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Fee Examiner

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

In re:

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

Debtor.

Chapter 11

Case No. 23-40523 (WJL)

(Jointly Administered)

**FEE EXAMINER’S CONSOLIDATED FINAL REPORT
PERTAINING TO THE SECOND OR THIRD INTERIM FEE APPLICATIONS
OF CERTAIN RETAINED PROFESSIONALS**

David M. Klauder (the “Fee Examiner”), the Fee Examiner for the bankruptcy estate (the “Bankruptcy Estate”) of The Roman Catholic Bishop of Oakland (the “Debtor”), hereby submits this Final Report (the “Final Report”) pursuant to the Court’s *Order Appointing Fee Examiner and Establishing Related Procedures for the Review of Fee Applications of Retained Professionals* [D.I. 1122] (the “Fee Examiner Order”) in connection with applications for the allowance of compensation and reimbursement of expenses for the second or third interim fee periods (the “Interim Fee Applications”) of certain professionals retained in the above-referenced case (the “Retained Professionals”) as listed on **Exhibit A**. In support of this Final Report, the Fee Examiner respectfully represents as follows:



1 **BACKGROUND**

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3 1. On May 8, 2023 (the “Petition Date”), the Debtor filed a voluntary petition for
4 relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in this
5 Court.

6 2. On May 10, 2024, David M. Klauder was appointed as the Fee Examiner for this
7 case.

8 3. As noted and set out in detail in the Fee Examiner Order, the Fee Examiner is
9 tasked with reviewing the various fee applications filed by retained professionals in the case and
10 recommending any reductions in fees or expenses sought in the fee applications. The Fee
11 Examiner Order also sets out in detail the process for the Fee Examiner’s review, including
12 issuance of initial reports, a consultation period with retained professionals, and the filing of this
13 Final Report, which contains the Fee Examiner final recommendations to this Court with respect
14 to the Interim Fee Applications.
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16 4. The Fee Examiner reviewed the Interim Fee Applications for compliance with
17 sections 330 and 331 of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the
18 “Bankruptcy Rules”), the Local Rules of Bankruptcy Practice and Procedure of the United States
19 Bankruptcy Court for the Northern District of California (the “Local Bankruptcy Rules”), the
20 *Order Establishing Procedures for Interim Compensations and Reimbursement of Expenses of*
21 *Professionals*, dated June 23, 2023 [D.I. 170] (the “Interim Compensation Order”), and the
22 Appendix B Guidelines for Reviewing Applications for Compensation & Reimbursement of
23 Expenses filed under United States Code by Attorneys in Large Chapter 11 Cases (78 Fed. Reg.
24 No. 116, page 36248 (June 17, 2013)) (the “UST Guidelines”).
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1 8. The Fee Examiner reviewed the Alvarez & Marsal Fee Application to ensure
2 compliance with the applicable rules, orders and guidelines. Based on that review, the Fee
3 Examiner generated an interim report that identified the following general issues with the Alvarez
4 & Marsal Fee Application:

- 5 a. Transitory Timekeepers;
- 6 b. Multiple billers at hearings, calls, and meetings; and
- 7 c. Internal communications among professionals.

8 9. In response to the Fee Examiner's interim report, Alvarez & Marsal and the Fee
9 Examiner engaged in an exchange to address and resolve the issues raised by the interim report.

10 10. As a result, Alvarez & Marsal and the Fee Examiner have agreed to a
11 recommended reduction of \$0.00 in compensation and \$0.00 in expenses. The Fee Examiner has
12 no objection to this Court's approval of the Alvarez & Marsal Fee Application.

13 **Foley & Lardner LLP**

14 *Third Interim Fee Application*

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17 11. Foley & Lardner LLP ("Foley") is general bankruptcy counsel to the Debtor. On
18 June 14, 2024, Foley filed its *Third Interim Fee Application* [D.I. 1188] (the "Foley Fee
19 Application"). In the Foley Fee Application, Foley requests approval of compensation in the
20 amount of \$2,010,082.50 and reimbursement of expenses in the amount of \$28,809.16 for the
21 period of January 1, 2024 through April 30, 2024.

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23 12. The Fee Examiner reviewed the Foley Fee Application to ensure compliance with
24 the applicable rules, orders and guidelines. Based on that review, the Fee Examiner generated an
25 interim report that identified the following general issues with the Foley Fee Application:

- 26 a. Multiple billers at hearings, calls, and meetings;
- 27 b. Internal communications among professionals;
- 28 c. Transitory Timekeepers;

- d. Overbilled time;
- e. Staffing concerns; and
- f. Meal Expenses.

13. In response to the Fee Examiner’s interim report, Foley and the Fee Examiner engaged in an exchange to address and resolve the issues raised by the interim report.

14. As a result, Foley and the Fee Examiner have agreed to a recommended reduction of \$20,355.50 in compensation and \$0.00 in expenses. The Fee Examiner has no objection to this Court’s approval of the Foley Fee Application as modified herein.

