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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. --- THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF THE ROMAN CATHOLIC BISHOP OF OAKLAND, Plaintiff, v. THE ROMAN CATHOLIC BISHOP OF OAKLAND, ADVENTUS, THE ROMAN CATHOLIC WELFARE CORPORATION OF OAKLAND, AND THE ROMAN CATHOLIC CEMETERIES OF THE DIOCESE OF OAKLAND, Defendants.	Case No. 23-40523 WJL Chapter 11 Adv. Pro. 24-04053 **DECLARATION OF MICHAEL A. KAPLAN IN SUPPORT OF THE MOTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR RECONSIDERATION OF THE ORDER DISMISSING FIRST AMENDED ADVERSARY COMPLAINT** Date: September 10, 2025 Time: 10:30 a.m. (Pacific Time) Place: United States Bankruptcy Court 1300 Clay Street, Ctrm. 220 Oakland, CA 94612 **Objection Deadline: August 27, 2025**

Case: 24-04053 Doc# 58 Filed: 08/08/25 Entered: 08/08/ 23405232508110000000000005

I, Michael A. Kaplan, Esq., hereby declare as follows:

1. I am a partner of the law firm of Lowenstein Sandler LLP, counsel to the Official Committee of Unsecured Creditors of The Roman Catholic Bishop of Oakland in the above-captioned adversary proceeding.

2. I submit this Declaration in support of the *Motion of the Official Committee of Unsecured Creditors for Reconsideration of the Order Dismissing First Amended Adversary Complaint* (the "**Motion**") filed simultaneously herewith.[1]

3. Attached as **Exhibit A** is a true and correct copy of the Oral Ruling.

4. Attached as **Exhibit B** is a true and correct copy of the relevant pages of the transcript of the Bardos/Adventus Deposition.

5. Attached as **Exhibit C** is a true and correct copy of the relevant pages of the transcript of the Bardos/Debtor Deposition.

I certify under penalty of perjury that the foregoing information is true and correct to the best of my knowledge, information and belief, and I understand that I am subject to punishment if any of the foregoing statements made by me are willfully false.

Dated: August 8, 2025

Michael A. Kaplan, Esq.

[1] Capitalized terms not defined herein shall have the meanings ascribed in the Motion.

Exhibit A

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

-oOo-

In Re:	) Case No. 23-40523
	) Chapter 11
THE ROMAN CATHOLIC BISHOP OF OAKLAND	)
	) Oakland, California
	) Wednesday, July 16, 2025
Debtor.	) 1:00 PM
_____	)

1. MOTION FOR RELIEF FROM STAY FILED BY OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF THE ROMAN CATHOLIC BISHOP OF OAKLAND (DOC 2093)

2. MOTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF THE ROMAN CATHOLIC BISHOP OF OAKLAND FOR AN ORDER ENFORCING THE INTERIM COMPENSATION ORDER, FILED BY OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF THE ROMAN CATHOLIC BISHOP OF OAKLAND (DOC 2132) - ORDER SHORTENING TIME SIGNED 7/14/25

3. DEBTOR'S THIRD MOTION FOR ORDER APPROVING INSURANCE PREMIUM FINANCE AND SECURITY AGREEMENT AND GRANTING POST-PETITION SECURITY INTEREST, FILED BY THE ROMAN CATHOLIC BISHOP OF OAKLAND (DOC 2123) - ORDER SHORTENING TIME SIGNED 7/14/25

ADV#: 24-04051
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF THE ROMAN CATHOLIC BISHOP OF OAKLAND v. THE ROMAN CATHOLIC BISHOP OF OAKLAND, ET AL.

STATUS CONFERENCE

ADV#: 24-04053
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF THE ROMAN CATHOLIC BISHOP OF OAKLAND v. THE ROMAN CATHOLIC BISHOP OF OAKLAND, ET AL.

STATUS CONFERENCE

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE WILLIAM J. LAFFERTY
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES (All present by video or telephone):

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United States Bankruptcy Court
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Oakland, CA 94612

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Proceedings recorded by electronic sound recording; transcript provided by transcription service.

Thank you.

Anything other than 53? Can we take a minute for a convenience break before we've been going another hour and a half here? All right. Come back on --

Sorry?

MR. PROL: Sounds like a great plan.

THE COURT: Okay. Thank you.

(Recess from 3:59 p.m., until 4:08 p.m.)

THE COURT: Okay. Please be seated. We're going to turn to the 053 adversary proceeding, and I intend to give you an oral ruling, although it's a relatively lengthy one because it's -- although I'm calling it an oral ruling, it's scripted, let's say. So this is in the adversarial proceeding number 24-04053. And I intend to give you here my oral findings of fact and conclusions of law pursuant to FRCP 7052.

