

FOLEY & LARDNER LLP

Thomas F. Carlucci (CA Bar No. 135767)
Tel: (415) 984-9824; tcarlucci@foley.com
Shane J. Moses (CA Bar No. 250533)
Tel: (415) 438-6404; smoses@foley.com
Ann Marie Uetz (admitted *pro hac vice*)
Tel: (313) 234-7114; auetz@foley.com
Matthew D. Lee (admitted *pro hac vice*)
Tel: (608) 258-4203; mdlee@foley.com
Geoffrey S. Goodman (admitted *pro hac vice*)
Tel: (312) 832-4515; ggoodman@foley.com
Mark C. Moore (admitted *pro hac vice*)
Tel: (214) 999-4150; mmoore@foley.com
555 California Street, Suite 1700
San Francisco, CA 94104-1520

*Counsel for the Debtor
and Debtor in Possession*

**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

**NOTICE OF FILING OF REDLINES OF (1)
DEBTOR'S *SECOND AMENDED* PLAN OF
REORGANIZATION AND (2) *SECOND
AMENDED* DISCLOSURE STATEMENT
FOR DEBTOR'S *SECOND AMENDED* PLAN
OF REORGANIZATION**

Judge: Hon. William J. Lafferty

Date: March 3, 2025

Time: 1:30 p.m.

Place: United States Bankruptcy Court
1300 Clay Street
Courtroom 220
Oakland, CA 94612

1 The Roman Catholic Bishop of Oakland, a California corporation sole, and the debtor and debtor
2 in possession (the “Debtor” or “RCBO”) in the above-captioned chapter 11 bankruptcy case (the “Chapter
3 11 Case” or the “Bankruptcy Case”), hereby files this notice (the “Notice”) of filing of redlines of the
4 *Debtor’s Second Amended Plan of Reorganization* [Docket No. 1757] (the “Second Amended Plan”) and
5 *Second Amended Disclosure Statement for Debtor’s Second Amended Plan of Reorganization* [Docket
6 No. 1760] (the “Second Amended Disclosure Statement”).

7 On November 8, 2024, the Debtor filed (i) *Debtor’s Plan of Reorganization* [Docket No. 1444]
8 (the “Original Plan”) and (ii) *Disclosure Statement for Debtor’s Plan of Reorganization* [Docket No.
9 1445] (the “Original Disclosure Statement”). Also on November 8, 2024, the Debtor filed its *Debtor’s*
10 *Motion for Order (I) Approving Disclosure Statement; and (II) Establishing Procedures for Plan*
11 *Solicitation, Notice, and Balloting* [Docket No. 1453] (the “Motion”).¹ The Motion and the Original
12 Disclosure Statement came for hearing on December 18, 2024, at which time the Court set a further
13 hearing for January 16, 2025, and directed that the Debtor file any amended disclosure statement not later
14 than January 3, 2025. On January 3, 2025, the Debtor filed (i) *Debtor’s Amended Plan of Reorganization*
15 [Docket No. 1594] (the “First Amended Plan”) and (ii) *Amended Disclosure Statement for Debtor’s*
16 *Amended Plan of Reorganization* [Docket No. 1595] (the “First Amended Disclosure Statement”). The
17 Motion and First Amended Disclosure Statement came for continued hearings on January 16, January 21,
18 and January 30, 2025, following which hearings the Court set a further hearing for March 3, 2025, and
19 directed that the Debtor file its further amended disclosure statement not later than February 18, 2025.

20 In compliance with the Court’s direction, the Debtor has filed its Second Amended Plan and its
21 Second Amended Disclosure Statement in support thereof.

22 Attached here to as **Exhibit A** is a redline of the Debtor’s Second Amended Plan against the First
23 Amended Plan.

24 Attached here to as **Exhibit B** is a redline of the Debtor’s Second Amended Disclosure Statement
25 against the First Amended Disclosure Statement.

26
27 ¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion, Disclosure Statement,
28 or the Plan, as applicable.

1 The Exhibits attached to the Debtor's Second Amended Plan and Second Amended Disclosure
2 Statement have not changed from the First Amended Plan and First Amended Disclosure Statement. The
3 Debtor, however, anticipates supplementing Exhibit F (the Liquidation Analysis), as further set forth in
4 Article II.D of the Second Amended Disclosure Statement, in advance of the continued hearing on the
5 Second Amended Disclosure Statement.

6
7 DATED: February 18, 2025

FOLEY & LARDNER LLP

Thomas F. Carlucci
Shane J. Moses
Emil P. Khatchaturian
Ann Marie Uetz
Matthew D. Lee
Geoffrey S. Goodman
Mark C. Moore

8
9
10
11 /s/ Shane J. Moses

12 SHANE J. MOSES

13 *Counsel for the Debtor*
14 *and Debtor in Possession*

15
16
17
18
19
20
21
22
23
24
25
26
27
28
NOTICE OF REDLINES OF SECOND AMENDED PLAN AND DISCLOSURE STATEMENT

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT A

Redline of Second Amended Plan vs. First Amended Plan

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT B

Redline of Second Amended Disclosure Statement vs. First Amended Disclosure Statement

EXHIBIT A

Redline of Second Amended Plan vs. First Amended Plan

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 **FOLEY & LARDNER LLP**
Thomas F. Carlucci (CA Bar No. 135767)
2 Tel: (415) 984-9824; tcarlucci@foley.com
Shane J. Moses (CA Bar No. 250533)
3 Tel: (415) 438-6404; smoses@foley.com
Ann Marie Uetz (admitted *pro hac vice*)
4 Tel: (313) 234-7114; auetz@foley.com
Matthew D. Lee (admitted *pro hac vice*)
5 Tel: (608) 258-4203; mdlee@foley.com
Geoffrey S. Goodman (admitted *pro hac vice*)
6 Tel: (312) 832-4515; ggoodman@foley.com
Mark C. Moore (admitted *pro hac vice*)
7 Tel: (214) 999-4150; mmoore@foley.com
555 California Street, Suite 1700
8 San Francisco, CA 94104-1520

9 *Counsel for the Debtor*
and Debtor in Possession

10 **UNITED STATES BANKRUPTCY COURT**
11 **NORTHERN DISTRICT OF CALIFORNIA**
12 **OAKLAND DIVISION**

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

Case No. 23-40523 WJL
Chapter 11
Judge: Hon. William J. Lafferty
Date: TBD
Time: TBD
Place: United States Bankruptcy Court
1300 Clay Street
Courtroom 220
Oakland, CA 94612

21 **DEBTOR'S SECOND AMENDED PLAN OF REORGANIZATION**

22 ***DATED ~~JANUARY 3~~ FEBRUARY 18, 2025***

TABLE OF CONTENTS

		Page
1	INTRODUCTION	1
2		
3	ARTICLE I	
	DEFINITIONS AND RULES OF INTERPRETATION	1
4	1.1. Definitions.....	1
	1.2. Construction of Terms.....	17 18
5	1.3. Appendices and Plan Documents.....	17 18
6	ARTICLE II	
	SUMMARY OF CLASSIFICATION OF CLAIMS	17 19
7	2.1. Claims Provided For Herein.....	17 19
	2.2. Unclassified Claims.....	18 19
8	2.3. Claims Classification.....	18 19
9	ARTICLE III	
	TREATMENT OF UNCLASSIFIED CLAIMS: ADMINISTRATIVE CLAIMS,	
10	PRIORITY TAX CLAIMS AND UNITED STATES TRUSTEE’S FEES	19 20
11	3.1. Administrative Expense Claims.....	19 20
	3.2. Priority Tax Claims.....	20 21
12	3.3. Fee Claims.....	20 21
	3.4. Cure Claims.....	21 22
13	3.5. United States Trustee Fees.....	21 22
14	ARTICLE IV	
	TREATMENT OF CLASSIFIED CLAIMS	21 22
15	4.1. Class 1 – Secured Claim of RCC.....	21 22
	4.2. Class 2 – Priority Unsecured Claims.....	21 23
16	4.3. Class 3 – General Unsecured Claims.....	22 23
	4.4. Class 4 – Abuse Claims.....	22 24
17	4.5. Class 5 – Unknown Abuse Claims.....	23 24
	4.6. Class 6 – Non-Abuse Litigation Claims.....	23 25
18	4.7. Class 7A – Abuse Related Contribution Claims Related to Class 4 Claims.....	24 25
	4.8. Class 7B – Abuse Related Contribution Claims Related to Class 5 Claims.....	24 25
19	4.9. Class 8 – OPF Claim.....	25 26
20	ARTICLE V	
	DISPUTED CLAIMS AND CLAIM DISTRIBUTIONS	25 26
21	5.1. Single Claim.....	25 26
	5.2. Claims Objections.....	25 26
22	5.3. Treatment of Disputed Claims.....	26 27
	5.4. Late-Filed Claims.....	27 28
23	5.5. Claim Estimation.....	27 28
	5.6. No Distribution to Disallowed Claims.....	27 29
24	5.7. Timing of Distributions to Allowed Claims.....	27 29
	5.8. Transfers of Claims.....	28 29
25	5.9. Prepayment.....	28 30
	5.10. Delivery of Distributions.....	28 30
26	5.11. Unclaimed Distributions.....	28 30
	5.12. No Interest.....	29 30
27	5.13. Provisions Governing Unimpaired Claims.....	29 30
28	5.14. Additional Terms Regarding Class 4 and Class 5 Claims.....	29 31

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ARTICLE VI
VOTING ON THE PLAN **2931**
6.1. Voting Classes **2931**
6.2. [Option to Opt-Out Release Forms](#) **30** of **31**
[Releases](#) **31**
6.3. Elimination of Vacant Classes **3031**
6.4. Effect of Objections **3032**

ARTICLE VII
EXECUTORY CONTRACTS AND UNEXPIRED LEASES **3032**
7.1. Prior Orders **3032**
7.2. Assumption of Contracts and Unexpired Leases. **3032**
7.3. Rejection of CCCEB Lease **3234**
7.4. Rejection of Contracts. **3234**

ARTICLE VIII
INSURANCE ASSIGNMENT AND OTHER INSURANCE MATTERS **3335**
8.1. The Insurance Assignment **3335**
8.2. Insurance Coverage for Abuse Claims. **3436**
8.3. Preservation of the Rights of Non-Settling Insurers. **3638**
8.4. Scope of Plan Injunctions **4244**
8.5. Non-Settling Insurers' Contribution Claims Against Settling Insurers **4345**
8.6. Cooperation **4346**
8.7. Reductions In Non-Settling Insurers' Liability **4446**
8.8. Settling Insurers. **4447**

ARTICLE IX
THE SURVIVORS' TRUST **4648**
9.1. Creation of the Survivors' Trust ~~and~~, Appointment of [Survivors' Trustee, and](#)
[Survivors' Trust Advisory Committee](#). **4648**
9.2. Appointment and Powers of the Survivors' Trustee **4749**
9.3. Property and Funding of the Survivors' Trust **4851**
9.4. Unknown Abuse Claims Reserve **5255**
9.5. Vesting **5256**
9.6. Survivors' Trust Assumption of Liabilities for Abuse Claims **5356**
9.7. Right to Elect to Receive an Immediate Payment **5357**
9.8. Method of Determination of Abuse Claims and Rights of Abuse Claimants
[to Choose to Accept a Distribution or](#) to Pursue Litigation **5357**
9.9. Compensation and Reimbursement of Expenses to Survivors' Trustee and
Survivors' Trust Professionals **5762**
9.10. Excess Survivors' Trust Assets **5762**
9.11. Indemnification of Debtor, Reorganized Debtor, and Contributing Non-Debtor
Catholic Entities **5762**
9.12. Modification of Survivors' Trust Documents **5863**

ARTICLE X
CONDITIONS TO CONFIRMATION AND EFFECTIVENESS OF THE PLAN **5863**
10.1. Conditions to Confirmation **5863**
10.2. Conditions to Effectiveness **5964**
10.3. Waiver of Conditions **6065**
10.4. Revocation of the Plan **6066**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ARTICLE XI

EXIT FINANCING **6166**
11.1. The Exit Facility **6166**
11.2. Effect of the Exit Facility **6166**
11.3. Authorization **6267**

ARTICLE XII

MEANS FOR IMPLEMENTING THE PLAN **6267**
12.1. Revesting **6267**
12.2. Non-Monetary Commitment to Healing and Reconciliation **6368**
12.3. CCCEB Settlement **6368**
12.4. Treatment of Actions and Causes of Action **6469**
12.5. Continued Existence **6470**
12.6. The Survivors' Trust **6570**
12.7. Post-Effective Date Prosecution of Non-Abuse Litigation Claims **6570**
12.8. Bankruptcy Procedure and Transition **6671**
12.9. Post-Petition Deposits **6773**
12.10. Other Actions **6873**
12.11. General Settlement **6873**
12.12. Closing of the Case **6874**

ARTICLE XIII

EFFECT OF PLAN CONFIRMATION **6974**
13.1. Binding Effect of Confirmation **6974**
13.2. Ratification **6975**
13.3. Discharge of Claims **6975**
13.4. Confirmation Injunction **7075**
13.5. Injunction Against Interference with the Plan **7076**
13.6. Exculpation **7076**
13.7. Injunction Related to Exculpation **7177**
13.8. Releases by the Debtor **7277**
13.9. Releases by Holders of Abuse Claims **7378**
13.10. Injunction Related to Releases **7379**
13.11. Disallowed Claims **7479**
13.12. Channeling Injunction **7480**
13.13. Provisions Relating to the Channeling Injunction **7681**
13.14. Effect of Channeling Injunction **7682**
13.15. Exclusion Regarding Non-Settling Insurers. 82

ARTICLE XIV

MODIFICATION **7783**
14.1. Modification of the Plan **7783**
14.2. Correction of Defects **7783**
14.3. Savings Clause **7783**
14.4. Remedy of Defects **7784**

ARTICLE XV

RETENTION OF JURISDICTION **7884**
15.1. Scope of the Bankruptcy Court's Retained Jurisdiction **7884**
15.2. Failure of Bankruptcy Court to Exercise Jurisdiction **7985**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ARTICLE XVI

MISCELLANEOUS PROVISIONS..... **7985**
16.1. Enforcement..... **7985**
16.2. Exemption from Certain Transfer Taxes and Recording Fees..... **8086**
16.3. Effectuating Documents..... **8086**
16.4. Governing Law..... **8086**
16.5. Integration..... **8086**
16.6. Inconsistency..... **8087**
16.7. Section Headings..... **8187**
16.8. Severability..... **8187**

ARTICLE XVII

REQUEST FOR CONFIRMATION..... **8187**
17.1. Confirmation Pursuant to § 1129(b)..... **8187**

1 **INTRODUCTION**

2 This Second Amended Plan of Reorganization dated ~~January 3~~February 18, 2025 (as
3 amended, modified or supplemented from time to time, the “Plan”),¹ is proposed by The Roman
4 Catholic Bishop of Oakland, a California corporation sole, and the debtor and debtor in
5 possession (the “Debtor” or “RCBO”) in the above-captioned chapter 11 bankruptcy case (the
6 “Chapter 11 Case”). Holders of Claims (as those terms are defined below) may refer to the
7 Disclosure Statement (as defined below) for a summary and description of the Plan and a
8 discussion of the Debtor’s history, estate, assets, mission, operations, historical financial
9 information, and projections of future operations. The Debtor is the proponent of this Plan within
10 the meaning of Section 1129 of title 11 of the United States Code, as amended from time to time
11 and as in effect during the Chapter 11 Case (the “Bankruptcy Code”).

12 ALL HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE
13 PLAN ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT
14 IN THEIR ENTIRETY BEFORE VOTING.

15 **ARTICLE I**
16 **DEFINITIONS AND RULES OF INTERPRETATION**

17 **1.1. Definitions.** As used in this Plan, unless defined in the above Introduction or
18 elsewhere in the Plan, capitalized terms shall have the meanings set forth in this Section 1.1. Any
19 term not otherwise defined herein but defined in the Bankruptcy Code or the Federal Rules of
20 Bankruptcy Procedure as amended from time to time and as in effect during the Chapter 11 Case
21 (the “Bankruptcy Rules”) will have the meaning given to that term in the Bankruptcy Code or the
22 Bankruptcy Rules, as applicable. The following definitions apply in this Plan:

23 1.1.1. “**Abuse**” means sexual conduct or misconduct, sexual abuse or
24 molestation, sexual exploitation, indecent assault and/or battery, rape, pedophilia, ephebophilia,
25 sexually related psychological or emotional harm, humiliation, anguish, shock, sickness, disease,
26 disability, dysfunction, or intimidation, any other sexual misconduct or injury, contacts or

27
28 ¹ For the avoidance of doubt, the terms “hereof” and/or “herein” as used in this Plan are
references to this entire Plan.