Breall & Breall LLP

Second Interim Fee Application

15. Breall & Breall LLP (“Breall”) is Special Counsel to the Debtor. On June 14, 2024, Breall filed its *Second Interim Fee Application* [D.I. 1185] (the “Breall Fee Application”). In the Breall Fee Application, Breall requests approval of compensation in the amount of \$33,750.00 and reimbursement of expenses in the amount of \$0.00 for the period of January 1, 2024 through April 30, 2024.

16. The Fee Examiner reviewed the Breall Fee Application to ensure compliance with the applicable rules, orders and guidelines. Based on that review, the Fee Examiner generated an interim report that identified the following general issues with the Breall Fee Application:

- a. Time Spent on Retention, Billing, and Fee Applications

17. In response to the Fee Examiner’s interim report, Breall and the Fee Examiner engaged in an exchange to address and resolve the issues raised by the interim report.

18. As a result, Breall and the Fee Examiner have agreed to a recommended reduction of \$1,500.00 in compensation and \$0.00 in expenses. The Fee Examiner has no objection to

1 Breall’s modified request and to this Court’s approval of the Breall Fee Application as modified
2 herein.

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4 **Professionals Retained by Official Committee of Unsecured Creditors**

5 **Lowenstein Sandler LLP**

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7 *Third Interim Fee Application*

8 19. Lowenstein Sandler LLP (“Lowenstein”) is counsel to the Official Committee of
9 Unsecured Creditors (the “Committee”). On June 14, 2024, Lowenstein filed its *Third Interim*
10 *Fee Application* [D.I. 1187] (the “Lowenstein Fee Application”). In the Lowenstein Fee
11 Application, Lowenstein requests approval of compensation in the amount of \$1,268,990.50 and
12 reimbursement of expenses in the amount of \$54,680.39 for the period of January 1, 2024
13 through April 30, 2024.

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15 20. The Fee Examiner reviewed the Lowenstein Fee Application to ensure
16 compliance with the applicable rules, orders and guidelines. Based on that review, the Fee
17 Examiner generated an interim report that identified the following general issues with the
18 Lowenstein Fee Application:

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20 a. Transitory Timekeepers;
21 b. Overbilled time entries;
22 c. Claim Administration and Objections services compared to other Committee
23 Professionals; and
24 d. Various expenses, including airfare, meals and hotels.

25 21. In response to the Fee Examiner’s interim report, Lowenstein and the Fee
26 Examiner engaged in an exchange to address and resolve the issues raised by the interim report.

27 22. As a result, Lowenstein and the Fee Examiner have agreed to a recommended
28 reduction of **\$908.50** in compensation and **\$373.42** in expenses. The Fee Examiner has no

1 objection to Lowenstein’s modified request and to this Court’s approval of the Lowenstein Fee
2 Application as modified herein.

3 **Keller Benvenuti Kim LLP**

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5 *Third Interim Fee Application*

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7 23. Keller Benvenuti Kim LLP (“**KBK**”) are counsel to the Committee. On June 12,
8 2024, KBK filed its *Third Interim Fee Application* [D.I. 1178] (the “**KBK Fee Application**”). In
9 the KBK Fee Application, KBK requests approval of compensation in the amount of
10 \$100,245.00 and reimbursement of expenses in the amount of \$7,455.50 for the period of
11 January 1, 2024 through April 30, 2024.

12 24. The Fee Examiner reviewed the KBK Fee Application to ensure compliance with
13 the applicable rules, orders and guidelines. Based on that review, the Fee Examiner generated an
14 interim report that identified the following general issues with the KBK Fee Application:
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- 16 a. Overbilled time entries; and
- 17 b. Time spent on preparation of Fee Applications.

18 25. In response to the Fee Examiner’s interim report, KBK and the Fee Examiner
19 engaged in an exchange to address and resolve the issues raised by the interim report.

20 26. As a result, KBK and the Fee Examiner have agreed to a recommended reduction
21 of **\$1,042.50** in compensation and **\$0.00** in expenses. The Fee Examiner has no objection to
22 Lowenstein’s modified request and to this Court’s approval of the Lowenstein Fee Application
23 as modified herein.

24 **Berkeley Research Group, LLC**

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26 *Second Interim Fee Application*

1 27. Berkeley Research Group, LLC (“BRG”) are financial advisors to the Committee.
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3 On June 14, 2024, BRG filed its *Second Interim Fee Application* [D.I. 1197] (the “BRG Fee
4 Application”). In the BRG Fee Application, BRG requests approval of compensation in the
5 amount of \$748,768.50 and reimbursement of expenses in the amount of 12,981.81 for the period
6 of January 1, 2024 through April 30, 2024.

7 28. The Fee Examiner reviewed the BRG Fee Application to ensure compliance with
8 the applicable rules, orders and guidelines. Based on that review, the Fee Examiner generated an
9 interim report that identified the following general issues with the BRG Fee Application:

- 10 a. Transient Timekeepers;
- 11 b. Vague time entries;
- 12 c. Potentially excessive time entries;
- 13 d. Time spent on preparation of Fee Applications; and
- 14 e. Meal expenses.