So before the Court are two motions to dismiss the first amended adversary complaint, which I'll refer to as the amended complaint, of the official committee of unsecured creditors, the Roman Catholic Bishop of Oakland. The committee seeks in the amended complaints, one, substantive consolidation of the debtor and the Roman Catholic Welfare Corporation of Oakland, substantive consolidation of the debtor and the Roman Catholic Cemeteries of the Diocese of Oakland, substantive consolidation of the debtor and Adventus, and a judicial determination that the school funds are property of the

debtor's bankruptcy estate under Section 541 of Chapter 11 and Title 11 United States Code, which is the Bankruptcy Code.

On May 23, 2025, the debtor filed a motion to dismiss the amended complaint pursuant to Federal Rule of Civil Procedure 12(b)(6). The same day, RCWC, RCC, and Adventus, collectively the nondebtor entities, submitted a motion to dismiss the amended complaint pursuant to FRCP 12(6), as incorporated in the Bankruptcy Rules. For the reasons discussed below, I'm going to grant both motions to dismiss.

As background, the committee asserts that these matters are core under 28 U.S.C. 157(b)(2)(A) and (O), and I will note that those are generally the most -- those are the most generic invocations of core and therefore my judicial power. But nobody has raised an issue with that, so I don't think it's something we need to spend a whole lot of time on. An introduction and a little bit of context.

On December 11th, 2024, the committee filed an adversary complaint, the original complaint against the debtor and the affiliated nondebtor entities. The committee alleged that the diocese exercised such control over the nondebtor entities that any distinction among them served only to shield assets from the estate and its creditors. Count I of the original adversary complaint sought declaratory judgment that the debtor owned all legal and equitable interests in the nondebtor entities' assets, while Count II sought to

substantively consolidate the debtor and the nondebtor entities based on their alleged entanglement. The debtor and the nondebtor entities each moved to dismiss the original complaint under Federal Rule of Civil Procedure 12(b)(6), arguing that the relief sought was either unauthorized under Section 105 of the Code or was insufficiently pled.

Upon review, the Court concluded at the time that while consolidation may be available where supported by applicable nonbankruptcy law, Count II as pled failed to articulate a clear legal theory, such as alter ego, that could justify consolidation without contravening Section 303(a) of the Bankruptcy Code, which prohibits involuntary relief against nonprofits. The Court recognized that the case of Law v. Siegel, 571 U.S. 415 (2014), doesn't foreclose equitable relief grounded in state law, provided that such relief does not override explicit statutory prohibitions in the Bankruptcy Code.

However, because the committee's complaint did not sufficiently frame its claim under cognizable nonbankruptcy doctrine, the Court declined to assess the adequacy of the underlying factual allegations at that time. Accordingly, the Court granted the motion to dismiss Count II the original complaint with leave to amend so that the committee could more precisely set forth the legal basis for the relief that it sought.

On May 6th, 2025, the committee submitted an amended adversary complaint, again, seeking substantive consolidation of the debtor in each of the three nondefendant, nondebtor entities. The committee asserts that it has adequately stated a claim for substantive consolidation under the case In re: Bonham, which is 229 F.3d 750, 756, Ninth Circuit case from 2000, by pleading facts which satisfy, one, the entanglement test through a state law supported alter ego theory of liability, and two, the creditor expectation test, i.e. the creditors reasonably relied on the combined credit of the debtor and the nondebtor entities. In addition to the three counts for substantive consolidation, the committee seeks a declaration that certain school funds are property of the bankruptcy estate pursuant to Section 541 of the Bankruptcy Code.

In its motion to dismiss the amended complaint pursuant to Rule 12(b)(6), the debtor argues that the committee's claims in Counts I through III fail as a matter of law. The motion to dismiss posits that articulation of an alter ego theory is insufficient -- I'm sorry, the committee's articulation of an alter ego theory is insufficient to support substantive consolidation, as the amended complaint does not plead facts that establish the degree of unity of interest and resulting injustice required to show entanglement and pierce the corporate veil, and the two, reliance on the creditor

expectations test to support substantive consolidation is similarly inappropriate and runs afoul of Law v. Siegel, as previously cited in this Court's prior ruling, as the test is "a creature of Section 105 of the Bankruptcy Code", unlike the state law alter ego theory.