1 interactions of a sexual nature, including the use of photography, video, or digital media, or other
2 physical abuse or bullying without regard to whether such physical abuse or bullying is of a
3 sexual nature, between a child and an adult, between a child and another child, or between a
4 non-consenting adult and another adult, in each instance without regard to whether such activity
5 involved explicit force, whether such activity involved genital or other physical contact, and
6 whether there is or was any associated physical, psychological, or emotional harm to the child or
7 non-consenting adult.

8 1.1.2. **“Abuse Claim”** means any Claim relating to, in whole or in part, directly
9 or indirectly, an act of Abuse committed by any Person before the Effective Date for which the
10 Debtor, a Non-Debtor Catholic Entity, or any of their respective agents, employees, or
11 representatives is allegedly responsible. Except as otherwise provided herein, the term “Abuse
12 Claim” includes Unknown Abuse Claims and Trust Claims but not Abuse Related Contribution
13 Claims.

14 1.1.3. **“Abuse Claimant”** means a Holder of an Abuse Claim.

15 1.1.4. **“Abuse Claims Reviewer”** means the person identified in the Survivors’
16 Trust Documents to review all Abuse Claims and allocate to each Abuse Claim a percentage of
17 the Survivors’ Trust recovery pool based on numerical scaling factors (but not based on alleged
18 dollar value of the Claim), except for those Abuse Claims held by Abuse Claimants who have
19 elected to receive an Immediate Payment, in accordance with the procedures set forth in the
20 Survivors’ Trust Documents.

21 1.1.5. **“Abuse Insurance Policies”** means any insurance policy alleged in the
22 Coverage Action or in any Abuse Claim Litigation (as defined in Section 9.8.4 of the Plan) to
23 provide insurance coverage for any Abuse Claim.

24 1.1.6. **“Abuse Related Contribution Claim”** means any Person’s Claim against
25 any other Person for contribution, indemnity, equitable indemnity, subrogation, or equitable
26 subrogation, or reimbursement, or any other indirect or derivative recovery, arising because such
27 Person has paid or defended against any Abuse Claim including but not limited to a joint
28

1 tortfeasor or the like, but excluding any claim by an Insurer for contribution or similar relief.

2 1.1.7. “**Administrative Expense Claim**” means any right to payment constituting
3 a cost or expense of administration of the Chapter 11 Case under Sections 503(b) and 507(a)(1) of
4 the Bankruptcy Code, including, without limitation, any actual and necessary costs and expenses
5 of preserving the Estate of the Debtor, any actual and necessary costs and expenses of the
6 Debtor’s operations, and any indebtedness or obligations incurred or assumed by the Debtor in
7 connection with the conduct of its business, but not including Fee Claims, Cure Claims, or
8 U.S. Trustee Fees. Administrative Expense Claims are further described in in Section 3.1 below.

9 1.1.8. “**Administrative Expense Claims Bar Date**” means the date that is
10 45 days after the Effective Date.

11 1.1.9. “**Adventus**” means a California nonprofit public benefit corporation that is
12 one of the Contributing Non-Debtor Catholic Entities.

13 1.1.10. “**Affiliate**” shall have the meaning set forth in Section 101(2) of the
14 Bankruptcy Code.

15 1.1.11. “**Allowed**” means, with respect to any Claim, except as otherwise provided
16 herein: (a) a Claim that is evidenced by a Proof of Claim Filed by the applicable Claims Bar
17 Date, (b) a Claim for which a Proof of Claim is or shall not be required to be Filed under the Plan,
18 the Bankruptcy Code, or a Final Order of the Court, (c) a Claim that is listed in the Schedules as
19 not contingent, not unliquidated, and not disputed, and for which no Proof of Claim has been
20 timely Filed, ~~or~~ (d) a Claim Allowed pursuant to the Plan or a Final Order of the Court; provided,
21 however, that with respect to a Claim described in clauses (a), (b), and (c) above, such Claim
22 shall be considered Allowed only if no objection to its allowance has been made before the
23 Claims Objection Deadline or within such time fixed by the Plan, the Bankruptcy Code, the
24 Bankruptcy Rules, or the Court (except with respect to a Trust ~~Claims who elect~~ Claim whose
25 Holder elects the Litigation Option, in which case any such ~~Claims~~ Trust Claim shall only be
26 considered Allowed (i) following entry of a final judgment pursuant to a Final Order by a
27 non-bankruptcy court of competent jurisdiction as set forth in the Plan), ~~or within such time fixed~~
28

1 ~~by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Court.~~ (ii) upon the effective date
2 of any Insurance Settlement Agreement covering such Trust Claim for purposes of such
3 settlement only, or (iii) upon the effective date of any settlement agreement between the Holder of
4 such Trust Claim and one or more Non-Settling Insurers pursuant to or following which
5 settlement such Holder reverts from the Litigation Option to the Distribution Option for purposes
6 of the Distribution Option only).

7 1.1.12. **“Assigned Insurance Interests”** means all rights, claims, interests,
8 benefits, responsibilities and obligations of the Debtor in the Non-Settling Insurer Policies,
9 subject to the terms hereof including without limitation Articles VIII and IX of the Plan and the
10 provisions of the Plan concerning the Litigation Option.

11 1.1.13. **“Assumed Employee Benefit Plans”** means any written contracts,
12 agreements, policies, programs, and plans (including any related trust or other funding vehicle)
13 governing any obligations relating to compensation, reimbursement, indemnity, health care
14 benefits, disability benefits, deferred compensation benefits, travel benefits, vacation and sick
15 leave benefits, paid time off, savings, severance benefits, retirement benefits, welfare benefits,
16 relocation programs, life insurance, and accidental death and dismemberment insurance,
17 including written contracts, agreements, policies, programs, and plans for bonuses and other
18 incentives or compensation for the current and former officers, employees, and priests, as
19 applicable, of the Debtor, but excluding the Priest Long-Term Care Plan and the SERP.

20 1.1.14. **“Assumption Objection”** means an objection to assumption or cure of an
21 Executory Contract, as described in Section [7.2.1], below.

22 1.1.15. **“Avoidance Actions”** means any and all rights to recover or avoid
23 transfers or Liens under Chapter 5 of the Bankruptcy Code or otherwise, including
24 Sections 506(d), 541, 542, 543, 544, 545, 547, 548, 549, 550, or 553 of the Bankruptcy Code, or
25 otherwise under the Bankruptcy Code or under similar or related state or federal statutes and
26 common law, including all preference, fraudulent conveyance, fraudulent transfer, and/or other
27 similar avoidance claims, rights, and causes of action, whether or not litigation has been
28

1 commenced as of the Effective Date to prosecute such Avoidance Actions; subject, however, to
2 any releases thereof provided in this Plan, the Confirmation Order, or any other Final Order of the
3 Bankruptcy Court.

4 1.1.16. “**Ballot**” means any form of ballot approved by the Bankruptcy Court for
5 each Class of Claims entitled to vote on the Plan, as sent to all creditors entitled to vote on the
6 Plan, whereby such creditors may indicate their vote to accept or reject the Plan.

7 1.1.17. “**Bankruptcy Court**” means the United States Bankruptcy Court for the
8 Northern District of California, Oakland Division, having jurisdiction over the Chapter 11 Case.

9 1.1.18. “**Bar Date Order**” means the *Order Establishing Deadlines for Filing*
10 *Proofs of Claim and Approving the Form and Manner of Notice Thereof* [Docket No. 293],
11 entered by the Bankruptcy Court on July 25, 2023, and as may be expressly amended from time to
12 time.

13 1.1.19. “**Business Day**” means any day other than a Saturday, Sunday, or any
14 “legal holiday” as defined in Bankruptcy Rule 9006(a).

15 1.1.20. “**Cash**” means the legal tender of the United States of America, or its
16 equivalent.

17 1.1.21. “**Cathedral Property**” means the parcel of real estate described on
18 Schedule 1.1.21, the parcel owned as of the Petition Date by CCCEB.

19 1.1.22. “**Cause of Action**” means any action, claim, cause of action, controversy,
20 demand, right, action, lien, indemnity, guaranty, suit, obligation, liability, damage, judgment,
21 account, defense, offset, power, privilege, license, and franchise of any kind or character
22 whatsoever, whether known, unknown, contingent or non-contingent, matured or unmatured,
23 suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or
24 unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition
25 Date, in contract or in tort, in law, or in equity or pursuant to any other theory of law. For the
26 avoidance of doubt, “Cause of Action” includes: (a) any right of setoff, counterclaim, or
27 recoupment and any claim for breach of contract or for breach of duties imposed by law or in
28

1 equity; (b) the right to object to Claims; (c) any Claim pursuant to Section 362 or Chapter 5 of the
2 Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress, and any other
3 defenses set forth in Section 558 of the Bankruptcy Code; (e) any state or foreign law fraudulent
4 transfer or similar claim; (f) any cause of action asserted by the Debtor in the Coverage Action;
5 and (g) any cause of action described on the Debtor's Schedules or Statements of Financial
6 Affairs.

7 1.1.23. "**CCCEB Note**" means that certain Promissory Note dated as of April 16,
8 2009, payable by CCCEB to the Debtor, as amended, modified, or restated including by that
9 certain Amendment #1 to Promissory Note dated as of January 1, 2014, by and between the
10 Debtor and CCCEB, and that certain Amendment #1 to Promissory Note dated as of February 1,
11 2017, by and between the Debtor and CCCEB.

12 1.1.24. "**CCCEB Settlement**" means the transaction described in Section 12.3 of
13 the Plan, as set forth in the CCCEB Settlement Documents.

14 1.1.25. "**CCCEB Settlement Documents**" means all documents necessary to
15 effectuate the CCCEB Settlement as of the Effective Date.

16 1.1.26. "**Channeled Claim**" means any Abuse Claim and/or any Claim, excluding
17 Opt-Out Abuse Claims, against a Released Party or any Settling Insurer arising from, in
18 connection with, or related to an Abuse Claim, or any of the Abuse Insurance Policies issued by
19 any Settling Insurers, including Abuse Related Contribution Claims, but not including (a) an
20 Abuse Claim against any Person who personally committed an act or acts of Abuse resulting in a
21 Claim against the Debtor or Contributing Non-Debtor Catholic Entity; or (b) any Claim
22 (including any Abuse Claim) held by a Non-Settling Insurer against any Released Party other than
23 the Debtor or the Reorganized Debtor.

24 1.1.27. "**Channeling Injunction**" means the injunction imposed pursuant to
25 Section 13.12 of this Plan and the Confirmation Order.

26 1.1.28. "**Churches**" means the individual Catholic churches within the Diocese of
27 Oakland, each of which is part of the corporation sole that is the Debtor, and each of which is
28

1 listed on Schedule 1.1.28 attached hereto.

2 1.1.29. “**Claim**” shall have the meaning set forth in Section 101(5) of the
3 Bankruptcy Code.

4 1.1.30. “**Claims Bar Date**” means, including without limitation for Claims arising
5 under Section 503(b)(9) of the Bankruptcy Code, and in accordance with the terms of the Bar
6 Date Order, (i) for all Claims other than Claims of Governmental Units, September 11, 2023, at
7 5:00 p.m. Pacific Time, and (ii) for Claims of Governmental Units, November 6, 2023, at
8 5:00 p.m. Pacific Time.

9 1.1.31. “**Claims Objection Deadline**” means, except as to Non-Settling Insurers,
10 the deadline for objecting to a Claim, which shall be on the date that is the later of: (a) 12 months
11 after the Effective Date, and (b) such other period of limitation as may be specifically fixed by the
12 Debtor or the Reorganized Debtor, as applicable, or by an order of the Court for objecting to such
13 Claims. For the avoidance of doubt, the Claims Objection Deadline shall not apply to
14 Non-Settling Insurers who agree to defend against any Abuse Claim Holder who elects the
15 Litigation Option as set forth in Section 5.2.2 and Articles VIII and IX hereof.

16 1.1.32. “**Claims Register**” means the official register of Claims maintained by the
17 Debtor or Reorganized Debtor, as applicable.

18 1.1.33. “**Class**” means a category of Holders of Claims as set forth in Section 2.3
19 of this Plan, under Section 1122(a) of the Bankruptcy Code.

20 1.1.34. “**Committee**” means the Official Committee of Unsecured Creditors
21 appointed in the Chapter 11 Case on May 23, 2023.

22 1.1.35. “**Confirmation**” means the entry of the Confirmation Order on the docket
23 of the Chapter 11 Case.

24 1.1.36. “**Confirmation Order**” means a Final Order of the Bankruptcy Court
25 confirming the Plan under Section 1129 of the Bankruptcy Code.

26 1.1.37. “**Contributing Non-Debtor Catholic Entity**” means a Non-Debtor
27 Catholic Entity that contributes assets to the Survivors’ Trust on or after the Effective Date
28

1 pursuant to Section 9.3 of the Plan.

2 1.1.38. “**Coverage Action**” means the proceeding captioned *In re: The Roman*
3 *Catholic Bishop of Oakland Insurance Adversary Proceeding Litigation*, Case
4 Nos. 3:24-cv-00709-JSC & 3:24-cv-00711-JSC (N.D. Cal.) and all adversary proceedings
5 consolidated thereunder.

6 1.1.39. “**Coverage Claims**” means all Claims against a Non-Settling Insurer under
7 or relating to the policies issued by such Non-Settling Insurer.

8 1.1.40. “**Creditor**” shall have the meaning set forth in Section 101(10) of the
9 Bankruptcy Code.

10 1.1.41. “**Cure Amount**” means all amounts, including an amount of \$0.00,
11 required to cure any monetary default under any Executory Contract or Unexpired Lease (or any
12 lesser amount agreed to by the counterparty to an Executory Contract or Unexpired Lease of the
13 Debtor) to be assumed by the Debtor under Sections 365 or 1123 of the Bankruptcy Code.

14 1.1.42. “**Cure Claim**” means a monetary Claim arising out of the Debtor’s
15 default(s) under any Executory Contract or Unexpired Lease at the time such contract or lease is
16 assumed by the Debtor pursuant to Section 365 of the Bankruptcy Code.

17 1.1.43. “**Debtor**” shall have the meaning set forth in the Introduction hereof.

18 1.1.44. “**Disallowed**” means, with respect to any Claim, a Claim or any portion
19 thereof that: (a) has been disallowed by a Final Order, (b) is listed on the Schedules as having a
20 value of zero dollars or as contingent, disputed, or unliquidated and as to which no Proof of
21 Claim or request for payment of an Administrative Expense Claim was timely filed or deemed
22 timely filed pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or
23 otherwise deemed timely filed under applicable law or this Plan, (c) is not listed on the Schedules
24 and as to which no Proof of Claim or request for payment of an Administrative Expense Claim
25 was timely filed or deemed timely filed with the Bankruptcy Court pursuant to either the
26 Bankruptcy Code or any Final Order of the Court or otherwise deemed timely filed under
27 applicable law or this Plan, (d) has been withdrawn by agreement of the Debtor and the Holder
28

1 thereof, or (e) has been withdrawn by the Holder thereof. Any Claim or portion of a Claim not
2 Disallowed shall be either Allowed or Disputed as provided in the Plan.

3 1.1.45. “**Disclosure Statement**” means the *Amended Disclosure Statement for*
4 *Debtor’s Amended Plan of Reorganization* (as amended, supplemented, or modified from time to
5 time) filed in the Chapter 11 Case, including all exhibits and schedules thereto and references
6 therein that relate to the Plan, and that is prepared and distributed in accordance with the
7 Bankruptcy Code, the Bankruptcy Rules, and any other applicable law.

8 1.1.46. “**Disputed**” means, with reference to any Claim: (i) a Claim as to which
9 an objection has been filed and which objection has not either been withdrawn, determined by a
10 Final Order, or otherwise finally resolved pursuant to the Plan; or (ii) a Claim specifically stated
11 herein to be Disputed.

12 1.1.47. “**District Court**” means the United States District Court for the Northern
13 District of California, Oakland Division, having jurisdiction over the Coverage Action.

