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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

**DECLARATION OF ATTILA BARDOS IN
SUPPORT OF DEBTOR'S THIRD MOTION
FOR ENTRY OF AN ORDER, PURSUANT
TO BANKRUPTCY RULES 9006 AND 9027,
ENLARGING THE PERIOD WITHIN
WHICH THE DEBTOR MAY REMOVE
ACTIONS PURSUANT TO 28 U.S.C. § 1452**

Date: August 21, 2024
Time: 10:30 a.m.
Place: United States Bankruptcy Court
1300 Clay Street
Courtroom 220
Oakland, CA 94612

1 I, Attila Bardos, hereby declare as follows:

2 1. I am the Chief Financial Officer of the Roman Catholic Bishop of Oakland (“the Debtor”).
3 I make this declaration in support of the *Debtor’s Third Motion for Entry of an Order, Pursuant to*
4 *Bankruptcy Rules 9006 and 9027, Enlarging the Period Within Which the Debtor May Remove Actions*
5 *Pursuant to 28 U.S.C. § 1452*, filed concurrently herewith (the “Motion”).¹

6 2. I am familiar with the Debtor’s day-to-day operations, financial affairs, and books and
7 records. Except as otherwise noted, all facts set forth in this Declaration are based upon my personal
8 knowledge. If called upon to testify, I could and would testify competently to the facts set forth herein.

9 3. As part of my role as CFO, I am aware that the Debtor is party to numerous civil actions
10 and proceedings. The Debtor is subject to more than three hundred state court lawsuits filed by plaintiffs
11 alleging sexual abuse by clergy or others associated with the Debtor. These state court actions underlie
12 the majority of claims asserted in the Chapter 11 Case.

13 4. After the initial period of the Chapter 11 case and resolution of the Debtor’s first day
14 motions, the Debtor’s efforts focused on the bar date and claims process, pursuing insurance coverage
15 from its historical Insurers through the Insurance Coverage Litigation, and setting up a process for
16 mediation with the Committee and Insurers toward a negotiated consensual plan. Since the last extension
17 of the Removal Period, the Debtor’s focus in this Chapter 11 Case has been on the two tracks of mediation
18 and litigating the Insurance Coverage Litigation.

19 5. The Debtor’s objective in this Chapter 11 Case is to achieve confirmation of a plan of
20 reorganization that will (a) ensure a fair and equitable outcome for survivors of sexual abuse, and (b) allow
21 the Debtor to stabilize its finances, continue its mission to serve the needs of the faithful within the Diocese
22 of Oakland, and continue to provide services to underserved people and groups in the East Bay. As set
23 forth more fully in the Debtor’s concurrently filed *Debtor’s Fourth Motion for Order Extending Exclusive*
24 *Periods for the Debtor to File and Solicit Acceptance of a Chapter 11 Plan* (the “Exclusivity Motion”),
25 the Debtor has made substantial progress toward that objective.

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28 ¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

1 6. In addition to managing and operating the Debtor’s complex business operations and the
2 Debtor’s ministry, mission, and social service activities, the Debtor must address and resolve in the
3 Chapter 11 Case the numerous sexual abuse claims that have been asserted against it over the course of
4 this Chapter 11 Case. The Debtor commenced this Chapter 11 Case to allow all of the sexual abuse claims
5 to be asserted and adjudicated in a single forum – the Bankruptcy Court – and ensure that all meritorious
6 abuse claims be paid on a fair and equitable basis pursuant to an approved chapter 11 plan.

7 7. The claims asserted in this Chapter 11 Case are largely based on the allegations asserted in
8 the Actions filed in California Superior Court. Approximately 560 proofs of claim were filed, including
9 421 claims asserting the Debtor is liable for damages relating to childhood sexual abuse. Based on the
10 Debtor’s initial review, it appears there are approximately 386 non-duplicate sexual abuse claims. There
11 are a small number of non-abuse tort claims, and the remainder of the filed claims are primarily
12 commercial vendor claims. Many of the claims are asserted to be of six-figure or seven-figure amounts.
13 Many are listed as having an unknown amount. The claims related to childhood sexual abuse present
14 unique complexities of confidentiality, valuation, procedure, and appropriate and equitable treatment of
15 claims. As restructuring advisor to the Debtor, A&M has engaged in a valuation analysis of the claims
16 for purposes of mediation with the Committee.

17 8. In the 15 months following the Petition Date, and following the initial phase of the case,
18 the Debtor has stabilized its operations as a debtor in possession and made significant progress in the
19 Chapter 11 Case, as detailed in the Exclusivity Motion. In particular, since the last extension of the
20 Removal Period, the Debtor has made substantial progress toward achieving its goals through mediation
21 of a consensual plan, although mediation remains ongoing.

22 9. The Committee and the Debtor each met individually with mediators Judge Sontchi and
23 Jeff Krivis, exchanged initial proposals, and participated in the first round of mediation on March 18 and
24 19, 2024. Additional mediation sessions were held on multiple dates in April, May, and June, and counsel
25 for the Debtor and Committee held virtual one-hour meetings each week in July. The Debtor also
26 commenced mediation the Insurers in June 2024, conducted by mediators Judge Newsome and Tim
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1 Gallagher. Progress in the mediations with both the Committee and the Insurers is further described in
2 the Exclusivity Motion. (See Exclusivity Motion, Section III.E., pp. 8-9).

3 10. To date, the Debtor has not determined which, if any, of the state court Actions it may seek
4 to remove in due course—if at all. This decision will ultimately be informed by the ultimate resolution of
5 mediation with the Committee, and the structure and terms of the Chapter 11 plan proposed by the Debtor.

6 I declare under penalty of perjury under the laws of the United States of America the foregoing is
7 true and correct to the best of my information, knowledge, and belief.

8 Executed on July 31, 2024, at Oakland, California.

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10 /s/ Attila Bardos
11 Attila Bardos
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