Now, here I'm going to pause for a second. And I'm not trying to be confusing because I think there are two things going on at the same time here. The debtor and the nondebtor entities both basically argued that the committee's approach in basically relying on some aspect of substantive consolidation and tests applicable thereto ran afoul of the Court's prior order. I think there are some respects in which that's true. I was concerned about the normal articulation of substantive consolidation, that it was not going to be feasible as usually presented in light of the Law v. Siegel issues that have to do with the inability to force a nonprofit into a bankruptcy.

Having said that, all of this is a little bit loosey goosey because the ultimate remedy, one way or the other, is recognized and is called substantive consolidation. So much was made from the podium by the debtor's counsel to the effect that the committee was really arguing issues that have already been decided. There's an element of that that I think is correct. But the parties, notwithstanding that, argued their way through the basic test, the creditor expectation test, and the entanglement test. And because the parties spent a lot of

their time doing that, I intend to structure this description of my ruling with reference to those doctrines and the way the parties approached it, alongside the idea that some of this was simply foreclosed by the prior ruling.

So turning to Count IV, the debtor maintains that the committee's request for declaratory relief concerning the school funds likewise fails to state a claim and warrants dismissal under Rule 12(b)(6). The debtor characterizes the request as a thinly veiled attempt at substantive consolidation through declaratory judgment, relying solely on generalized assertions of control over the school funds without any supporting facts. The nondebtors' motion to dismiss similarly asserts that the committee has failed adequately to allege the requirements of alter ego, one, the requisite entanglement of the debtor and nondebtor entities, and two, the creditors treated the defendants as a single economic unit, or three, any resulting fraud or injustice, which are referred to, again, colloquially, as the Bonham factors, which again is part of our confusion here, I think. The motion also contends that allegations contained in Count IV arrest on conclusory assertions of control over school funds without actual support of a cognizable claim for relief.

So turning to the legal standard under 12(b)(6), failure to state a claim. Under Federal Rule of Civil Procedure 12(b)(6), as incorporated in the Federal Rules of

Bankruptcy Procedure at 7012(b)(6), a complaint must be dismissed if it fails to state a claim upon which relief can be granted. The test is whether a complaint contains sufficient factual matter to state a claim for relief that is plausible on its face, and that's obviously Ashcroft v. Iqbal, 556 U.S. 662 (2009).

The claim is plausible when the plaintiff pleads factual content that allows the court to draw a reasonable inference that the defendant is liable for the unlawful acts alleged. Conclusory statements without factual support are insufficient to meet the plausibility standard. When a defendant has moved to dismiss, the court must take all of the plaintiff's allegations as true and draw a reasonable inferences in its favor. That's Miller Yacht Sales, Inc. v. Sandy Lane Hotel Company Limited, 496 F.3d 93 (9th Cir. 2004).

Substantive consolidation. Substantive consolidation is a remedy generally within a bankruptcy court's equitable powers under Section 105 of the Bankruptcy Code. Substantive consolidation is not provided for specifically in the Bankruptcy Code. Rather, it's a creation of state law. While there are accordingly no express statutory requirements for the imposition of substantive consolidation case law, as generally stated, the court should consider whether, one, there is a disregard for corporate formalities and commingling of assets between the subject entities and two, what are the benefits of

substantive consolidation outweigh its costs. Courts ought to make this decision on a case-by-case basis, with the overarching goal of ensuring fairness to all creditors. And again, that's the Bonham case.

Substantive consolidation requires the creditors of one entity to share equally with the creditors of a potentially less solvent entity, therefore possibly unfairly disadvantaging some creditors' recovery. Therefore, there's also broad consensus that substantive consolidation is an extraordinary remedy to be invoked sparingly. That's In re: Archdiocese of Saint Paul and Minneapolis, 888 F.3d 944, and that's Eighth Circuit, 2018.

Circuits differ somewhat as to the precise test to determine the appropriateness of substantive consolidation, but there's an agreement that the determination must be made on a case-by-case basis, since the bar for granting the remedy is fairly high. In re: Giller, which is a case 962 F.2d 796 (8th Cir. 1992). The United States Court of Appeals affirmed the bankruptcy court's decision to substantively consolidate six Chapter 11 debtors, all of which shared a common sole or majority shareholder because it found the equitable remedy of substantive consolidation to be the only hope of recovery for unsecured creditors.

Further, In re: Bonham, the U.S. Court of Appeals allowed the substantive consolidation of debtor and nondebtor

entities after finding the debtor commingled personal assets with those of nondebtor entities and failed to maintain corporate distinctions between the debtor and the nondebtor entities.