14 1.1.48. “**Effective Date**” means the date of the first Business Day after
15 Confirmation of the Plan on which all conditions precedent to the effectiveness of the Plan have
16 either been (a) satisfied or (b) waived pursuant to Sections 10.2 and 10.3 of the Plan, respectively.

17 1.1.49. “**Entity**” shall have the meaning set forth in Section 101(15) of the
18 Bankruptcy Code.

19 1.1.50. “**Estate**” means the estate created for the Debtor in this Chapter 11 Case
20 under Section 541 of the Bankruptcy Code.

21 1.1.51. “**Exculpated Parties**” means each of the following in their capacity as
22 such, to the extent permitted under applicable Ninth Circuit law, including without limitation
23 *Blixseth v. Credit Suisse*, 961 F.3d 1074 (9th Cir. 2020): (a) the Exit Facility Lender, (b) the
24 Debtor, including the Churches, (c) the Reorganized Debtor, including the Churches, (d) the
25 Committee, (e) the Committee’s members, (f) each Contributing Non-Debtor Catholic Entity,
26 (g) the College of Consultors of the Diocese of Oakland and each of its members, (h) The
27 Diocese of Oakland Finance Council and each of its members, (i) the Presbyteral Council of the
28

1 Diocese of Oakland and each of its members, (j) the Meditators, (k) the Unknown Abuse Claims
2 Representative, and (l) for each of the foregoing, their respective officers, directors, agents,
3 employees, equity holders, attorneys, financial advisors, accountants, ~~representatives~~, and other
4 duly authorized employed Professionals in this Chapter 11 Case.

5 1.1.52. “**Exculpation**” means the treatment of an Exculpated Party under, or the
6 effect of, the Exculpation Clause.

7 1.1.53. “**Exculpation Clause**” means Section 13.6 of this Plan.

8 1.1.54. “**Executory Contract**” means a contract to which the Debtor is a party that
9 is subject to assumption or rejection under Sections 365 or 1123 of the Bankruptcy Code.

10 1.1.55. “**Executory Contract Cure Schedule**” means a schedule that may be, but
11 is not required to be, filed by the Debtor as part of the Plan Supplement, setting forth the amount
12 the Debtor asserts is required to be paid pursuant to Section 365(b)(1) of the Bankruptcy Code in
13 connection with the Debtor’s assumption of any Executory Contract.

14 1.1.56. “**Executory Contract Rejection Schedule**” means a schedule that may be,
15 but is not required to be, filed by the Debtor as part of the Plan Supplement, identifying any
16 Executory Contracts to be rejected by the Debtor as of the Effective Date of the Plan.

17 1.1.57. “**Exit Facility**” means the new senior secured lending facility that RCBO
18 will enter into on the Effective Date, the form of which shall be included in the Plan Supplement.

19 1.1.58. “**Exit Facility Documents**” means the documents evidencing the Exit
20 Facility.

21 1.1.59. “**Exit Facility Lender**” means the Roman Catholic Cemeteries of the
22 Diocese of Oakland (“**RCC**”), the Entity financing the Exit Facility.

23 1.1.60. “**Fee Claim**” means a Claim under Sections 328, 330, 331, 503, or 1103 of
24 the Bankruptcy Code for compensation of a Professional or other Entity for services provided to
25 the Debtor or Committee, or expenses incurred in the course of providing services to the Estate,
26 during the Chapter 11 Case.

27 1.1.61. “**File**,” “**Filed**,” or “**Filing**” means file, filed, or filing with the Bankruptcy
28

1 Court in the Chapter 11 Case or the Coverage Action.

2 1.1.62. “**Final Decree**” means the decree contemplated under Bankruptcy
3 Rule 3022.

4 1.1.63. “**Final Order**” means an order or judgment of the Bankruptcy Court (or
5 any other court) entered by the Bankruptcy Court (or any other court) on the docket in the
6 Chapter 11 Case (or the docket of such other court), which has not been reversed, stayed,
7 modified, amended, or vacated, and as to which: (a) the time to appeal, petition for *certiorari*, or
8 move for a new trial, stay, reargument, or rehearing has expired and as to which no appeal,
9 petition for *certiorari*, or motion for new trial, stay, reargument, or rehearing shall be pending, or
10 (b) if an appeal, writ of *certiorari*, new trial, stay, reargument, or rehearing thereof has been
11 sought, such order or judgment of the Bankruptcy Court (or other court) shall have been affirmed
12 by the highest court to which such order was appealed, or *certiorari* shall have been denied, or a
13 new trial, stay, reargument, or rehearing shall have been denied or resulted in no modification of
14 such order, and the time to take any further appeal, petition for *certiorari*, or move for a new trial,
15 stay, reargument, or rehearing shall have expired, as a result of which such order shall have
16 become final in accordance with Bankruptcy Rule 8002; provided, however, that the possibility
17 that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under
18 the Bankruptcy Rules, may be filed relating to such order shall not cause an order not to be a
19 Final Order.

20 1.1.64. “**Governmental Unit**” shall have the meaning set forth in Section 101(27)
21 of the Bankruptcy Code.

22 1.1.65. “**Holder**” means a Person or Entity with ownership or legal control of a
23 Claim, including without limitation an Abuse Claim.

24 1.1.66. “**Immediate Payment**” means a one-time distribution of \$50,000 paid to
25 the Holder of an Abuse Claim from the Survivors’ Trust, paid by the Survivors’ Trustee without
26 objection as set forth in the Plan and to the exclusion of such Holder’s (a) right to any further
27 distributions from the Survivors’ Trust and (b) right to pursue an Abuse Claim against any
28

1 Non-Settling Insurers or other parties.

2 1.1.67. “**Impaired**” means, with respect to a Class of Claims, a Class of Claims
3 that is not Unimpaired.

4 1.1.68. “**Insurance Assignment**” means the transaction described in Section 8.1
5 of the Plan, subject to the terms of the Plan, the Abuse Insurance Policies, and applicable law.

6 1.1.69. “**Insurance Recoveries**” means the rights to any proceeds of an Abuse
7 Insurance Policy, whether pursuant to the policy outright, an Insurance Settlement Agreement, or
8 a judgment, award, decree, or other court or administrative order.

9 1.1.70. “**Insurance Settlement Agreement**” means any settlement agreement
10 between (i) the Debtor and any Settling Insurer, if executed and approved by a final,
11 non-appealable order of the Bankruptcy Court before the Effective Date, or (ii) the Survivors’
12 Trust and any Settling Insurer, if executed after the Effective Date.

13 1.1.71. “**Insurers**” means the defendants in the Coverage Action. For the
14 avoidance of doubt, this term, whether or not qualified with “Settling” or “Non-Settling,” shall
15 include the California Insurance Guarantee Association.

16 1.1.72. “**Livermore Property**” means the real property owned by Adventus
17 having a street address of 3658 Las Colinas Road, Livermore, California, and bearing the legal
18 description set forth on Schedule 1.1.72 attached hereto.

19 1.1.73. “**Mediators**” means, individually and collectively: (i) the Honorable
20 Christopher Sontchi (Ret.), Sontchi, LLC; (ii) Jeffrey Krivis, Mediation Offices of Jeffrey Krivis;
21 (iii) Timothy Gallagher, The Gallagher Law Group; and (iv) the Honorable Randall J. Newsome
22 (Ret.), Randall Newsome ADR.

23 1.1.74. “**Non-Abuse Litigation Claims**” means Claims arising out of litigation
24 pending against the Debtor prior to the Petition Date asserting Causes of Action unrelated to
25 Abuse.

26 1.1.75. “**Non-Abuse Litigation Reserve**” means the Cash reserve to be
27 established by the Reorganized Debtor pursuant to Section 12.7.2 of the Plan to pay Non-Abuse
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Litigation Claims.

1.1.76. “**Non-Debtor Catholic Entity**” means any of the following: RCC, the Oakland Parochial Fund (“OPF”), Roman Catholic Welfare Corporation of Oakland (or any school it managed, manages, operated or operates) (“RCWC”), Lumen Christi Academies of the Roman Catholic Diocese of Oakland, The Catholic Cathedral Corporation of the East Bay (“CCCEB”), The Oakland Society for the Propagation of the Faith, Catholic Charities of the Diocese of Oakland, Inc. (d/b/a Catholic Charities of the East Bay), Catholic Church Support Services (d/b/a Catholic Management Services), Furrer Properties, Inc., Adventus, Catholic Foundation for the Diocese of Oakland, Christ the Light Cathedral Corporation, or any religious order.

1.1.77. “**Non-Settling Insurer**” means any defendant in the Coverage Action that is not a Settling Insurer.

1.1.78. “**Non-Settling Insurer Policy**” means any Abuse Insurance Policy issued by a Non-Settling Insurer.

1.1.79. “**OPF Claim**” means the Class 8 Claim of OPF.

1.1.80. “**Opt-Out Abuse Claim**” means any Abuse Claim against a Contributing Non-Debtor Catholic Entity for which the Holder of such Abuse Claim either (i) pursuant to Section 6.2 of the Plan, timely returned a Ballot in which the Holder affirmatively opted out of the releases provided by the Plan by checking the appropriate box on such Ballot or (ii) did not timely return a Ballot.

1.1.81. “**Person**” shall have the meaning set forth in Section 101(41) of the Bankruptcy Code.

1.1.82. “**Petition Date**” means May 8, 2023, the date on which the Chapter 11 Case commenced in the Bankruptcy Court.

1.1.83. “**Plan Documents**” means this Plan, the Plan Supplement, all appendices and exhibits to the forgoing, the CCCEB Settlement Documents, the Survivors’ Trust Documents, the Confirmation Order, and any other documents entered into pursuant to the Plan.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1.1.84. **“Plan Supplement”** means the compilation of documents and forms of documents, schedules, and exhibits to the Plan (as amended, supplemented, or modified from time to time in accordance with the terms hereof and the Bankruptcy Code and the Bankruptcy Rules), to be Filed no later than five (5) Business Days before the Voting Deadline, and additional documents or amendments to previously Filed documents, Filed before the Effective Date as amendments to the Plan Supplement, including without limitation the following: (a) the Exit Facility Documents, (b) the Schedule of Assumed Executory Contracts and Unexpired Leases, (c) the CCCEB Settlement Documents, (d) the form of the Survivors’ Trust Agreement, and (e) the form of the Survivors’ Trust Distribution Plan.

1.1.85. **“Post-Confirmation Notice List”** means the list of Persons or Entities to receive notice of matters after the Confirmation Date, specifically: (a) the Reorganized Debtor; (b) the Survivors’ Trustee; (c) the Office of the United States Trustee; (d) Persons against whom relief is sought; and (e) Persons who request notice of such matters through a written request that is filed with the Bankruptcy Court and served on the Debtor not earlier than the Confirmation Date.

1.1.86. **“Priest Long-Term Care Plan”** means the long-term care plan maintained by the Debtor for priests employed by the Debtor, Churches, and Non-Debtor Catholic Entities.

1.1.87. **“Priority Tax Claim”** means any Claim of a Governmental Unit under Section 507(a)(8) of the Bankruptcy Code.

1.1.88. **“Priority Unsecured Claim”** means any Claim against the Debtor that is entitled to priority in right of payment under Section 507(a) of the Bankruptcy Code, other than an Administrative Expense Claim or a Priority Tax Claim.

1.1.89. **“Professional”** means any Entity employed by the Debtor, the Committee, or the Estate in the Chapter 11 Case under Sections 327 or 1103 of the Bankruptcy Code, any of the Mediators, or any Person or Entity seeking compensation or reimbursement of expenses under Section 503(b)(4) of the Bankruptcy Code.

1.1.90. **“Proof of Claim”** means a Claim, along with any supporting

1 documentation, Filed against the Debtor in the Chapter 11 Case.

2 1.1.91. “**Rejection Claim**” means a Claim for rejection damages arising out of the
3 rejection of an Executory Contract or Unexpired Lease by the Debtor, whether the rejection
4 occurs through an order of the Bankruptcy Court approving a motion to reject an Executory
5 Contract or Unexpired Lease or through confirmation of this Plan or any other chapter 11 plan.

6 1.1.92. “**Rejection Claims Bar Date**” means, as to a particular Rejection Claim,
7 the date that is 60 calendar days following the entry of an order rejecting an Executory Contract
8 or Unexpired Lease, the rejection of which gave rise to the Rejection Claim.

9 1.1.93. “**Released Parties**” means collectively: (a) the Debtor, (b) the
10 Reorganized Debtor, (c) the Churches, none of whom are separately incorporated from the Debtor
11 and whose releases under the Plan shall be one and the same as, and not separate from or in
12 addition to, the releases of the Debtor and Reorganized Debtor, (d) the Contributing Non-Debtor
13 Catholic Entities, but each only as to the Abuse Claims for which it receives a Release under
14 Section 13.9 of the Plan, and (e) with respect to each of the foregoing Persons and Entities in
15 clauses (a) through (d), such Person and their, or such Entity and its, current and former directors,
16 managers, officers, employees, predecessors, successors, assigns, managed accounts or funds,
17 agents, advisory board members, financial advisors, partners, attorneys, accountants, investment
18 bankers, consultants, ~~representatives,~~ and other professionals; provided, however, this term
19 expressly excludes (i) any Person accused of committing a physical act of Abuse upon a Holder
20 of an Abuse Claim or their predecessor(s)-in-interest, (ii) any Non-Debtor Catholic Entity that is
21 not a Contributing Non-Debtor Catholic Entity, and (iii) any Catholic diocese or archdiocese
22 other than the Debtor or Reorganized Debtor.

23 1.1.94. “**Releases**” means the release of any Claim or Cause of Action in favor of
24 Released Parties as set forth in Section 13.9 of the Plan given by the persons or entities listed in
25 subparagraphs (a) through ~~(d)~~ of this section of the Plan (collectively, the “**Releasing Parties**”):
26 (a) the Released Parties; ~~(b) all Holders of Claims that vote to accept the Plan;~~ ~~(c)~~ all Holders of
27 Class 4 Abuse Claims or Class 5 Unknown Abuse Claims that timely return a Ballot but do not
28

1 affirmatively opt out of the releases provided by the Plan by checking the appropriate box on the
2 Ballot indicating that they opt not to grant the releases provided in the Plan; and (~~dc~~) with respect
3 to each of the foregoing Persons and Entities in clauses (a) ~~through~~and (eb), such Person and
4 their, or such Entity and its, current and former directors, managers, officers, employees, equity
5 holders (regardless of whether such interests are held directly or indirectly), interest holders,
6 predecessors, successors, and assigns, subsidiaries, affiliates, managed accounts or funds, and
7 each of their respective current and former equity holders, officers, directors, managers,
8 principals, shareholders, members, management companies, fund advisors, employees, agents,
9 advisory board members, financial advisors, partners, attorneys, accountants, investment bankers,
10 consultants, representatives, and other professionals. For the avoidance of doubt, (i) “Releasing
11 Parties” excludes Non-Settling Insurers and (ii) Non-Settling Insurers are not giving any Releases
12 to Released Parties under the Plan.

13 1.1.95. “**Reorganized Debtor**” means the Debtor upon the occurrence of the
14 Effective Date and thereafter.

15 1.1.96. “**Reserved Amount**” means, as to each Holder of a Trust Claim who elects
16 the Litigation Option pursuant to Section 9.8.4 hereof, the amount of Cash the Survivors’ Trustee
17 holds in reserve on account of such Holder’s Trust Claim pending the resolution of the Abuse
18 Claim Litigation commenced by such Holder.

19 1.1.97. “**Schedules**” means, to the extent required, the schedules of assets and
20 liabilities, schedules of Executory Contracts and Unexpired Leases, and statements of financial
21 affairs Filed by the Debtor under Section 521 of the Bankruptcy Code, as the same may have been
22 amended, modified, or supplemented from time to time.

23 1.1.98. “**Secured**” means, when referring to a Claim, a Claim: (a) secured by a
24 lien on property in which the Estate has an interest, which lien is valid, perfected, and enforceable
25 pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff
26 pursuant to Section 553 of the Bankruptcy Code, to the extent of the value of the Creditor’s
27 interest in an Estate’s interest in such property or to the extent of the amount subject to setoff, as
28

1 applicable, as determined pursuant to Section 506(a) of the Bankruptcy Code; or (b) otherwise
2 Allowed by the Plan as a Secured Claim.

