Tax Consequences to the Survivors' Trust**

9 The Survivors' Trust may satisfy the requirements of a designated settlement fund under
10 § 468B of the Tax Code or a qualified settlement fund under Regulation 1.468B-1 of the Treasury
11 Regulations. There are certain tax consequences associated with the characterization of the
12 Survivors' Trust as a designated settlement fund or a qualified settlement fund.

13 The Committee expresses no opinion on whether the Survivors' Trust is a designated
14 settlement fund or a qualified settlement fund. The Committee has not requested a ruling from
15 the Internal Revenue Service or an opinion of counsel regarding whether the Survivors' Trust is
16 a designated settlement fund or a qualified settlement fund. Accordingly, each creditor is urged
17 to consult its own tax advisor regarding the characterization of the Survivors' Trust and the tax
18 consequences of such characterization.

19 **10.12. Appeal Risk**

20 If the Committee Plan is confirmed, it is possible that one or more parties, including the
21 Debtor and its insurers, may appeal the order confirming the Committee Plan.

22 **E. Alternatives to the Committee Plan**

23 The Committee believes the Committee Plan is in the best interests of the Creditors and
24 should thus be accepted and thereafter confirmed. If the Committee Plan as proposed, however,
25 is not confirmed, the following alternatives may be available: (a) the Diocese Plan may be
26 confirmed or (b) the Chapter 11 Case may be dismissed. As discussed below, one other option,
27 liquidation under Chapter 7, is not a viable alternative in the Chapter 11 Case.

28 **1. *Alternative Plan under Chapter 11 of the Bankruptcy Code***

If the Committee Plan is not confirmed, the Bankruptcy Court may confirm the Diocese
Plan. For the reasons set forth herein, the Committee believes that the terms of the Committee
Plan provide for far superior treatment of Creditors than under the Diocese Plan.

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.

1 Upon dismissal of the Chapter 11 Case, the protection of the Bankruptcy Code would be
2 lost, potentially resulting in an expensive and time-consuming process of negotiation and
3 protracted litigation between the Diocese and individual Abuse Claimants and between the
4 Diocese and its Insurers. Therefore, the Committee believes that dismissal of the Chapter 11 Case
5 is not a preferable alternative to confirming the Committee Plan. However, the Committee
6 believes that dismissal is a preferable alternative to confirmation of the Diocese Plan. The
7 treatment afforded Abuse Claims thereunder make dismissal, even with its attendant cost and
8 delay, a more fair and equitable option than cram down as Survivors would be able to pursue their
9 claims against the Debtor and RCWC in state court and could satisfy those claims from the assets
10 of the Debtor and RCWC, including their substantial insurance assets.

11
12 **3. Chapter 7 Liquidation is Not a Viable Alternative**

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

18 Dated: ~~March 27~~ April 9, 2026

19 **LOWENSTEIN SANDLER LLP**
20 **BURNS BAIR LLP**
21 **KELLER BENVENUTTI KIM LLP**

22 By: /s/ Gabrielle L. Albert
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