The primary purpose of substantive consolidation is to ensure the equitable treatment of all creditors, and that's In re: Central European Industrial Development Company, LLC, 288 B.R. 572. And that's a bankruptcy case from N.D. Cal. Substantive consolidation does not require a finding of alter ego per se on its own under 105, as it is a separate doctrine that focuses on the equitable treatment of creditors and the practical realities of the entity's operations. And that's In re: Parkway Calabasas Limited, 89 B.R. 832. And that's a bankruptcy case from C.D. Cal.

Having said that, it's absolutely clear that under Law v. Siegel and I think the prohibitions on using a bankruptcy doctrine to contravene a bankruptcy statute. And in fact, you really need to have more than simply the normal substantive consolidation showing, which is why we had a discussion last time we were here about putting this through the alter ego prism, and that's really going to be the way that I look at this.

Having said that, the entanglement test. Number one, the entanglement test examines whether the affairs of the debtor are so entangled that consolidation will benefit all

creditors. And that's In re: Owner Management Service, LLC Trustee Corps, 530 B.R. 711. This test is satisfied at the time and expense necessary to unscramble the debtor's affairs are so substantial that they threaten the realization of any net assets for all creditors or if no accurate identification and allocation of assets is possible. Entanglement typically involves cases where there has been a commingling of assets between entities.

Alter ego. The alter ego doctrine is a state law remedy that is certainly viable under California law and that allows courts to pierce the corporate veil and hold the parent entity liable for the actions of its subsidiary. To demonstrate that the parent and subsidiary are not really separate entities and therefore satisfy the alter ego standard, a plaintiff must make out a prima facie case, one, that there is no such -- I'm sorry, that there is such unity of interest in ownership that the separate personalities of the two entities no longer exist, and two, that failure to disregard their separate identities would result in fraud or injustice. And that's Doe v. Unocal Corp., 248 F.3d 915, Ninth Circuit case 2001.

Unity of interests is suggested by the commingling of funds and other assets, the holding up by one entity that is liable for the debts of the other, identical equitable ownership of the entities, use of the same offices and

employees, the use of one of these a mere shell or conduit for the affairs of the other, and that's Roman Catholic Archbishop v. Superior Court, 15 Cal.App.3d 405 (Cal. Ct. App. 1971). This doctrine can be applied to nonprofit religious entities if there is evidence of control and domination by the parent organization and if the separate corporate existence is used to perpetuate fraud or injustice. And that's Prompt Staffing, Inc. v. United States, 321 F.Supp.3d 1157 (C.D. Cal. 2018).

The creditor expectations test considers whether creditors dealt with the entities as a single economic unit and did not rely on their separate identity in extending credit, and that's out of the Bonham case. The test is based on the notion that lenders structured their loans according to their expectations regarding the borrower and do not ordinarily anticipate having the assets of a more sound company available in case of insolvency or having the creditors of a less sound debtor compete for the borrower's assets.

So putting all this through the alter ego machine and substantive consolidation machine, if you will, the analysis, the committee argues that it's adequately stated a claim for substantive consolidation by asserting facts that support, one, an alter ego theory to satisfy the entanglement prong of the test, and two, a claim that creditors reasonably relied on the combined credit of the debtor and nondebtor entities to satisfy the creditor expectation test. And again, that's a reference

to Bonham.

The debtor responds that the facts do not establish either the alter -- either the degree of overlap and control necessary to satisfy the alter ego entanglement prong, nor to satisfy the creditor expectation test. In addition to the alleged inadequacy of the facts provided, the debtor further argues that the committee cannot rely on the creditor expectation test to support its claims because the test is a creature of Section 105 of the Bankruptcy Code. So my prior comments stand. Unlike the state alter ego theory and reliance on it contravenes Law v. Siegel and this Court's prior ruling regarding substantive consolidation of a nonprofit, nondebtor entity under Section 105.

So diving a bit into the alter ego test and whether it's satisfied here, while the committee presents considerable evidence of operational and structural overlap between the debtor and nondebtor entities, even taken together in a light most favorable to the committee, in the Court's view, such facts simply fail to satisfy the high standard required to establish alter ego liability. To pierce the corporate veil under an alter ego theory, the claimant must, again, demonstrate a unity of interest and ownership, such that separate personalities of the entities no longer exist, and two, that the failure to disregard the corporate form would result in fraud or injustice. Again, Doe v. Unocal. The Court

agrees with the debtor and the nondebtor entities that no such demonstration -- no such adequate demonstration has been made here.