3 1.1.99. **“SERP”** means the Diocese of Oakland Priests Supplemental Retirement
4 Plan.

5 1.1.100. **“Settling Insurer”** means any defendant in the Coverage Action
6 with whom (i) the Debtor has executed a settlement agreement as of the Effective Date, or (ii) the
7 Survivors’ Trust executes a settlement agreement after the Effective Date.

8 1.1.101. **“Survivors’ Trust”** means the trust created for the benefit of
9 Holders of Allowed Class 4 and Class 5 Claims (the **“Survivors’ Trust Beneficiaries”**) in
10 accordance with this Plan, the Confirmation Order, and the Survivors’ Trust Agreement.

11 1.1.102. **“Survivors’ Trust Advisory Committee”** means the Entity
12 created under Section 9.1.3 of the Plan.

13 1.1.103. **“Survivors’ Trust Agreement”** means the agreement establishing
14 the Survivors’ Trust in conformity with the provisions of the Plan approved in the Confirmation
15 Order and entered into by the Reorganized Debtor on behalf of the Survivors’ Trust Beneficiaries
16 and the Survivors’ Trustee on the Effective Date, pursuant to the terms of the Plan. A copy of the
17 form of the Survivors’ Trust Agreement shall be Filed with the Plan Supplement.

18 1.1.104. **“Survivors’ Trust Assets”** means collectively, whether contributed
19 on or after the Effective Date, and including all proceeds thereof, (i) the Debtor Cash
20 Contribution, (ii) all Non-Debtor Catholic Entity Contributions, (iii) the Livermore Property,
21 as-is, where-is, (iv) any proceeds of Insurance Settlement Agreements realized by the Debtor
22 (before the Effective Date) or the Survivors’ Trust (after the Effective Date), and (v) the Assigned
23 Insurance Interests.

24 1.1.105. **“Survivors’ Trust Distribution Plan”** means the plan and
25 guidelines for distributing liquid assets of the Survivors’ Trust to Holders of Abuse Claims and
26 Unknown Abuse Claims, the form of which shall be filed with the Plan Supplement.

27 1.1.106. **“Survivors’ Trust Documents”** means all documents necessary to
28

1 establish and administer the Survivors' Trust, including without limitation the Survivors' Trust
2 Agreement and the Survivors' Trust Distribution Plan.

3 1.1.107. **"Survivors' Trustee"** means the person appointed as trustee of the
4 Survivors' Trust in accordance with the terms of the Plan, the order confirming the Plan, and the
5 Survivors' Trust Documents, or any of their successors.

6 1.1.108. **"Tax Code"** means the Internal Revenue Code of 1986, as
7 amended.

8 1.1.109. **"Trust Claimant"** means the Holder of a Trust Claim.

9 1.1.110. **"Trust Claims"** means the Abuse Claims of Holders who have not
10 elected to receive an Immediate Payment, which Claims shall be reviewed and allocated a
11 percentage of the Survivors' Trust recovery pool based on numerical scaling factors (but not
12 based on alleged dollar value of the Claim) by the Abuse Claims Reviewer pursuant to the
13 procedures set forth in the Survivors' Trust Documents.

14 1.1.111. **"U.S. Trustee"** means the Office of the United States Trustee for
15 Region 17, which includes the Northern District of California.

16 1.1.112. **"U.S. Trustee Fees"** means quarterly fees owed to the U.S. Trustee
17 under 28 U.S.C. § 1930(a)(6).

18 1.1.113. **"Unexpired Lease"** means a lease of nonresidential real property to
19 which the Debtor is a party that is subject to assumption or rejection under Sections 365 or 1123
20 of the Bankruptcy Code.

21 1.1.114. **"Unimpaired"** means, with respect to a Class of Claims, a Claim
22 that is unimpaired within the meaning of Section 1124 of the Bankruptcy Code, including without
23 limitation through payment in full in Cash.

24 1.1.115. **"Unknown Abuse Claim"** means an Abuse Claim arising out of an
25 alleged act of sexual abuse that occurred on or before the Effective Date for which (a) no Proof of
26 Claim was Filed or deemed timely Filed on or before the Claims Bar Date, or (b) a Proof of
27 Claim was Filed after the Claims Bar Date or otherwise submitted to the Survivors' Trustee, if
28

1 such Abuse Claim was not untimely under California state law (*e.g.* not discovered or reasonably
2 discoverable before the Claims Bar Date, or subject to a new law re-opening the claims window).

3 1.1.116. “**Unknown Abuse Claims Representative**” means the Person or
4 Entity appointed by the Court to represent the interests of Holders of Unknown Abuse Claims,
5 including without limitation for actions to be taken on behalf of Holders of Unknown Abuse
6 Claims under this Plan.

7 1.1.117. “**Unknown Abuse Claims Reserve**” means the reserve established
8 on the Effective Date pursuant to the Survivors’ Trust Documents for the benefit of Holders of
9 Class 5 Claims.

10 1.1.118. “**Unsecured**” means a Claim, including without limitation an
11 Abuse Claim or Unknown Abuse Claim, that is not an Administrative Claim, Fee Claim, Priority
12 Claim, Priority Tax Claim, or Secured Claim.

13 1.1.119. “**Voting Deadline**” means the date that is fourteen (14) calendar
14 days before the hearing on Confirmation of the Plan.

15 **1.2. Construction of Terms**

16 1.2.1. The singular of any of the foregoing definitions includes the plural and vice
17 versa where the context so requires, “includes” and “including” are not limiting, “may not” is
18 prohibitive and not permissive, and “or” is not exclusive.

19 1.2.2. A term used in the Plan, whether or not capitalized, that is not defined in
20 the Plan but that is used in the Bankruptcy Code or the Bankruptcy Rules has the meaning
21 assigned to the term in the Bankruptcy Code or Bankruptcy Rules, as applicable.

22 1.2.3. The headings in the Plan are for convenience of reference only and shall
23 not limit or otherwise affect the provisions of the Plan.

24 **1.3. Appendices and Plan Documents.**

25 All Plan Documents and appendices to the Plan are incorporated into this Plan by
26 reference and are a part of this Plan as if set forth in full herein. The documents contained in the
27 exhibits and the Plan Supplement shall be approved by the Bankruptcy Court pursuant to the
28

1 Confirmation Order. Holders of Claims or their counsel may inspect a copy of the Plan
2 Documents, once filed, in the Office of the Clerk of the Bankruptcy Court during normal business
3 hours, or may obtain a copy of the Plan Documents by sending a written request to the following
4 email address: RCBOInfo@veritaglobal.com.

5 **ARTICLE II**
6 **SUMMARY OF CLASSIFICATION OF CLAIMS**

7 **2.1. Claims Provided For Herein.** Various types of Claims are defined or described in
8 this Plan. This Plan is intended to deal with all Claims against the Debtor or property of the
9 Debtor or the Debtor's Estate of whatever character, whether or not with recourse, contingent or
10 non-contingent, liquidated or unliquidated, and whether or not previously Allowed by the
11 Bankruptcy Court pursuant to Section 502 of the Bankruptcy Code, which arise in any manner or
12 from any event or circumstance arising before the Effective Date. However, only those Claims
13 Allowed pursuant to Section 502 of the Bankruptcy Code will receive any distribution under this
14 Plan. All Claims against the Debtor will be discharged without any distribution, recovery,
15 recourse, or residual interest or right to the extent not expressly included in any Class or
16 otherwise provided any treatment hereunder.

17 **2.2. Unclassified Claims.** All Claims except Administrative Expense Claims, Priority
18 Tax Claims, Fee Claims, U.S. Trustee Fee Claims, and Cure Claims (collectively, the
19 "Unclassified Claims") are placed in the Classes listed in this Article II. In accordance with
20 Section 1123(a)(1) of the Bankruptcy Code, the Unclassified Claims, as described in Article III of
21 this Plan, have not been classified and thus are excluded from the Classes summarized in
22 Section 2.3 and Article IV of the Plan.

23 **2.3. Claims Classification.** A Claim is classified in a particular Class only to the
24 extent that the Claim qualifies within the description of that Class and is classified in other
25 Classes to the extent that any remainder of the Claim qualifies within the description of such
26 other Classes. For purposes of this Plan, the Classes of Claims against the Debtor shall be as
27 follows:
28

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	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
Class 8	OPF Claim	Impaired	Eligible to vote

**ARTICLE III
TREATMENT OF UNCLASSIFIED CLAIMS: ADMINISTRATIVE CLAIMS,
PRIORITY TAX CLAIMS AND UNITED STATES TRUSTEE’S FEES**

The following Claims shall not be classified hereunder but shall be entitled to the treatment set forth in this Article.

3.1. Administrative Expense Claims

3.1.1 *Treatment of Administrative Expense Claims.* Except to the extent a Holder of an Allowed Administrative Expense Claim agrees to less favorable treatment with respect to such Allowed Administrative Expense Claim, each Holder of an Allowed Administrative Expense Claim shall receive, on account of and in full and complete settlement, release and discharge of, and in exchange for, such Claim, payment of Cash in an amount equal to such Allowed Administrative Expense Claim on or as soon as reasonably practicable after the later of: (a) the Effective Date; (b) the first Business Day after the date that is thirty (30) calendar days after the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim; (c) such other date(s) as such Holder and the Debtor or the Reorganized Debtor

1 shall have agreed; or (d) such other date ordered by the Bankruptcy Court; provided, however,
2 Allowed Administrative Expense Claims arising in the ordinary course of the Debtor's operations
3 during the Chapter 11 Case may be paid by the Debtor or the Reorganized Debtor (as applicable)
4 in the ordinary course of business and in accordance with the terms and conditions of the
5 particular agreements governing such obligations, course of dealing, course of operations, or
6 customary practice.

7 3.1.2 *Administrative Expense Claims Bar Date.* Except as provided for herein
8 or in any order of the Bankruptcy Court, and subject to Section 503(b)(1)(D) of the Bankruptcy
9 Code, Holders of Administrative Expense Claims, other than a Fee Claim or a Claim for
10 U.S. Trustee Fees, accruing on or before the Confirmation Date must file and serve on the Debtor
11 requests for the payment of such Claims not previously Allowed by a Final Order in accordance
12 with the procedures specified in the Confirmation Order, on or before the Administrative Expense
13 Claims Bar Date, or such Claims shall be automatically Disallowed, forever barred from
14 assertion, and unenforceable against the Debtor or the Reorganized Debtor, the Estate, or their
15 property without the need for any objection or further notice to, or action, order, or approval of
16 the Bankruptcy Court, and any such Claims shall be deemed fully satisfied, released, and
17 discharged. Administrative Expense Claims representing obligations incurred by the Debtor or
18 Reorganized Debtor (as applicable) after the date and time of the entry of the Confirmation Order
19 shall not be subject to application to the Bankruptcy Court and may be paid by the Debtor or
20 Reorganized Debtor (as applicable) in the ordinary course of business and without Bankruptcy
21 Court approval.

22 **3.2. *Priority Tax Claims.*** The legal and equitable rights of Holders of Priority Tax
23 Claims are Unimpaired under the Plan. Except to the extent a Holder of an Allowed Priority Tax
24 Claim agrees to less favorable treatment, each Holder of an Allowed Priority Tax Claim shall
25 receive on account of and in full and complete settlement, release and discharge of, and in
26 exchange for, such Allowed Priority Tax Claim, Cash in an amount equal to such Allowed
27 Priority Tax Claim on, or as soon thereafter as is reasonably practicable, the later of: (a) the
28

1 Effective Date, to the extent such Claim is an Allowed Priority Tax Claim on the Effective Date;
2 (b) the first Business Day after the date that is thirty (30) days after the date such Priority Tax
3 Claim becomes an Allowed Priority Tax Claim; and (c) the date such Allowed Priority Tax Claim
4 is due and payable in the ordinary course as such obligation becomes due; provided, however,
5 that the Debtor and Reorganized Debtor each reserves the right to prepay all or a portion of any
6 such amounts at any time under this option without penalty or premium.

7 **3.3. Fee Claims.** All Professionals or other Entities requesting the final allowance and
8 payment of a Fee Claim for services rendered during the period from the Petition Date to and
9 including the Effective Date shall File final applications for allowance and payment of such Fee
10 Claims no later than the first Business Day that is forty-five (45) days after the Effective Date.
11 Objections to any Fee Claim must be Filed and served on the Reorganized Debtor and the
12 applicable Professional no later than the first Business Day that is 30 days after the Filing of the
13 final fee application that relates to the Fee Claim (unless otherwise agreed by the Debtor or the
14 Reorganized Debtor, as applicable, and the Professional requesting allowance and payment of a
15 Fee Claim). An Allowed Fee Claim, including any amounts previously held back by Order of the
16 Bankruptcy Court, shall be paid in full, in Cash, in such amounts as are Allowed by the
17 Bankruptcy Court no later than the first Business Day that is twenty-one (21) calendar days after
18 the entry of a Final Order Allowing the Fee Claim. The Reorganized Debtor is authorized to pay
19 compensation for services rendered or reimbursement of expenses incurred by its Professionals
20 after the Effective Date in the ordinary course and without the need for Bankruptcy Court
21 approval. Unless otherwise directed by the Bankruptcy Court, all Professionals filing final fee
22 applications shall comply with the *Order Appointing Fee Examiner and Establishing Procedures*
23 *for Review of Interim and Final Fee Applications Filed by Estate Professionals* [Docket
24 No. 1122] entered in the Chapter 11 Case, including any subsequent amendments.

25 **3.4. Cure Claims.** Cure Claims shall be paid in full in accordance with, and at such
26 times as are set forth in, Section 7.2 of the Plan.
27
28

1 **3.5. United States Trustee Fees.** To the extent any U.S. Trustee Fees have become
2 due before the Effective Date and have not previously been paid, then such fees shall be paid
3 pursuant to 11 U.S.C. § 1129(a)(12) and 28 U.S.C. § 1930. Any U.S. Trustee Fees relating to the
4 period from and after the Effective Date shall be paid as provided in Section [12.8.4] of the Plan.

5
6 **ARTICLE IV**
7 **TREATMENT OF CLASSIFIED CLAIMS**

8 **4.1. Class 1 – Secured Claim of RCC**

9 4.1.1 *Description.* Class 1 shall consist of the Allowed Secured Claim of
10 RCC.

11 4.1.2 *Treatment.* Except to the extent RCC agrees to less favorable treatment
12 of its Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange
13 for its Allowed Secured Claim, RCC shall receive reinstatement under Section 1124 of the
14 Bankruptcy Code.

15 4.1.3 *Impairment and Voting.* Class 1 is Unimpaired under the Plan. Each
16 Holder of a Class 1 Claim is conclusively presumed to have accepted the Plan under
17 Section 1126(f) of the Bankruptcy Code and is not entitled to vote on the Plan.

18 **4.2. Class 2 – Priority Unsecured Claims**

19 4.2.1 *Description.* Class 2 shall consist of all Allowed Priority Unsecured
20 Claims, other than non-classified claims set forth in Article III.

21 4.2.2 *Treatment.* Except to the extent a Holder of an Allowed Priority
22 Unsecured Claim agrees to less favorable treatment of such Claim, in full and final satisfaction,
23 settlement, release, and discharge of and in exchange for such Allowed Priority Unsecured Claim,
24 each such Holder shall receive payment in Cash in an amount equal to such Allowed Priority
25 Unsecured Claim, payable on or as soon as reasonably practicable after the later of (a) the
26 Effective Date, (b) the date when such Priority Unsecured Claim becomes an Allowed Priority
27 Unsecured Claim, or (c) the date on which the Holder of such Priority Unsecured Claim and the
28 Debtor or Reorganized Debtor, as applicable, shall otherwise agree in writing.

1 4.2.3 *Impairment and Voting.* Class 2 is Unimpaired under the Plan. Each
2 Holder of a Class 2 Claim is conclusively presumed to have accepted the Plan under
3 Section 1126(f) of the Bankruptcy Code and is not entitled to vote on the Plan.

4 **4.3. Class 3 – General Unsecured Claims**

5 4.3.1 *Description.* Class 3 shall consist of all Allowed General Unsecured
6 Claims. Class 3 does not include Abuse Claims.