15 29. In response to the Fee Examiner’s interim report, BRG and the Fee Examiner
16 engaged in an exchange to address and resolve the issues raised by the interim report.

17 30. As a result, BRG and the Fee Examiner have agreed to a recommended reduction
18 of **\$1,747.08** in compensation and **\$261.80** in expenses. The Fee Examiner has no objection to
19 BRG’s modified request and to this Court’s approval of the BRG Fee Application as modified
20 herein.

21 **Stout Risius Ross, LLC**

22 *Second Interim Fee Application*

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24 31. Stout Risius Ross, LLC (“Stout”) is the expert consultant on valuation of sexual
25 abuse claims to the Committee. On June 14, 2024, Stout filed its *Second Interim Fee*
26 *Application* [D.I. 1194] (the “Stout Fee Application”). In the Stout Fee Application, Stout
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1 requests approval of compensation in the amount of \$146,765.00 and reimbursement of expenses
2 in the amount of \$1,470.87 for the period of January 1, 2024 through April 30, 2024.

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4 32. The Fee Examiner reviewed the Stout Fee Application to ensure compliance with
5 the applicable rules, orders and guidelines. Based on that review, the Fee Examiner generated an
6 interim report that identified the following general issues with the Stout Fee Application:

- 7 a. Transient Timekeepers;
8 b. Claim Administration and Objections services compared to other Committee
9 Professionals; and
c. Airfare expenses.

10 33. In response to the Fee Examiner's interim report, Stout and the Fee Examiner
11 engaged in an exchange to address and resolve the issues raised by the interim report.

12 34. As a result, Stout and the Fee Examiner have agreed to a recommended reduction
13 of **\$0.00** in compensation and **\$0.00** in expenses. The Fee Examiner has no objection to Stout's
14 request and to this Court's approval of the Stout Fee Application.

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16 **Burns Bair LLP**

17 *Second Interim Fee Application*

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19 35. Burns Bair LLP ("Burns Bair") is the special insurance counsel to the Committee.
20 On June 13, 2024, Burns Bair filed its *Second Interim Fee Application* [D.I. 1182] (the "Burns
21 Bair Fee Application"). In the Burns Bair Fee Application, Burns Bair requests approval of
22 compensation in the amount of \$346,624.00 and reimbursement of expenses in the amount of
23 \$16,940.53 for the period of January 1, 2024 through April 30, 2024.

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25 36. The Fee Examiner reviewed the Burns Bair Fee Application to ensure compliance
26 with the applicable rules, orders and guidelines. Based on that review, the Fee Examiner

1 generated an interim report that identified the following general issues with the Burns Bair Fee

2 Application:

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- 4 a. Transient Timekeepers;
 - 5 b. Overbilled time entries;
 - 6 c. Block billing; and
 - 7 d. Airfare expenses.

8 37. In response to the Fee Examiner's interim report, Burns Bair and the Fee Examiner engaged in an exchange to address and resolve the issues raised by the interim report.

9 38. As a result, Burns Bair and the Fee Examiner have agreed to a recommended
10 reduction of \$112.00 in compensation and \$0.00 in expenses. The Fee Examiner has no
11 objection to Burn Bair's modified request and to this Court's approval of the Burn Bair Fee
12 Application.

1 **CONCLUSION**

2 Accordingly, the Fee Examiner recommends that the compensation and expenses sought
3 by the Retained Professionals in the Interim Fee Applications be allowed as modified, and for
4 such other relief that this Court deems just and appropriate.
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6 Dated: August 15, 2024

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12 *Fee Examiner*

Exhibit A

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

Summary of Fees and Expenses Reviewed by Fee Examiner for Second or Third Interim Fee Period

Professional	Docket Entry #	Fee Application	Fees Requested	Fee Reduction Agreed to	Expenses Requested	Expense Reduction Agreed to
Alvarez & Marsal North America, LLC	1192	Third	\$773,117.50	\$0.00	\$3,350.88	\$0.00
Foley & Lardner, LLP	1188	Third	\$2,010,082.50	\$20,355.50	\$28,809.16	\$0.00
Breall & Breall LLP	1185	Second	\$33,750.00	\$1,500.00	\$0.00	\$0.00
Lowenstein Sandler LLP	1187	Third	\$1,268,990.50	\$908.50	\$54,680.39	\$373.42
Keller Benevenuti Kim LLP	1178	Third	\$100,245.00	\$1,042.50	\$7,455.50	\$0.00
Berkeley Research Group, LLC	1197	Second	\$748,768.50	\$1,747.08	\$12,981.81	\$261.80
Burns Bair LLP	1182	Second	\$346,624.00	\$112.00	\$16,940.42	\$0.00
Stout Risius Ross, LLC	1194	Second	\$146,765.00	\$0.00	\$1,470.87	\$0.00
TOTAL:			\$5,428,343.00	\$25,665.58	\$125,689.03	\$635.22