The committee cites seven factors to support its claim that the defendants operated as a single enterprise. Factors are a failure to maintain arm's length relationships among the related entities, shared officers and directors, shared business offices and addresses, shared employees, comingling of funds or other assets, one entity holding out that it's liable for the debts of the other, and treatment by one entity of the other's assets as its own. While such factors may be relevant to the unity of interest prong, courts in the Ninth Circuit require more than organizational similarity or interrelated operations.

The facts must be, as taken together, cumulatively show that the parent controls a subsidiary with such consistency and severity that the latter is rendered a mere instrumentality of the former. And that's Ranza v. Nike, Inc. 793 F.3d 1059, Ninth Circuit case from 2015. Plaintiff must show "a total domination of finances, policy, and business practices", such that the subsidiary has "no separate mind, will, or existence of its own". And that's the Unocal case, again 248 F.3d.

Here, the facts provided do not allege that level of pervasive day-to-day control required to show that the

nondebtor entities functioned as a mere instrumentality of the debtor. The committee fails to plead nonconclusory facts, showing that the debtor exercised such consistent and total control over the nondebtor entities that they lack separate corporate existence. Even accepting the committee's allegations as true, the assertion that the debtor and the nondebtor entities share a business address, office space, and certain officers, directors, and employees does not, as a matter of law, establish the level of domination or control required to support an alter ego theory. Again, under Unocal. While the committee alleges that the bishop had authority to approve certain expenditures and appoint staff, it does not plead that this authority was actually and regularly exercised in a way that would justify piercing the corporate veil.

The committee's allegations regarding financial overlap between the debtor and nondebtor entities similarly fail to plausibly establish the requisite unity of interest and ownership necessary to pierce the corporate veil under an alter ego theory. The fact that the entities served as guarantors for one another in loan and bond obligations without more reflects ordinary commercial conduct, not patent abuse or disregard of corporate formalities. Such arrangements do not, standing alone, demonstrate that the debtor and nondebtor entities lack separate personalities or that their operations were so entangled as to effectively merge them into a single

enterprise. That's Bank of Montreal v. SK Foods LLC, 476 B.R. 588, Eastern District of California -- sorry, Bankruptcy Court Eastern District of California (2012).

Finding that the capitalization of a guarantor LLC for another corporate debtor's credit obligations was insufficient to support an alter ego claim. While the committee points to certain facts suggesting informal practices or share financial responsibilities, those allegations, again in the Court's mind, do not rise to the level of pervasive control, pervasive commingling, or disregard for corporate formalities sufficient to support alter ego liability.

Secondly, I think the amended complaint fails to show a resulting injustice from a failure to disregard the defendant's corporate form. The committee's assertion that survivors will receive lower compensation absent consolidation, while it may be true, does not satisfy the second prong of the alter ego test, which requires a showing that maintaining corporate separateness would sanction fraud or promote injustice. Again, Doe v. Unocal.

The committee contends that an unjust outcome will result if the nondebtor entities' assets are not consolidated into the estate, thereby limiting the funds available to survivors. However, courts have consistently held that the inability to collect a judgment or access additional funds, even if inequitable, does not by itself rise to the level of

injustice required to pierce the corporate veil. Again, Roman Catholic Archbishop v. Superior Court.

California courts have historically held that in order to rely on alter ego theories, it must be alleged that the entities are the business conduits of one another and that to recognize their separateness would aid in the consummation of a wrong. Meadows v. Emett & Chandler, 99 Cal.App.2d 496. The amended complaint, in the Court's view, fails to allege that the debtor structured its financial relationship with the nondebtor entities to aid in perpetrating fraud, deceiving creditors, or otherwise abusing the corporate form.

At most, the committee alleges an unfortunate consequence of preexisting lawful business arrangements. Without more, the committee has not shown that respecting the defendant's corporate separateness and the nondebtor separate entities, would result in the type of fraud or injustice necessary to satisfy the second prong of the alter ego standard.

While alter ego liability is generally a highly factual inquiry, it is not necessarily a matter that must be fully tried. Motul S.A. v. USA Wholesale Lubricant, Inc., 686 F.Supp.3d 900. And that's an N.D. Cal. case from 2003. "The court concludes" -- quoting from that case, "The court concludes that Motul has not alleged sufficient facts to support its assertion that Mr. Fateh, USA Auto and the other

corporate defendants are each other's alter egos and has failed to satisfy the first prong of the alter ego test." So therefore it's possible to dispose of these matters at the pleading stage, although it may be less commonly done.

The amended complaint fails to allege facts demonstrating the kind of sustained and systemic entanglement through a unity of interest in ownership or otherwise, between the debtor and the nondebtor entity, such that the alter ego doctrine is -- that the alter ego doctrine is designed to address. It likewise fails to show that maintaining their separate corporate forms would result in fraud or injustice.