7 4.3.2 *Treatment.* Except to the extent a Holder of an Allowed General
8 Unsecured Claim (including an Allowed Rejection Claim) agrees to less favorable treatment, in
9 full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed
10 General Unsecured Claim, each such Holder shall receive payment in Cash from the general
11 operating revenues of the Reorganized Debtor in an amount equal to such Allowed General
12 Unsecured Claim, payable no later than the later of (a) the date that is one year after the Effective
13 Date, (b) the date that is twenty-one (21) days after the date when such General Unsecured Claim
14 becomes an Allowed General Unsecured Claim, or (c) the date on which the Holder of such
15 General Unsecured Claim and the Reorganized Debtor shall otherwise agree in writing.

16 4.3.3 *Impairment and Voting.* Class 3 is Impaired under the Plan. Each
17 Holder of a Class 3 Claim is entitled to vote to accept or reject the Plan.

18 **4.4. Class 4 – Abuse Claims**

19 4.4.1 *Description.* Class 4 shall consist of all Allowed Abuse Claims, other
20 than Unknown Abuse Claims.

21 4.4.2 *Treatment.* This Plan creates the Survivors’ Trust to fund payments to
22 Holders of Allowed Abuse Claims entitled to such payments under the Plan and the Survivors’
23 Trust Documents. Except to the extent a Holder of an Allowed Abuse Claim agrees to less
24 favorable treatment of such Claim, in full and final satisfaction, settlement, release, and discharge
25 of and in exchange for such Allowed Abuse Claim, each such Holder shall receive their allocable
26 share of the Survivors’ Trust Assets at the time and in the manner set forth in Articles VIII and IX
27 hereof and the Survivors’ Trust Documents. It is intended that any payment on an Allowed
28

1 Abuse Claim will constitute payment for damages on account of personal physical injuries or
2 sickness arising from an occurrence, within the meaning of Section 104(a)(2) of the Tax Code.

3 4.4.3 *Impairment and Voting.* Class 4 Claims are Impaired under the Plan.

4 Each Holder of a Class 4 Claim is entitled to vote to accept or reject the Plan.

5 **4.5. Class 5 – Unknown Abuse Claims**

6 4.5.1 *Description.* Class 5 shall consist of all Allowed Unknown Abuse
7 Claims.

8 4.5.2 *Treatment.* The Unknown Abuse Claims Reserve shall be established on
9 the Effective Date pursuant to the Survivors' Trust Documents. Except to the extent a Holder of
10 an Allowed Unknown Abuse Claim agrees to less favorable treatment of such Claim, in full and
11 final satisfaction, settlement, release, and discharge of and in exchange for such Allowed
12 Unknown Abuse Claim, each such Holder shall receive their allocable share of the Unknown
13 Abuse Claims Reserve at the time and in the manner set forth in Articles VIII and IX hereof and
14 the Survivors' Trust Documents. It is intended that any payment on an Allowed Unknown Abuse
15 Claim will constitute payment for damages on account of personal physical injuries or sickness
16 arising from an occurrence, within the meaning of Section 104(a)(2) of the Tax Code.

17 4.5.3 *Impairment and Voting.* Class 5 Claims are Impaired under the Plan.

18 The Unknown Abuse Claims Representative is entitled to vote to accept or reject the Plan on
19 behalf of all Holders of Class 5 Claims and shall submit a single Ballot on behalf of all such
20 Holders.

21 **4.6. Class 6 – Non-Abuse Litigation Claims**

22 4.6.1 *Description.* Class 6 shall consist of all Allowed Non-Abuse Litigation
23 Claims.

24 4.6.2 *Treatment.* This Plan creates the Non-Abuse Litigation Reserve to fund
25 payments to Holders of Allowed Non-Abuse Litigation Claims in accordance with Section 12.7
26 of the Plan. Except to the extent a Holder of an Allowed Non-Abuse Litigation Claim agrees to
27 less favorable treatment of such Claim, in full and final satisfaction, settlement, release, and
28

1 discharge of and in exchange for such Allowed Non-Abuse Litigation Claim, each such Holder
2 shall receive their allocable share of the Non-Abuse Litigation Reserve.

3 4.6.3 *Impairment and Voting.* Class 6 Claims are Impaired under the Plan.
4 Each Holder of a Class 6 Claim is entitled to vote to accept or reject the Plan.

5 **4.7. Class 7A – Abuse Related Contribution Claims Related to Class 4 Claims**

6 4.7.1 *Description.* Class 7A shall consist of all Abuse Related Contribution
7 Claims against the Debtor arising out of a Class 4 Claim.

8 4.7.2 *Treatment.* Any Holder of a Class 7A Claim who is also a Contributing
9 Non-Debtor Catholic Entity shall be deemed to have waived its Class 7A Claim against the
10 Debtor, Reorganized Debtor, the Estate, the Survivors’ Trust, and any Settling Insurer in
11 exchange for the Release and Exculpation provided by this Plan. Any Holder of a Class 7A
12 Claim who is not a Contributing Non-Debtor Catholic Entity shall have its Class 7A Claim
13 Disallowed.

14 4.7.3 *Impairment and Voting.* Class 7A Claims are Impaired under the Plan.
15 Holders of Class 7A Claims shall not receive a distribution under this Plan and are therefore
16 deemed to reject the Plan.

17 **4.8. Class 7B – Abuse Related Contribution Claims Related to Class 5 Claims**

18 4.8.1 *Description.* Class 7B shall consist of all Abuse Related Contribution
19 Claims against the Debtor arising out of a Class 5 Claim.

20 4.8.2 *Treatment.* Any Holder of a Class 7B Claim who is also a Contributing
21 Non-Debtor Catholic Entity shall be deemed to have waived its Class 7B Claim against the
22 Debtor, Reorganized Debtor, the Estate, the Survivors’ Trust, and any Settling Insurer in
23 exchange for the Release and Exculpation provided by this Plan. Any Holder of a Class 7B
24 Claim who is not a Contributing Non-Debtor Catholic Entity shall have its Class 7B Claim
25 Disallowed.

26 4.8.3 *Impairment and Voting.* Class 7B Claims are Impaired under the Plan.
27 Holders of Class 7B Claims shall not receive a distribution under this Plan and are therefore
28

1 deemed to reject the Plan.

2 **4.9. Class 8 – OPF Claim**

3 4.9.1 *Description.* Class 8 shall consist of the Allowed OPF Claim.

4 4.9.2 *Treatment.* Except to the extent OPF agrees to less favorable treatment,
5 in full and final satisfaction, settlement, release, and discharge of and in exchange for the
6 Allowed OPF Claim, the Reorganized Debtor shall pay the Allowed Class 8 Claim in full and in
7 Cash, without interest. Payment on the Allowed OPF Claim shall commence on or before the
8 date that is ten (10) years after the Effective Date. Payments shall be made on a schedule and on
9 such terms as may be agreed by the Reorganized Debtor and OPF; provided, however, the
10 Allowed OPF Claim shall be paid in full no later than the date that is thirty (30) years after the
11 Effective Date.

12 4.9.3 *Impairment and Voting.* Class 8 Claims are Impaired under the Plan.
13 Each Holder of a Class 8 Claim is entitled to vote to accept or reject the Plan.

14 **ARTICLE V**
15 **DISPUTED CLAIMS AND CLAIM DISTRIBUTIONS**

16 **5.1. Single Claim.** Except as otherwise provided by this Plan, a Person that holds
17 multiple Allowed Claims based on the same indebtedness or obligation shall be deemed to have
18 only one Allowed Claim against the Estate in an amount equal to the largest of all such similar
19 Claims for the purposes of voting and distribution under the Plan.

20 **5.2. Claims Objections.**

21 5.2.1 *Who May Object.* Subject to the terms of this Section 5.2, any party in
22 interest shall be entitled to object to Claims to the extent permitted under Section 502(a) of the
23 Bankruptcy Code, and the Holder of any Claim to which an objection is made is entitled to assert
24 their defenses to such objection.

25 5.2.2 *Objections to Abuse Claims.* All parties in interest reserve the right to
26 object, in the Bankruptcy Court, to Abuse Claims pursuant to Section 502(a) of the Bankruptcy
27 Code, and Holders of Abuse Claims may reserve their defenses to such objections. All parties in
28

1 interest, including without limitation the Non-Settling Insurers, reserve the right to object to any
2 Proofs of Claim based on any applicable defense arising under the Bankruptcy Code (including
3 untimeliness and any injunction barring late or unfiled claims); provided, however, (i) any
4 determination of the dollar amount of liability, and any defense based upon non-bankruptcy law,
5 shall be made in a court of competent jurisdiction as determined under applicable non-bankruptcy
6 law, and (ii) all determinations regarding coverage shall be made in ~~the District Court~~ a court of
7 competent jurisdiction or such other venue as the affected parties (including without limitation
8 any Non-Settling Insurer) may agree. The Non-Settling Insurers shall be entitled to defend
9 against any Abuse Claim in the non-bankruptcy court system based upon any of the objections
10 that could otherwise have been asserted in the Chapter 11 Case.

11 5.2.3 *Time for Objections.* The Reorganized Debtor and the Survivors' Trust
12 may File an objection to any Claim at any time through the closing of the Chapter 11 Case. For
13 all other parties in interest except with respect to Non-Settling Insurers as set forth in Section
14 1.1.30, an objection to a Claim must be Filed on or before the Claims Objection Deadline. As set
15 forth in Section 1.1.30, the Claims Objection Deadline does not apply to the Non-Settling Insurers
16 who agree to defend against any Abuse Claim Holder who elects the Litigation Option as set forth
17 in Section 5.2.2 and Articles VIII and IX hereof.

18 5.2.4 *Disputed Claim.* Upon the filing of an objection to a Claim, the Claim
19 shall be a Disputed Claim.

20 **5.3. *Treatment of Disputed Claims.*** Until such time as an unliquidated Claim,
21 contingent Claim, or unliquidated or contingent portion of a Claim becomes Allowed or is
22 Disallowed, such Claim will be treated as a Disputed Claim for all purposes related to Plan
23 distributions. No distribution shall be made on account of any Disputed Claim unless and until
24 all objections to such Disputed Claim have been settled or withdrawn or have been determined by
25 an order which has become a non-appealable order, and the Disputed Claim has become an
26 Allowed Claim. In the event that Disputed Claims in Class 2 or Class 3 are pending at the time
27 of a distribution under the Plan, the Reorganized Debtor shall maintain a reasonable reserve for
28

1 such Disputed Claims. No distribution of such reserved funds for a Disputed Claim shall be
2 made until such Disputed Claim has been resolved by order of the Court or compromise
3 consistent with the terms of the Plan and the Bankruptcy Code. Distributions for Disputed
4 Claims in Class 4 or Class 5 shall be as provided in the Survivors' Trust Distribution Plan and/or
5 other Survivors' Trust Documents.

6 **5.4. Late-Filed Claims.** Proofs of Claim ~~that~~[required to be submitted, but which](#) are
7 not ~~Filed~~[submitted](#), on or before ~~the~~[their](#) applicable Claims Bar Date, or [which are not](#) otherwise
8 deemed timely and/or Allowed by order of the Court, shall receive no distribution under this
9 Plan. [Such Claims](#) shall be deemed Disallowed Claims, and shall be expunged. The submission
10 of a Ballot shall not constitute an amendable informal Proof of Claim or an amendment to a
11 previously filed Proof of Claim or scheduled Claim. Any amendment to an otherwise timely filed
12 Proof of Claim must be Filed on or before the Confirmation Date, provided that the foregoing
13 shall not waive or modify the right of any party in interest to object to amendment of a Claim
14 before the Confirmation Date. [The Unknown Abuse Claims Representative need not submit or](#)
15 [File a Proof of Claim on behalf of Holders of Class 5 Claims as a prerequisite to vote on the Plan](#)
16 [or for any Class 5 Claims to be deemed Allowed. Holders of Class 5 Claims, if any, shall submit](#)
17 [their Claims in accordance with the procedure for submitting Unknown Abuse Claims under the](#)
18 [Trust Documents.](#)

19 **5.5. Claim Estimation.** To effectuate distributions pursuant to the Plan and avoid
20 undue delay in the administration of the Plan, the Reorganized Debtor or the Survivors' Trustee,
21 as applicable, shall have the right to seek an order of the Court pursuant to Section 502(c) of the
22 Bankruptcy Code as to any Disputed Claim, estimating or limiting: (i) the amount that must be
23 withheld from or reserved for distribution purposes on account of such Disputed Claim, (ii) the
24 amount of such Claim for allowance or disallowance purposes, or (iii) the amount of such Claim
25 for any other purpose permitted under the Bankruptcy Code. Whether any such Claim is subject
26 to estimation pursuant to Section 502(c) of the Bankruptcy Code, and the timing and procedures
27
28

1 for such estimation proceedings, if any, shall be determined by the Court pursuant to applicable
2 law.

3 **5.6. No Distribution to Disallowed Claims.** Notwithstanding any provision herein to
4 the contrary, no distribution shall be made on account of any Claim which (i) is not an Allowed
5 Claim in whole or in part, or (ii) has otherwise been deemed or determined to be a Disallowed
6 Claim.

7 **5.7. Timing of Distributions to Allowed Claims.**

8 5.7.1 *Next Business Day.* Whenever any distribution to be made pursuant to
9 the Plan would otherwise be due on a day other than a Business Day, such distribution shall be
10 due on the immediately succeeding Business Day.

11 5.7.2 *Timeliness.* Any distribution to be made by the Reorganized Debtor
12 pursuant to the Plan or agreements entered into pursuant to the Plan, or by the Survivors' Trust
13 pursuant to the Plan or Survivors' Trust Documents or agreements entered into pursuant to either,
14 shall be deemed to have been timely made if made within fifteen (15) days after the time therefor
15 specified in the Plan or such other agreements between the Holder of a Claim and the Debtor,
16 Reorganized Debtor, or Survivors' Trust, as applicable. No additional interest shall accrue or be
17 paid with respect to any distribution as a consequence of such distribution not having been made
18 on the date specified therefor herein. For the avoidance of doubt, this section does not modify the
19 terms of assumed Executory Contracts or Unexpired Leases of non-residential real property.

20 **5.8. Transfers of Claims.** As of the close of business on the Confirmation Date, there
21 shall be no further changes in the record Holders of Claims for purposes of distributions under the
22 Plan unless the Reorganized Debtor (as to all Claims other than Class 4 and Class 5 Claims) or
23 the Survivors' Trustee (as to Class 4 and Class 5 Claims) otherwise agree. Neither the
24 Reorganized Debtor nor the Survivors' Trustee shall have any obligation to recognize any
25 unapproved transfer of Claims occurring after the Confirmation Date.

26 **5.9. Prepayment.** Notwithstanding anything to the contrary herein or in the Plan
27 Documents, the Reorganized Debtor may prepay all or any portion of an Allowed Claim payable
28

1 by the Reorganized Debtor or a note issued by the Debtor or Reorganized Debtor in payment of
2 an Allowed Claim at any time without charge or penalty.

3 **5.10. Delivery of Distributions.** Distributions to Holders of Allowed Claims, other than
4 Class 4 or Class 5 Claims, will be sent to (i) the addresses set forth in any written notice of
5 address change delivered to the Debtor or the Reorganized Debtor after the date of any related
6 Proof of Claim; (ii) the address set forth on such Holder's Proof of Claim Filed with the Court;
7 (iii) the address set forth on the Schedules, if no Proof of Claim has been filed and no notice of
8 change of address has been received; or (iv) the last known address reflected in the Debtor's
9 books and records. Distributions to Abuse Claimants and Unknown Abuse Claimants from the
10 Survivors' Trust Assets will be made in accordance with the Survivors' Trust Documents.

11 **5.11. Unclaimed Distributions.** If a Holder of an Allowed Claim cannot be located
12 after reasonable effort, or otherwise fails to accept a distribution within ninety (90) days
13 following the date of such distribution, then the distribution to such Holder shall be canceled and
14 there shall be no further distributions required with respect to such Claim.

15 **5.12. No Interest.** Unless otherwise specifically provided for in the Plan, by applicable
16 law (including Section 506(b) of the Bankruptcy Code), or agreed to by the Debtor or the
17 Reorganized Debtor (as applicable): (i) interest shall not accrue or be paid on any Claim, and no
18 Holder of any Claim shall be entitled to interest accruing on and after the Petition Date on
19 account of any Claim; and (ii) without limiting the foregoing, interest shall not accrue on or be
20 paid on any Disputed Claim in respect of the period from the Effective Date to the date a final
21 distribution is made when and if such Disputed Claim becomes an Allowed Claim.