The facts presented are essentially identical to the committee's prior attempt to invoke substantive consolidation through Section 105(a). If anything, the alter ego standard is frankly more demanding, requiring a more systemic and pervasive melding of interest the Court doesn't believe are found here. Accordingly, the committee has not alleged sufficient facts to meet the requirements for piercing the corporate veil under an alter ego theory and thus fails to satisfy the entanglement prong of the substantive consolidation standard under nonbankruptcy law.

Creditor expectation test. In the motion to dismiss, the debtor argues that the committee cannot rely on the creditor expectation test and notwithstanding, fails to plead sufficient facts to satisfy the test. Citing a couple of cases

from the Southern District of New York. In re: Republic Airways Holdings Inc., which is at 565 B.R. 710 (Bankr. S.D.N.Y.), and Official Committee Of Unsecured Creditors of Verestar, Inc. v. American Tower Corp., 343 B.R. 444 (Bankr. S.D.N.Y 2016).

The debtor claims that the inquiry as to whether creditors treated the debtor and other entities as one requires reference to specific creditors that treated the entities as one, which the committee has not demonstrated here. The debtor cites the committee's own use of the 2000 A series bond documents in the 2017 credit agreement, not as evidence of supposed entanglement, but as evidence that creditors and lenders understood and recognized the separate nature of the entities and requiring separate guarantees and separate financial disclosures.

The debtor further argues that the committee may not rely on the creditor expectation test, as it is grounded in the bankruptcy court's equitable powers under Section 105 of the Bankruptcy Code, and such reliance would run afoul of Section 303(a) and the Court's previous ruling on this issue.

The bottom line is I don't think that, even were I to take the creditor expectation test as relevant here and available after my prior ruling, I don't think the committee has alleged facts that would implicate that test.

So lastly, the declaratory relief under Section 541,

finally, the debtor argues that the requested declaratory relief does not adequately state a claim, as 541 does not create a separate cause of action, and this request is simply a backdoor attempt to solve some consolidation. The Court agrees. A complaint must set forth sufficient facts accepted true to state a plausible legal basis for the relief sought. While the amended complaint does provide some factual allegations in support of its position, it fails to articulate any cognizable legal theory or doctrinal framework under which the property at issue could be deemed to be property of the debtor's estate under 541 where invocation of declaratory relief is insufficient absent supporting legal grounds that would bring the disputed assets within the scope of estate property. As such, the claim for declaratory relief as pled does not meet the pleading standard required to survive dismissal under Rule 12(b)(6).

So I know that's a lengthy ruling, but I wanted to give you guys the benefit of it. Obviously, there's a transcript available.

Mr. Manns, I see, is here, and I know Mr. Moses is here. If you folks want to prepare an order granting both motions to dismiss and just for the reasons stated on the record and indicate that the Court read an oral ruling into the record, you can do so.

MR. MOSES: Yes, Your Honor. I do need to clarify.

Is this with prejudice?

THE COURT: I believe it is. My sense of the -- including the dialog that we had last time with the committee is that they were prepared to provide everything that they had by way of factual background and support in this complaint, and I'm going to take them at their word. So they can certainly challenge that on appeal, that it was wrongful to do this with prejudice, but my sense is that we have exhausted -- we've exhausted this vehicle, in my view, so it's with prejudice. Okay.

MR. MOSES: Just for the reasons on the record. Thank you.

THE COURT: Okay. No, thank you very much.

You guys have any more patience to talk?

MS. UETZ: I have one more matter, Your Honor, if you have --

THE COURT: Oh, okay. Because I was going to -- I looked at the objection in the meantime, and I wanted to talk with you about it. Bo but raise the last matter.

MS. UETZ: Thanks, Your Honor. Uetz of Foley for the debtor. We filed this morning a motion for an extension of the confirmation scheduling order. We would request --

THE COURT: I will admit, I haven't read it yet.

MS. UETZ: Of course.

THE COURT: Okay.

Exhibit B

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

OAKLAND DIVISION

----------X.

In Re: Case No. 23-40523

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

Debtor.

Chapter 11

----------X.

DEPOSITION of ATTILA BARDOS

as 30(b)(6) witness for

The Oakland Parochial Fund and Adventus

June 5, 2025

9:05 a.m.

Reported Stenographically by:

Gail L. Inghram,

BA, RDR, CRR, RSA, CA-CSR No. 8635

WHEREUPON, the deposition of ATTILA BARDOS, as 30(b)(6) witness for Oakland Parochial Fund, was held at FOLEY & LARDNER LLP, 555 California Street, Suite 1700, San Francisco, California 94104 on Thursday, June 5, 2025, beginning at approximately 9:05 a.m., the proceedings being recorded stenographically by Gail Inghram, Registered Diplomate Reporter, Certified Realtime Reporter, Certified Shorthand Reporter, and transcribed under her direction, there being present:

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- - -

P R O C E E D I N G S

- - -

THE COURT REPORTER: Before we begin, my name is Gail Inghram. I'm California certified shorthand reporter Number 8635. Today's date is June 5, 2025.

Mr. Bardos, would you raise your right hand to be sworn, please.

WHEREUPON,

ATTILA BARDOS,

being first duly sworn or affirmed to testify to the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

EXAMINATION

BY ATTORNEY KAPLAN:

Q. Good morning, Mr. Bardos. We just met informally off the record, but for the record purposes, my name is Michael Kaplan, and I am counsel to the committee in the Roman Catholic Bishop of Oakland bankruptcy case. All right?

Just for record purposes today, we're taking your deposition in a number of capacities over the next coming days and otherwise. Today's

deposition, however, is limited to the fact that you have been designated as the corporate designee for Adventus, and for The Oakland Parochial Fund.

Do you understand?

A. Yes.

Q. Okay. And I don't have an acronym for Adventus, but for Oakland Parochial Fund I'll refer to it as "OPF."

Is that okay?

A. Perfect.

Q. Less words.

Have you ever had your deposition taken before?

A. No.

Q. Okay. Couple of things to talk about today at the beginning -- and we won't repeat this for when we separate Adventus and OPF -- but you're testifying under oath.

Do you understand that?

A. Yes.

Q. Has the same effect as in you're testifying in a court of law?

A. Yes.

Q. All of your answers today have to be

or certificates?

A. No.

Q. You are currently -- well, let me ask you this: What roles do you currently hold? By "roles," what jobs, titles or otherwise, do you currently hold?

A. I'm the CFO of the Diocese of Oakland.

Q. Okay. That one I knew: You're the chief financial officer of the debtor.

Do you hold any position with Adventus?

A. I do.

Q. Which is?

A. By virtue of my position, I'm a board member of Adventus.

Q. So by virtue of your position with the debtor?

A. CFO, ex officio, debtor.

Q. Okay. Is that -- the debtor always holds an ex officio spot with Adventus on the board?

A. My understanding is that, yes.

Q. Okay. And that is just as an ex officio board member?

A. That's my understanding, yes.

Q. Okay. Since December of 2024, has OPF paid the management fee?

A. No.

Q. Okay. Does OPF intend to pay the management fee?

A. Yes, OPF intends to do a midyear payment of the fee.

Q. For the first two quarters of 2025?

A. Correct.

Q. Okay. Other than the management fee, does OPF owe any other money to the debtor?

A. Not that I'm aware of.

Q. Okay. I think -- at this point, we're now -- we are done with OPF, okay? And we're going to talk about everything Adventus from this point forward. Okay?

A. I'm in.

Q. Excellent. I just want it to be crystal clear that it will be equally as complicated, but we are making the record clear that everything you answer from this point forward is as the corporate designee for Adventus. Okay?

A. Got it.

Q. All right. I promise next week will

A. That's okay.

Q. What is Adventus, sir?

A. Essentially, it's a real estate holding company.

Q. Who does it hold real estate for?

A. For entities within the Diocese of Oakland. It was designed for that.

Q. Does it do anything else?

A. No.

Q. Does it hold real estate for any other diocese in the country?

A. No.

Q. Is Adventus' business address the same as RCBO's?

A. I'd have to look, but I think so.

The incorporation document?

Q. I didn't give you the incorporation document.

A. Yeah, I'd have to verify what officially --

Q. That's okay. We'll look at some documents, and someone will tell me if I got it wrong.

What is the -- how do you describe the relationship between RCBO and Adventus?

A. It's a good relationship.

Q. Well, I'm sure it's a constructive working relationship, but if I were to try to understand from the lay perspective here, what is the -- how do the entities interact?

A. So Adventus is the real estate holding company, and there are properties there that Adventus has that are related to the diocese; and Adventus has conversations with RCBO about those properties.

Q. Does Adventus have any employees?

A. No.

Q. I understand.

I think at the beginning you told me that you are an ex officio board member of Adventus?