22 **5.13. Provisions Governing Unimpaired Claims.** Except as otherwise provided in the
23 Plan, nothing will affect the Debtor's or the Reorganized Debtor's rights and defenses with
24 respect to any Unimpaired Claims, including, but not limited to, all rights with respect to legal
25 and equitable defenses to, or setoffs or recoupments against, such Unimpaired Claims.

26 **5.14. Additional Terms Regarding Class 4 and Class 5 Claims.** Except as otherwise
27 provided herein, terms for resolution of and distribution in connection with Abuse Claims in
28

1 Class 4 or Class 5 shall be as provided in the Survivors' Trust Documents. For the avoidance of
2 doubt, (i) any such Holder of an Abuse Claim shall not recover in the aggregate from the
3 Survivors' Trust and any Non-Settling Insurer an amount greater than the amount of the judgment
4 issued by the applicable court of competent jurisdiction ~~in connection with~~ on the underlying
5 Abuse Claim. (ii) any such Holder of an Abuse Claim is not barred by this Section 5.14 from
6 seeking extracontractual damages under the holding of *Hand v. Farmers Ins. Exchange*, 23 Cal.
7 App.4th 1847 (1994) ("*Hand*"), and (iii) all defenses and the rights of any Non-Settling Insurer to
8 oppose any such claim by a Holder of an Abuse Claim under *Hand* are fully preserved, including
9 that *Hand* is not a correct statement of applicable law and that it would not apply to any such
10 asserted claim.

11 ARTICLE VI 12 VOTING ON THE PLAN

13 **6.1. Voting Classes.** Only Holders of Claims in Classes 3, 4, 5, 6, and 8 are Impaired
14 and entitled to vote to accept or reject the Plan. Class 1 and 2 Claims are Unimpaired, and the
15 Holders of such Claims are presumed to accept the Plan. Class 7A and 7B Claims are Impaired,
16 and Holders of such Claims are presumed to reject the Plan. A Class shall have accepted this
17 Plan if this Plan is accepted by at least two-thirds in the aggregate dollar amount, and more than
18 one-half in number of Holders, of the Allowed Claims of such Class that have voted to either
19 accept or reject the Plan.

20 **6.2. Option to Opt-Out of Releases.** The Ballot for each Holder of a Class 4 Claim and
21 the Unknown Abuse Claims Representative on behalf of all Holders of Class 5 Claims shall
22 include a section whereby such Holder may elect to opt out of the Releases provided under
23 Section 13.9 of this Plan. Any Holder of a Claim who returns a Ballot on or before the Voting
24 Deadline but does not affirmatively opt out of such Releases by checking the appropriate box on
25 such Holder's Ballot shall be deemed to have consented to and granted such Releases.

26 **6.3. Elimination of Vacant Classes.** Any Class of Claims that does not have a Holder
27 of an Allowed Claim or a Claim temporarily Allowed by the Bankruptcy Court for purposes of
28

1 voting as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for
2 purposes of voting to accept or reject the Plan and for purposes of determining acceptance or
3 rejection of the Plan by such Class pursuant to Section 1129(a)(8) of the Bankruptcy Code.

4 **6.4. Effect of Objections.** If an objection to a Claim is filed before the deadline
5 established for voting on the Plan, the Holder of such Claim cannot vote and any Ballot submitted
6 by such Holder shall not be counted unless the Court, after notice and hearing, either overrules
7 the objection or orders that the Claim be Allowed for voting purposes.

8 **ARTICLE VII**
9 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

10 **7.1. Prior Orders.** All orders of the Court entered in the Chapter 11 Case authorizing
11 the assumption or rejection of Executory Contracts or Unexpired Leases pursuant to Section 365
12 of the Bankruptcy Code are hereby ratified.

13 **7.2. Assumption of Contracts and Unexpired Leases.**

14 **7.2.1 Contracts to be Assumed.** The following Executory Contracts shall be
15 assumed as of the Effective Date, pursuant to Section 365 of the Bankruptcy Code, by
16 confirmation of this Plan. Entry of the Confirmation Order shall constitute approval, pursuant to
17 Sections 365(a) and 1123 of the Bankruptcy Code, for the assumption of each Executory Contract
18 assumed under this Section 7.2. Each Executory Contract assumed by the Debtor will re-vest in
19 and be fully enforceable by the Reorganized Debtor in accordance with its terms, except as such
20 terms are modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing
21 and providing for its assumption, or by applicable law.

22 **7.2.1.1 Employee Benefits:** On the Effective Date, all Assumed
23 Employee Benefit Plans are deemed to be, and shall be treated as, Executory Contracts
24 under this Plan, and shall be assumed as of the Effective Date. All outstanding payments
25 which are accrued and unpaid as of the Effective Date pursuant to the Assumed Employee
26 Benefit Plans shall be made by the Reorganized Debtor on the later of (i) the Effective
27 Date, (ii) as soon as practicable thereafter, or (iii) when otherwise due under the
28

1 applicable Assumed Employee Benefit Plan. Such assumption shall have the effect of
2 curing and reinstating the rights of the employee beneficiaries, and shall result in the full
3 release and satisfaction of any Claims and Causes of Action against the Debtor or defaults
4 by the Debtor arising under any Assumed Employee Benefit Plan at any time before the
5 Effective Date. Any Proofs of Claim filed with respect to an Assumed Employee Benefit
6 Plan shall be deemed Disallowed Claims and expunged, without further notice to or
7 action, order, or approval of the Bankruptcy Court.

8 7.2.1.2 *Assumption of Other Contracts:* Except for any Executory
9 Contract: (i) previously rejected by order of the Bankruptcy Court, (ii) subject to a
10 pending motion to reject before the Bankruptcy Court, (iii) previously expired or
11 terminated pursuant to its own terms, or (iv) treated otherwise under this Plan, each
12 Executory Contract entered into by the Debtor prior to the Petition Date shall be assumed,
13 unless and except as otherwise provided in the Plan, Confirmation Order, or Insurance
14 Settlement Agreement.

15 7.2.2 *Cure Amount and Payment.* As to each assumed Executory Contract,
16 unless an Assumption Objection is filed no later than the deadline set forth below, the cure
17 amount required under Section 365(b)(1) of the Bankruptcy Code shall be the amount set forth on
18 the Executory Contract Cure Schedule, as it may be amended from time to time prior to
19 Confirmation, or no payment if such Executory Contract is not listed on the Executory Contract
20 Cure Schedule (for the avoidance of doubt, unless a different amount is set forth on the Executory
21 Contract Cure Schedule, the Debtor contends that no cure payment is required). Such payment
22 shall be made by the Debtor in full in Cash on the later of the Effective Date or when any
23 Assumption Objection regarding the cure amount for the applicable Executory Contract is
24 resolved by the Bankruptcy Court, or on such other terms as the parties to each such Executory
25 Contract may otherwise agree.

26 7.2.3 *Objections to Assumption and Cure.* Any Person who is a party to an
27 Executory Contract assumed under the Plan must File with the Court and serve upon interested
28

1 parties an Assumption Objection. An Assumption Objection shall be accompanied by a
2 declaration or other sufficient evidence setting forth the basis for any objection to assumption of
3 that party's Executory Contract or Unexpired Lease, including without limitation as to the cure
4 amount, on or before the later of: (i) the deadline set for filing of objections to confirmation of
5 the Plan, or (ii) seven (7) days after the filing of the Executory Contract Cure Schedule (or any
6 amendment thereto affecting such executory contract). Any Entity that fails to timely file and
7 serve an Assumption Objection will be deemed to waive any and all objections to the proposed
8 assumption of its Executory Contract. A hearing on the Assumption Objections will take place at
9 the hearing on Confirmation, or as soon thereafter as the Court is available.

10 **7.3. Rejection of CCCEB Lease.** In connection with and contingent upon the
11 execution of the CCCEB Settlement, the Unexpired Lease between the Debtor and CCCEB in
12 effect as of the Petition Date, together with any other contracts or agreements between the Debtor
13 and CCCEB related to use or possession of the Cathedral Property, shall be rejected as of the
14 Effective Date.

15 **7.4. Rejection of Contracts.**

16 **7.4.1 Rejected Contracts.** Any Executory Contract or Unexpired Lease
17 specifically identified in the Executory Contract Rejection Schedule shall be rejected as of the
18 Effective Date. Entry of the Confirmation Order shall constitute the approval, pursuant to
19 Section 365(a) of the Bankruptcy Code, of the rejection of such Executory Contracts and
20 Unexpired Leases pursuant to the provisions of the Plan.

21 **7.4.2 Bar Date for Rejection Claims.** Any Claim arising out of the rejection of
22 an Executory Contract or Unexpired Lease shall be a Disallowed Claim and forever barred and
23 shall not be enforceable against the Debtor, the Reorganized Debtor, the Estate, or the Survivors'
24 Trust and shall not be entitled to any distribution under the Plan, unless a Proof of Claim for such
25 rejection Claim is filed and served on the Reorganized Debtor within twenty-one (21) days after
26 the later of (a) the entry of an order of the Court approving the rejection of the Executory Contract
27 or Unexpired Lease or (b) the Confirmation Date; provided that nothing contained in this Plan
28

1 shall extend any deadline previously approved by the Court for a Person to file a Proof of Claim
2 with respect to any Executory Contract or Unexpired Lease previously rejected in the Chapter 11
3 Case.

4 7.4.3 *Treatment of Rejection Claims.* Any Claim arising from the rejection of
5 an Executory Contract or Unexpired Lease shall be classified and treated as a Class 3 General
6 Unsecured Claim against the Debtor.

7 **ARTICLE VIII**
8 **INSURANCE ASSIGNMENT AND OTHER INSURANCE MATTERS**

9 **8.1. *The Insurance Assignment.*** Subject to the rights of the Non-Settling Insurers set
10 forth herein, including Sections 8.2 and 8.3 of this Plan, in addition to the Debtor Cash
11 Contribution and contributions from Contributing Non-Debtor Catholic Entities being paid to the
12 Survivors' Trust, the Assigned Insurance Interests shall be automatically and without further act
13 or deed assigned and transferred to the Survivors' Trust on the Effective Date (the "Insurance
14 Assignment") and the Insurance Assignment shall become effective. The Insurance Assignment
15 shall not be construed as an assignment of the Non-Settling Insurer Policies but rather an
16 assignment of the Debtor's rights and interests in the Non-Settling Insurer Policies for the
17 Holders of Abuse Claims to directly receive proceeds and remedies for Coverage Claims
18 available under the Non-Settling Insurers' Abuse Insurance Policies, notwithstanding any
19 anti-assignment provision in or incorporated into any such Abuse Insurance Policy. Upon the
20 assignment of the Assigned Insurance Interests to the Survivors' Trust, Holders of Abuse Claims,
21 and only such Holders, shall have the right to either receive a distribution of their individual
22 allocable shares of contributions to the Survivors' Trust ~~or to~~, pursue all available insurance
23 coverage and remedies for Coverage Claims under the Non-Settling Insurer Policies pursuant to,
24 and in accordance with, applicable law and the terms of the Non-Settling Insurer Policies, or both,
25 all as set forth in Article IX hereof. Upon the assignment of the Assigned Insurance Interests to
26 the Survivors' Trust, recourse to the Released Parties shall be limited to the Assigned Insurance
27
28

1 Interests and any other rights or interests expressly granted to the Survivors' Trust under this
2 Plan. In furtherance of the Insurance Assignment:

3 8.1.1. The Insurance Assignment is made free and clear of all Claims, liens,
4 encumbrances, or Causes of Action of any nature whatsoever pursuant to Section 363(f) of the
5 Bankruptcy Code, except for rights and defenses of the Non-Settling Insurers, including available
6 limits of liability for coverage of certain types of claims under one or more of the Abuse
7 Insurance Policies that may have been reduced by certain prepetition payments made by an
8 Insurer under any of the Abuse Insurance Policies.

9 8.1.2. The Survivors' Trust shall be solely responsible for satisfying, to the extent
10 required under applicable law or the Abuse Insurance Policies, any premiums, deductibles,
11 self-insured retentions, and fronting obligations arising in any way out of any and all Abuse
12 Claims.

13 8.1.3. Upon the effectiveness of the Insurance Assignment, the Survivors' Trust
14 shall have whatever obligations, if any, that exist under the Abuse Insurance Policies under
15 applicable law, including without limitation all notice obligations required under the Abuse
16 Insurance Policies and applicable law pertaining to Abuse Claims.

17 8.1.4. The Insurance Assignment is absolute upon entry of the Confirmation
18 Order, and conditioned upon the occurrence of the Effective Date, and requires no further action
19 by the Released Parties, the Survivors' Trust, the Bankruptcy Court, the Non-Settling Insurers, or
20 any other Entity.

21 8.1.5. The Insurance Assignment shall be governed by, and construed in
22 accordance with, the Bankruptcy Code and the laws of the state of California, without regard to
23 conflict of law principles.

24 8.1.6. Subject to the terms hereof, the Insurance Assignment shall be effective to
25 the maximum extent permissible under applicable law and the terms of the Abuse Insurance
26 Policies.

27 **8.2. Insurance Coverage for Abuse Claims.**
28

1
2
3
4
5
6
7
8
9
10
11
12
8.2.1. As set forth in Article IX of this Plan, Holders of Abuse Claims who do not elect to receive an Immediate Payment (~~defined below~~) may seek to have their claim satisfied by electing either (i) the Distribution Option (defined in Section 9.8.4 hereof), or (ii) for the purpose of recovering from one or more Non-Settling Insurers under their respective Insurance Policies, the Litigation Option (defined in Section 9.8.4 hereof). Absent agreement of the applicable Non-Settling Insurer(s), the Holder of an Abuse Claim may only litigate coverage of such Holder's Abuse Claim under the Non-Settling Insurer's Abuse Insurance Policy(ies) by electing the Litigation Option. Only the applicable Holder of an Abuse Claim may seek recovery for such Abuse Claim against a Non-Settling Insurer pursuant to an Abuse Insurance Policy issued by such Non-Settling Insurer and the Insurance Assignment to the Survivor's Trust is subject to the exclusive rights of such Holders.

13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
8.2.2. After Confirmation, any Holder of an Abuse Claim who elects [the Litigation Option, i.e.](#) to pursue ~~his or her Claims~~ [the Holder's Claim](#) in the non-bankruptcy court system against the Debtor~~;~~ as a nominal party only~~;~~ or (only to the extent permitted under applicable non-bankruptcy law) a Non-Settling Insurer, solely for the purpose of recovering from one or more Non-Settling Insurers under their respective Insurance Policies, shall be granted leave to pursue such Claim by filing in the Chapter 11 Case a written statement of intent to do so by electing the Litigation Option (which may be filed under a pseudonym if the claimant's name has not been previously publicly identified, *provided* that (i) the notice otherwise adequately identifies the relevant Claim including the case number for the pending litigation and (ii) the claimant or his or her counsel notifies the Non-Settling Insurers of the claimant's actual name). After the expiration of ninety (90) days following the filing of such written statement, such Holder of an Abuse Claim may continue to pursue such Claim in a separate action filed in a non-bankruptcy court of competent jurisdiction as determined by applicable law, solely to seek a recovery from Abuse Insurance Policies. Affected Non-Settling Insurers shall have the right (and the obligation, to the extent so provided under their respective Abuse Insurance Policy(ies)), to defend such Claim, consistent with the terms of their Abuse Insurance Policies and applicable

1 non-bankruptcy law. Such affected Non-Settling Insurers are also granted leave to defend against
2 Abuse Claims and take other actions authorized in their respective Abuse Insurance Policies in
3 response to Abuse Claims, including paying settlements to which the affected Non-Settling
4 Insurers agree or any judgments. The Debtor (including the estate and the Reorganized Debtor)
5 and the Survivors' Trust will cooperate in the defense of any such claim to the extent provided
6 under the applicable Abuse Insurance Policy or Policies and as requested by an affected
7 Non-Settling Insurer. Nothing in this Section 8.2.2 shall diminish or alter the rights of a Holder
8 of an Abuse Claim who elects the Litigation Option to receive a distribution from the Survivors'
9 Trust pursuant to Section 9.8.4 herein.