A. I am indeed.

Q. Who other -- who else holds a title at Adventus?

A. I would say that I believe -- I believe that Father Lawrence is also a board member. I'd have to look at the documents, but that's the only one that comes to mind.

Q. Does Adventus have a president or chief executive officer?

to 800,000.

Q. Okay. Has the final decision been made with respect to either of those two properties to use that as collateral for the exit facility?

A. They're being considered.

Q. Again, my question --

A. No final decision.

Q. Okay. Outside -- again, from your Adventus hat here -- outside of the potential contribution of the properties that Adventus holds, is Adventus making any other contribution to the plan?

A. No.

Q. Okay. Was Adventus ever asked to make any other contribution to the plan?

A. No.

Q. As your counsel just indicated, there was a prior version of the plan in which Adventus was going to contribute the Livermore property to the survivors' trust; correct?

A. That is correct.

Q. What benefit would Adventus have received for that transfer?

A. Helping to get a settlement faster.

It helps everybody.

Q. Okay. When you say "helping to get a settlement faster," that is the settlement for RCBO?

A. Yes.

Q. Okay. Was Adventus -- was there any direct benefit to Adventus?

A. Doing a good deed. Yes.

Q. Okay.

A. For the greater good.

Q. Does Adventus have -- well, Adventus has its own bank accounts; correct?

A. Yes.

Q. Are they -- what institution holds those?

A. I believe we have that with US Bank -- I'd have to check. I think it's US Bank. I'd have to check.

Q. Do you know, sitting here today, how much cash Adventus has in its accounts?

A. No, I don't. I'd have to look at documents.

Q. Do you have a general estimate of what it holds on a regular basis?

A. No.

Exhibit C

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

OAKLAND DIVISION

- - - - - - - - - - - - - - - - - -

IN RE:	)	
THE ROMAN CATHOLIC BISHOP OF	)	CASE NO.
OAKLAND, a California	)	23-40523 WJL
corporation sole,	)	CHAPTER 11
Debtor.	)	

- - - - - - - - - - - - - - - - - -

CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER

DEPOSITION OF ATTILA BARDOS

INDIVIDUALLY AND PURSUANT TO RULE 30(b)(6)

ON BEHALF OF THE ROMAN CATHOLIC BISHOP OF OAKLAND

THURSDAY, JUNE 12, 2025

PAGES 1 - 272; VOLUME II

BY: SUZANNE I. ANDRADE, CSR NO. 10682

HUDSON COURT REPORTING & VIDEO (800) 310-1769

Confidential deposition of ATTILA BARDOS, INDIVIDUALLY AND PURSUANT TO RULE 30(b)(6) ON BEHALF OF THE ROMAN CATHOLIC BISHOP OF OAKLAND, VOLUME 1, taken on behalf of The Official Committee of Unsecured Creditors, at Foley & Lardner LLP, 555 California Street, Suite 1700, San Francisco, California, commencing at 9:10 A.M., THURSDAY, JUNE 12, 2025, before Suzanne I. Andrade, Certified Shorthand Reporter No. 10682, pursuant to Notice.

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THURSDAY, JUNE 12, 2025; 9:10 A.M.

THE REPORTER: My name is Suzanne Andrade, California Certified Shorthand Reporter, CSR License No. 10682.

Please raise your right hand.

(The witness was duly sworn.)

THE WITNESS: I do.

ATTILA BARDOS,

after having been duly administered the oath to tell the truth, the whole truth, and nothing but the truth, testified as follows:

EXAMINATION

BY ATTORNEY KAPLAN:

Q. Good morning, Mr. Bardos. We have obviously met before and spent some time together, so I will skip over the introductory phase. I know who you are. You know who I am.

A. We go way back.

Q. Absolutely. We've already done two depositions together, so we'll skip the questions about whether you've been deposed as well.

Just for record purposes, we are here today and potentially into a piece of tomorrow to do two depositions. One, and the one we will start with, is the deposition of you as the debtor's corporate

designee.

A. Okay.

Q. And then I will finish and close that deposition, and then we will pivot to you individually.

A. Okay.

Q. Okay?

So everything we are going to do for, I would estimate, the better part of today is going to be you as the corporate designee. All right?

A. Got it.

Q. All right. I'm not going to go through the full lengthy recitation of all the sort of rules.

You know you're under oath, correct?

A. Correct, yes.

Q. You know we can't speak over each other, right?

A. Yes.

Q. You know all your answers have to be verbal, right?

A. Yes.

Q. You know I will give you as many or few breaks as you so choose?

A. Yes.

Q. I may need a couple extra today. You never know.

And, lastly and probably most importantly, you