10 8.2.3. If the Holder of an Abuse Claim elects the Litigation Option then, among
11 other things, (1) the rights of affected Non-Settling Insurers to defend or associate in the defense
12 of such Abuse Claims shall be fully preserved so that a Non-Settling Insurer who has offered to,
13 or has an obligation to, defend may do so, and (2) the rights of affected Non-Settling Insurers to
14 assert all coverage defenses and issues in any insurance recovery action (under Cal. Ins. Code
15 § 11580 or otherwise) shall also be fully preserved. In any such insurance recovery action (under
16 Cal. Ins. Code § 11580 or otherwise), Holders of Abuse Claims shall have no greater or lesser
17 rights than the Debtor, including as to any findings of fact, conclusions of law, or rulings issued
18 in connection with the Coverage Action or any other coverage litigation between the Debtor or
19 the Survivors' Trust and any of the Insurers. To the extent any applicable Non-Settling Insurer
20 elects not to defend an Abuse Claim in the non-bankruptcy court system after receiving proper
21 notice and opportunity to do so, the Holder of an Abuse Claim shall be entitled to seek a default
22 judgment against the Debtor as nominal party only, solely to allow such Holder of an Abuse
23 Claim to then pursue insurance rights under Cal. Ins. Code § 11580 in accordance with the
24 provisions in the Plan.

25 8.2.4. If a Holder of an Abuse Claim elects the Litigation Option, liquidates its
26 Claim, and obtains a final judgment by a Final Order against a Non-Settling Insurer, such
27 Non-Settling Insurer shall pay the amount of the judgment directly to the Holder of such Claim in
28

1 accordance with, and subject to, the provisions of the Plan. The Holder of an Abuse Claim shall
2 have the exclusive right to liquidate such Holder's Abuse Claim under the Litigation Option and
3 pursue Coverage Claims against a Non-Settling Insurer.

4 **8.3. Preservation of the Rights of Non-Settling Insurers.**

5 8.3.1. With respect to Non-Settling Insurers, nothing in the Plan, the Plan
6 Documents, the Confirmation Order, or the Survivors' Trust Documents, including any provision
7 that purports to be preemptory or supervening, shall in any way operate to, or have the effect of,
8 impairing, altering, supplementing, changing, expanding, decreasing, or modifying (i) the terms
9 and conditions of any Abuse Insurance Policy, (ii) the rights and obligations of the Debtor (or its
10 Estate) and any Non-Settling Insurers (and third-party claims administrators) under any of the
11 Abuse Insurance Policies, or (iii) the coverage or benefits provided under the Abuse Insurance
12 Policies; provided, however, that because the Non-Settling Insurers would solely be potentially
13 financially responsible for payment of Abuse Claims (and the Debtor would have no such
14 potential financial responsibility), the provisions of Cal. Civil Code § 2860 entitling an insured to
15 appointment of independent counsel in certain circumstances shall not apply to any claims
16 pursued by Holders of Abuse Claims against the Debtor (as a nominal party only) or the
17 Survivors' Trust in the non-bankruptcy court system for the purpose of recovering from
18 Non-Settling Insurers.

19 8.3.2. With respect to the Non-Settling Insurers, notwithstanding any provision in
20 the Plan, the Plan Documents, the Confirmation Order, or the Survivors' Trust Documents,
21 nothing contained in any such documents or in this paragraph shall impose, or shall be deemed or
22 construed to impose, any obligation on any Non-Settling Insurer to provide a defense for, settle,
23 or pay any judgment with respect to, any Abuse Claim. Rather, a Non-Settling Insurer's
24 obligations, if any, with respect to an Abuse Claim shall be determined solely by and in
25 accordance with the applicable Abuse Insurance Policy or Abuse Insurance Policies issued by that
26 Non-Settling Insurer subject to applicable non-bankruptcy law. Nothing in the Plan, the Plan
27 Documents, the Confirmation Order, or the Survivors' Trust Documents shall diminish or impair,
28

1 or be deemed to diminish or impair, the rights of any Non-Settling Insurer to defend any Abuse
2 Claim or to assert any claim, defense, right, or counterclaim in connection with any Abuse Claim
3 or Abuse Insurance Policy in accordance with applicable law; provided, however, that any claim
4 or counterclaim for Contribution (as defined in Section 8.4 hereof) against a Settling Insurer shall
5 be addressed as provided herein.

6 8.3.3. For all issues relating to insurance coverage concerning Non-Settling
7 Insurers, the provisions, terms, conditions, and limitations of the applicable Abuse Insurance
8 Policies shall control, subject to applicable non-bankruptcy law.

9 8.3.4. A Non-Settling Insurer's obligation, if any, with respect to an Abuse Claim
10 shall be determined solely by and in accordance with the applicable Abuse Insurance Policy or
11 Abuse Insurance Policies issued by that Non-Settling Insurer subject to applicable
12 non-bankruptcy law. Liability with respect to any Abuse Claim for purposes of any recovery
13 against an Abuse Insurance Policy will be determined pursuant to applicable non-bankruptcy law.

14 8.3.5. With respect to the Non-Settling Insurers, for purposes of establishing the
15 value of any Abuse Claim for purposes of recovery from, or coverage under, any Abuse Insurance
16 Policy issued by a Non-Settling Insurer, no determination made in the Chapter 11 Case, nor any
17 determinations made by the Abuse Claims Reviewer or Survivors' Trustee concerning any Abuse
18 Claim at any time, shall be binding on or against a Non-Settling Insurer, nor shall any party
19 (including any Holder of an Abuse Claim against the Debtor) offer into evidence, or seek to admit
20 into evidence, any such alleged determination in any tort actions pursued by Holders of Abuse
21 Claims against the Debtor (as a nominal party only) or the Survivors' Trust in the non-bankruptcy
22 court system for the purpose of recovering from Non-Settling Insurers, except for the limited
23 purpose of establishing the amount of any credit to which Debtor (as a nominal party) may be
24 entitled to offset any verdict in favor of a holder of an Abuse Claim.

25 8.3.6. The determination of, qualification and estimation of Claims, and the
26 payment of Survivors' Trust distributions is not an admission of liability by the Debtor or
27 Reorganized Debtor (as applicable), any Non-Settling Insurer, the Survivors' Trust, or any other
28

1 Person with respect to any Abuse Claims and has no *res judicata* or collateral estoppel effect on
2 any Non-Settling Insurer, the Debtor, the Survivors' Trust, or any other Person, except that such
3 determination may be introduced for the limited purpose of establishing the amount of any credit
4 to which the Debtor (as a nominal party) or the Survivors' Trust may be entitled to offset any
5 verdict in favor of a Holder of an Abuse Claim.

6 8.3.7. Neither the Abuse Claims Reviewer's nor Survivors' Trustee's review of
7 an Abuse Claim and determination of qualification, nor anything in the Survivors' Trust
8 Documents (including any action or decision pursuant to the Survivors' Trust Documents,
9 including any estimation of Claims or payment of distributions), shall constitute a trial or an
10 adjudication on the merits, or evidence of liability or damages, in any litigation with the
11 Non-Settling Insurer or any other Person.

12 8.3.8. With respect to Non-Settling Insurers, nothing in the Plan, the Plan
13 Documents, the Confirmation Order, or the Survivors' Trust Documents shall, under any theory,
14 (a) constitute a trial, a judgment, an adjudication on the merits, or evidence establishing the
15 liability (in the aggregate or otherwise) or obligation of the Debtor or the Survivors' Trust with
16 respect to any Abuse Claim, (b) constitute a trial, a judgment, an adjudication on the merits, or
17 evidence (or be introduced as evidence) establishing the liability of any Non-Settling Insurer in
18 current or subsequent litigation for any Claim, including, without limitation, any Abuse Claim, or
19 under any Abuse Insurance Policy, (c) constitute, or be deemed to constitute (or be introduced to
20 support) a determination of the reasonableness of the amount of any Claim, including any Abuse
21 Claim, either individually or in the aggregate with other Claims, (d) be deemed to grant to any
22 Person or Entity any right to sue any Non-Settling Insurer directly, in connection with a Claim,
23 including any Abuse Claim, or any Abuse Insurance Policy, that such Person or Entity did not
24 otherwise have under applicable non-bankruptcy law, (e) constitute a finding or determination (or
25 be introduced to support a finding or determination) that the Debtor is a named insured, additional
26 insured, or insured in any other way under any Abuse Insurance Policy, (f) constitute a finding or
27 determination (or be introduced to support a finding or determination) that any Insurer in fact
28

1 issued any alleged Abuse Insurance Policy or that any alleged Abuse Insurance Policy has any
2 particular terms or conditions, (g) constitute a finding or determination (or be introduced to
3 support a finding or determination) that any Insurer has any defense or indemnity obligation with
4 respect to any Claim or Abuse Claim, or (h) constitute a finding or determination (or be
5 introduced to support a finding or determination) on any matter at issue or which may be raised as
6 an issue in any action, including the Coverage Action. In addition, no payment made in
7 accordance with the Plan shall be, or be deemed to be, a waiver of any rights of any Non-Settling
8 Insurer under any Abuse Insurance Policy.

9
10 8.3.9. Other than with respect to the effectiveness of the Insurance Assignment
11 contemplated by the Plan (if necessary) and the findings necessary to confirm the Plan under
12 Section 1129 of the Bankruptcy Code for such purpose only, no Non-Settling Insurer shall be
13 bound in any current or future litigation concerning an Abuse Claim or an Abuse Insurance Policy
14 by any factual findings or conclusions of law issued in connection with Confirmation of the Plan,
15 and no such findings of fact or conclusions of law shall have any *res judicata* or collateral
16 estoppel effect on any Claim, defense, right, offset, or counterclaim that has been asserted or that
17 may be asserted in any current or subsequent litigation concerning an Abuse Claim or an Abuse
18 Insurance Policy. Non-Settling Insurers shall retain, and be permitted to assert, (i) all of their
19 insurance coverage defenses subject to applicable non-bankruptcy law in connection with Abuse
20 Claims notwithstanding any provision of the Plan, the Plan Documents, or the Confirmation
21 Order, provided, however, no Non-Settling Insurer may assert the Insurance Assignment as a
22 defense to any Coverage Claim nor challenge the efficacy or validity of the Insurance
23 Assignment, and (ii) all of the Debtor's defenses to liability, both legal and equitable, in
24 connection with any asserted Abuse Claim, and the Non-Settling Insurers' rights to assert all such
25 underlying defenses and insurance coverage defenses in connection with Abuse Claims will not
26 be impaired in any way by the Plan, the Plan Documents, the Confirmation Order, or the
27 Survivors' Trust Documents, but shall be subject to applicable non-bankruptcy law.

28 8.3.10. Any disputes regarding a Non-Settling Insurer's liability for Abuse Claims

1 and/or coverage therefor under any Abuse Insurance Policy shall be resolved under applicable
2 non-bankruptcy law in ~~the District Court overseeing the Coverage Action~~ a court of competent
3 jurisdiction or such other venue as the affected parties (including the Non-Settling Insurer(s)) may
4 agree.

5 8.3.11. Nothing herein shall limit the ability of any Non-Settling Insurer to agree to
6 different terms or treatment of its Abuse Insurance Policies as part of a consensual settlement
7 with the Debtor, Survivors' Trust, and/or Holders of Abuse Claims.

8 8.3.12. Any Non-Settling Insurer's legal, equitable, or contractual rights and
9 obligations relating to the Abuse Insurance Policies issued by such Non-Settling Insurer shall be
10 determined under applicable non-bankruptcy law. Nothing in the Plan shall be construed to
11 impair or diminish the Debtor's or any Non-Settling Insurer's legal, equitable, or contractual
12 rights or obligations under any Abuse Insurance Policy including, but not limited to, the ability to
13 negotiate resolution of any dispute; provided, however, (a) that because Non-Settling Insurers
14 would solely be potentially financially responsible for payment of Abuse Claims (and the Debtor
15 would have no such potential financial responsibility), the provisions of Cal. Civil Code § 2860
16 entitling an insured to appointment of independent counsel in certain circumstances shall not
17 apply to any claims pursued by Holders of Abuse Claims against the Debtor (as a nominal party
18 only) in the non-bankruptcy court system for the purpose of recovering from Debtor (as a nominal
19 party) and (b) neither the Debtor (including the Estate and the Reorganized Debtor) nor the
20 Survivors' Trust shall have the right to (i) direct or interfere with a Non-Settling Insurer's defense
21 of a tort action asserting an Abuse Claim, or (ii) settle an Abuse Claim without the consent of all
22 affected Non-Settling Insurers; provided, however, that at the Reorganized Debtor's election and
23 at its sole expense, the Reorganized Debtor may appoint its own counsel ("Reorganized Debtor
24 Counsel") to represent the Bishop in the defense of any action by a Holder of an Abuse Claim
25 against the Debtor (as a nominal party only). Any such Reorganized Debtor Counsel shall
26 cooperate and coordinate with defense counsel appointed by the Non-Settling Insurers to
27 represent the Debtor in such action, and the Reorganized Debtor's election to appoint
28

1 Reorganized Debtor Counsel shall not constitute direction of or interference with a Non-Settling
2 Insurer's defense of a tort action asserting an Abuse Claim. The Non-Settling Insurers reserve all
3 policy defenses and claims, including without limitation all rights, claims, and defenses
4 concerning cooperation, offsets, recoupments, deductions, deductibles, self-insured retentions,
5 and all rights, claims, and defenses provided in their policies. For the avoidance of doubt, if the
6 Holder of an Abuse Claim has elected the Immediate Payment or the Distribution Option (defined
7 in Section 9.8.4 hereof), nothing in this Section 8.3.12 shall restrict the Survivors' Trust from
8 resolving or making a distribution on account of such Abuse Claim without the consent of any
9 Non-Settling Insurer for purposes of the Immediate Payment or Distribution Option.

10 8.3.13. Except as expressly stated herein, any coverage issues involving the
11 Non-Settling Insurers or the Abuse Insurance Policies issued by the Non-Settling Insurers shall be
12 determined in accordance with applicable non-bankruptcy law. All positions and arguments with
13 respect to available coverage under such Abuse Insurance Policies shall be fully preserved for
14 assertion by the Non-Settling Insurers and Abuse Claimants in any litigation of coverage issues.
15 Subject to the terms of the Plan, the Non-Settling Insurers and Holders of Abuse Claims reserve
16 their rights, if any, to (i) bring proceedings concerning the application and interpretation of the
17 terms of the Abuse Insurance Policies and rights thereunder, as well as whether defense and/or
18 indemnity are owed under the Abuse Insurance Policies, and (ii) oppose any such proceeding
19 commenced by any other person or entity in any court of appropriate jurisdiction as determined
20 under applicable non-bankruptcy law; provided, however, because the Debtor will have received
21 a discharge under the Plan, any effort to collect from Abuse Insurance Policies issued by the
22 Non-Settling Insurers to satisfy an Abuse Claim after Confirmation of the Plan shall be sought
23 individually by the applicable Holder of an Abuse Claim after such Holder's Claim has been
24 liquidated as provided herein. Any disputes regarding a Non-Settling Insurer's liability for Abuse
25 Claims (after such Abuse Claim has been liquidated under the provisions set forth above) and/or
26 coverage therefor under Abuse Insurance Policies shall be resolved under applicable
27 non-bankruptcy law in ~~the District Court~~ a court of competent jurisdiction or such other venue as
28

1 the affected parties (including the Non-Settling Insurer(s)) may agree.

2 8.3.14. The limitations in this Section 8.3 are for the benefit of the Non-Settling
3 Insurers to preserve their ability to assert the Debtor's defenses to Abuse Claims as well as
4 Non-Settling Insurers' own coverage defenses. For the avoidance of doubt, the Debtor (and the
5 Reorganized Debtor, as applicable) reserves its right to enforce the Plan, including without
6 limitation its discharge, and to the benefits of any settlements reached with Settling Insurers,
7 provided that the foregoing will not limit the protections afforded to the Non-Settling Insurers
8 herein. All parties in interest in this Chapter 11 Case shall retain the right to enforce the Claims
9 Bar Date Order (as amended) and all confidentiality orders issued in the ~~Bankruptcy~~[Chapter 11](#)
10 Case.

11 8.3.15. The foregoing provisions of Section 8.3 hereof shall be incorporated into
12 the Confirmation Order.

13 **8.4. Scope of Plan Injunctions.** Any injunction under the Plan or Confirmation Order
14 shall not enjoin a Non-Settling Insurer's right to assert any Claims against the Survivors' Trust
15 for contribution, subrogation, indemnification, reimbursement, or other similar Cause of Action
16 (collectively, "Contribution") for any Settling Insurer's alleged share or equitable share relating to
17 the defense and/or indemnity obligation for any Abuse Claim, or for any Cause of Action released
18 in any Insurance Settlement Agreements. If a Non-Settling Insurer asserts it has (a) Contribution
19 Claims directly or indirectly arising out of or in any way relating to such Non-Settling Insurer's
20 payment of loss on behalf of the Debtor or defense expenses incurred in any action that should
21 have been paid by or are otherwise attributable to a Settling Insurer related to any Abuse Claim or
22 (b) rights to recover any self-insured retentions/obligations and/or deductibles (collectively,
23 "Payment Obligations") in connection with its payment of defense and/or indemnity related to an
24 Abuse Claim, then (i) such Contribution Claims or Payment Obligations may be asserted as a
25 setoff, defense, or counterclaim against any Abuse Claimant and/or the Survivors' Trust in any
26 insurance action or insurance recovery action (under Cal. Ins. Code § 11580 or otherwise)
27 involving such Non-Settling Insurer and (ii) to the extent such Contribution Claims or Payment
28

1 Obligations are determined to be valid, the liability (if any) of such Non-Settling Insurer to the
2 holder of the Abuse Claim or the Survivors' Trust shall be reduced by the amount of such
3 Contribution Claims or Payment Obligations, provided that if any such Contribution Claim
4 exceeds the liability of such Non-Settling Insurer to the Survivors' Trust, the Non-Settling Insurer
5 does not waive any excess claim and may seek affirmative recovery from the Survivors' Trust.
6 To the extent payment of a self-insured retention is a condition to a Non-Settling Insurer's
7 obligation to provide defense or indemnity under applicable non-bankruptcy law and the
8 Non-Settling Insurer's applicable insurance policies, the failure of the Survivors' Trust to pay
9 such self-insured retention to the Non-Settling Insurer shall result in the Non-Settling Insurer
10 having the right to argue that such failure of payment is a complete defense to any claim for
11 coverage by the Non-Settling Insurer to, or related to, any claim for recovery of insurance from
12 the Non-Settling Insurer.

13 **8.5. *Non-Settling Insurers' Contribution Claims Against Settling Insurers.*** In any
14 Action, including the Coverage Action, involving the Holder of an Abuse Claim and one or more
15 Non-Settling Insurers, where a Non-Settling Insurer has asserted, asserts, or could assert any
16 Contribution Claim against any of the Settling Insurers or the Survivors' Trust, and such
17 Contribution Claims are determined by the court presiding over such Claims to be valid, then any
18 judgment or award obtained against such Non-Settling Insurer by such Holder of an Abuse Claim
19 shall be automatically reduced by the amount, if any, that the Survivors' Trust or any of the
20 Settling Insurers is liable to pay such Non-Settling Insurer as a result of the Non-Settling Insurer's
21 Contribution Claim, so that the Contribution Claim is thereby satisfied and extinguished;
22 provided, however, that, as against the Survivors' Trust (as successor to the Debtor), a
23 Non-Settling Insurer may only assert any such Contribution Claim for the payment of deductible
24 or self-insured retention. The Settling Insurers shall be required to cooperate in good faith with
25 the Debtor, the Reorganized Debtor, and/or the Survivors' Trust to take commercially reasonable
26 steps to defend against any Contribution Claim by a Non-Settling Insurer.
27
28

1 **8.6. Cooperation.** The Survivors' Trust and the Debtor (including the Estate and the
2 Reorganized Debtor) shall have the obligation as provided in the Abuse Insurance Policies to
3 cooperate with the Non-Settling Insurers with respect to the investigation and defense of Abuse
4 Claims pursuant to the terms of the Non-Settling Insurers' respective Abuse Insurance Policies,
5 including with respect to preserving any documents relevant to liability or coverage disputes,
6 making documents and witnesses available to the Non-Settling Insurers concerning such disputes,
7 and maintaining privilege with regard to the defense. The Reorganized Debtor and its agents will
8 not voluntarily waive any privilege under applicable non-bankruptcy law applicable to documents
9 or communications related to alleged Abuse Claims (collectively, "Privileged Communications").
10 Without limiting the generality of the foregoing, neither the Reorganized Debtor nor its agents
11 shall provide the Survivors' Trust or any Holder of an Abuse Claim with any Privileged
12 Communications, absent the express consent of all affected Non-Settling Insurers or a court order
13 compelling such a production. The Reorganized Debtor shall provide prompt notice of any
14 requests and/or motions to compel disclosure of Privileged Communications and cooperate with
15 affected Insurers with respect to the same. The Non-Settling Insurers reserve all coverage
16 defenses with respect to any current or future failure to cooperate. The Debtor and the Survivors'
17 Trust reserve all rights under the applicable Abuse Insurance Policies of the Non-Settling
18 Insurers. The terms of the Plan (including Articles VIII and IX hereof) constitute a voluntary
19 agreement by the Non-Settling Insurers to the Insurance Assignment, and such terms shall not be
20 deemed to be an involuntary order to that effect.

21 **8.7. Reductions In Non-Settling Insurers' Liability.** No Holder of an Abuse Claim
22 who elects the Litigation Option shall recover in the aggregate from the Survivors' Trust and any
23 Non-Settling Insurer an amount greater than the total amount of the judgment entered by the
24 applicable court of competent jurisdiction ~~in connection with~~on such Holder's underlying Abuse
25 Claim, subject to the terms of Section 5.14 herein. A Non-Settling Insurer shall have all rights
26 available under non-bankruptcy law to assert, seek, and enforce any right to offset, recoup, or
27 otherwise reduce its liability ~~in connection with~~on any such entered judgment, including without
28

1 limitation all rights available under non-bankruptcy law to assert, seek, and recover on such
2 claims against the Survivors' Trust.

3 **8.8. Settling Insurers.**

4 8.8.1 *Pre-Confirmation Insurance Settlement Agreements.* If, before
5 Confirmation, an Insurer enters into an Insurance Settlement Agreement with the Debtor under
6 which the Insurer would become a Settling Insurer under this Plan upon entry of the Confirmation
7 Order, the Debtor shall file with the Plan Supplement providing for any provisions required by the
8 proposed Settling Insurer, and agreed to by the Debtor, to be made a part of this Plan. Any such
9 provisions set forth in the Plan Supplement shall be deemed incorporated into this Section as part
10 of the Plan. Any Insurer that becomes a Settling Insurer shall receive the treatment as may be
11 provided in any Insurer Settlement Agreement approved by a Final Order. Each Insurance
12 Settlement Agreement is effective and binding upon all Persons who have notice, and any of the
13 foregoing Persons' successors and assigns, upon the entry of a Final Order approving the
14 Insurance Settlement Agreement and satisfaction of all conditions precedent, provided that such
15 settlement shall not affect the rights of any remaining Non-Settling Insurers. Payments by each
16 Settling Insurer to the Survivors' Trust, and the releases by the Debtor and/or the Contributing
17 Non-Debtor Catholic Entities of each Settling Insurer, pursuant to the Insurance Settlement
18 Agreements shall occur and/or be effective according to the terms of each such agreement. The
19 Insurance Settlement Agreements shall survive the Confirmation and the Effective Date. The
20 rights of the parties under any Insurance Settlement Agreement shall be determined exclusively
21 under the applicable Insurance Settlement Agreement and those provisions of the Final Order
22 approving such Insurance Settlement Agreement, the Plan, and the Confirmation Order.

23 8.8.2 *Sale Free and Clear.* Each Settling Insurer Abuse Insurance Policy shall
24 be sold to the issuing Settling Insurer, pursuant to Sections 105, 363, and 1123 of the Bankruptcy
25 Code, free and clear of all liens and Claims of all Persons, to the extent provided for in each
26 applicable Insurance Settlement Agreement, provided that such sale shall not affect the rights of
27 any remaining Non-Settling Insurers.
28

1 8.8.3 *Timing.* The injunctions, releases, and discharges to which any Settling
2 Insurer is entitled pursuant to such Insurance Settlement Agreement, the Plan, the Confirmation
3 Order, the Final Order approving the Insurance Settlement Agreement, and the Bankruptcy Code
4 shall become effective pursuant to the terms of such Insurance Settlement Agreement.

5 8.8.4 *Contribution Claims of Settling Insurers.* Each Settling Insurer agrees
6 that it will not pursue any Abuse Related Contribution Claim that it might have against any other
7 Insurer (a) whose Contribution Claim against Settling Insurers is satisfied and extinguished
8 entirely; or (b) that does not make an Abuse Related Contribution Claim against the Settling
9 Insurers, or any of them. If, in the future, a Non-Settling Insurer releases its Abuse Related
10 Contribution Claims, if any such exist, that it may have against the Settling Insurers, then such
11 released Settling Insurer shall release its Abuse Related Contribution Claims against such
12 releasing Insurer. If any Non-Settling Insurer asserts a Claim directly against the Survivors' Trust
13 arising from or concerning the one or more Settling Insurers' Abuse Insurance Policies, any
14 Abuse Related Contribution Claim of the Settling Insurers shall be transferred to the Survivors'
15 Trust, and the Survivors' Trust shall be authorized to assert the Contribution Claims of such
16 Settling Insurer against such Non-Settling Insurer.

17 **ARTICLE IX**
18 **THE SURVIVORS' TRUST**

19 ***9.1. Creation of the Survivors' Trust, Appointment of Survivors' Trustee, and***
20 ***Survivors' Trust Advisory Committee.***

21 9.1.1 *Establishment and Purpose of the Survivors' Trust.* On the Effective
22 Date, the Survivors' Trust shall be established in accordance with the Survivors' Trust
23 Documents. The Survivors' Trust will, upon its creation, and without limitation: (1) assume
24 liability for all Abuse Claims, including without limitation Unknown Abuse Claims, of the
25 Debtor, Contributing Non-Debtor Catholic Entities, and any Settling Insurers; and (2) receive,
26 hold, administer, liquidate, and distribute the Survivors' Trust Assets in accordance with this Plan
27 and the Survivors' Trust Documents. The Survivors' Trust shall administer, process, settle,
28

1 resolve, liquidate, satisfy, and make Trust Distributions in such a way that Holders of Abuse
2 Claims are treated equitably and in a substantially similar manner, subject to the applicable terms
3 of the Plan Documents and the Survivors' Trust Documents. From and after the Effective Date,
4 (x) the Abuse Claims and Unknown Abuse Claims against the Debtor and (y) Claims against any
5 Settling Insurer for or relating to insurance coverage in connection with such Claims, shall be
6 channeled to the Survivors' Trust pursuant to the Channeling Injunction set forth in Section 13.12
7 of the Plan and may be asserted only and exclusively against the Survivors' Trust. The
8 Survivors' Trust shall have no liability for Non-Abuse Litigation Claims. Holders of Non-Abuse
9 Litigation Claims shall have no recourse to the Survivors' Trust with respect to such Claims.

10 9.1.2 *Qualified Settlement Fund.* The Survivors' Trust is intended to qualify as
11 a "qualified settlement fund" pursuant to Section 468B of the Tax Code and the regulations
12 promulgated thereunder (the "Treasury Regulations"). The Debtor shall be the "transferor"
13 within the meaning of Treasury Regulation Section 1.468B-1(d)(1). The Survivors' Trustee shall
14 be the "administrator" of the Survivors' Trust within the meaning of Treasury Regulation
15 Section 1.468B-2(k)(3).

16 9.1.3 *Survivors' Trust Advisory Committee.* As set forth in the Survivors'
17 Trust Documents, there shall be established the Survivors' Trust Advisory Committee, which
18 shall be initially comprised of five (5) members selected by the Committee and formed as of the
19 Effective Date. Except with respect to Insurance Settlement Agreements entered into by the
20 Survivors' Trust after the Effective Date and certain other matters set forth in the Survivors' Trust
21 Documents, the Survivors' Trust Advisory Committee is intended to be consultative in nature and
22 assist the Survivors' Trustee in the independent exercise of the Survivors' Trustee's duties.

23 **9.2. *Appointment and Powers of the Survivors' Trustee.*** On the Confirmation Date,
24 the Bankruptcy Court shall appoint the Survivors' Trustee to serve in accordance with, and who
25 shall have the functions and rights provided in, the Survivors' Trust Documents. Any successor
26 Survivors' Trustee shall be appointed in accordance with the terms of the Survivors' Trust
27 Documents. For purposes of the Survivors' Trustee performing his or her duties and fulfilling his
28

1 or her obligations under the Survivors' Trust and the Plan, the Survivors' Trust and the Survivors'
2 Trustee shall be deemed to be "parties in interest" within the meaning of Section 1109(b) of the
3 Bankruptcy Code. The Survivors' Trustee shall have such powers and duties as are set forth in
4 the Survivors' Trust Documents, including without limitation the following:

5 9.2.1 *Survivors' Trustee as Fiduciary.* The Survivors' Trustee shall be deemed
6 to be a fiduciary of the Survivors' Trust under the terms of the Survivors' Trust Agreement and
7 shall have all rights, powers, authority, responsibilities, and benefits under California law
8 specified in the Plan and as reflected in the Survivors' Trust Agreement, including commencing,
9 prosecuting or settling causes of action, enforcing contracts, and asserting Claims, defenses,
10 offsets and privileges. If there is any inconsistency or ambiguity between the Confirmation Order
11 and the Survivors' Trust Agreement with respect to Trustee's authority to act, the provisions of
12 the Survivors' Trust Agreement shall control.

13 9.2.2 *Liquidation of Survivors' Trust Assets.* The Survivors' Trustee shall
14 liquidate and convert to Cash the Survivors' Trust Assets, make timely distributions, and not
15 unduly prolong the duration of the Survivors' Trust. The Survivors' Trustee may also abandon
16 any property which the Survivors' Trustee determines in the Survivors' Trustee's reasonable
17 discretion to be of *de minimus* value or of more burden than the value of the Survivors'
18 Trust.

19 9.2.3 *Protection of Survivors' Trust Assets.* The Survivors' Trustee shall
20 protect and enforce the rights in and to the Survivors' Trust Assets under the Survivors' Trust
21 Documents.

22 9.2.4 *Bank Accounts of the Survivors' Trust.* The Survivors' Trustee may open
23 and maintain bank accounts on behalf of the Survivors' Trust to deposit funds in and draw checks
24 on the bank accounts as appropriate under the Survivors' Trust Documents. Notwithstanding
25 anything herein to the contrary, the Survivors' Trustee may open and maintain bank accounts on
26 behalf of the Survivors' Trust after Confirmation but before the Effective Date.

27 9.2.5 *Insurance.* The Survivors' Trustee shall obtain all reasonably available
28

1 insurance coverage with respect to any property that is, or may in the future become, a Survivors'
2 Trust Asset.

3 9.2.6 *Taxes.* The Survivors' Trustee may request an expedited determination
4 of taxes of the Survivors' Trust under Section 505(b) of the Bankruptcy Code for all returns filed
5 for, or on behalf of, the Survivors' Trust for all taxable periods through the dissolution of the
6 Survivors' Trust.

7 9.2.7 *Settlements With Non-Settling Insurers.* The Survivors' Trustee shall be
8 authorized to enter into consensual settlements with one or more Non-Settling Insurers on and
9 after the Effective Date, covering some or all of the Abuse Claims insured thereby, provided that
10 such settlements shall not impair the rights of any other Non-Settling Insurers, including those
11 rights set forth herein. Approval requirements, if any, for such settlements shall be as specified in
12 the Survivors' Trust Agreement. No settlement (whether in the Plan or otherwise) as among any
13 of the Debtor, its Estate, the Survivors' Trust, and Holder of an Abuse Claim, and the Settling
14 Insurers, including payment obligations, shall bind a Non-Settling Insurer in any way without its
15 consent.

16 **9.3. *Property and Funding of the Survivors' Trust.*** The Survivors' Trust shall be
17 funded with (i) aggregate Cash contributions from the Debtor and Reorganized Debtor (as
18 applicable) of \$103 million, (ii) any Cash contributions from a Contributing Non-Debtor Catholic
19 Entity pursuant to Section 9.3.2 hereof, (iii) title to the Livermore Property, on an as-is, where-is
20 basis, (iv) any proceeds held by the Debtor or the Reorganized Debtor on account of Insurance
21 Settlement Agreements as set forth in this Section 9.3, and (v) the Assigned Insurance Interests.
22 These contributions to the Survivors' Trust shall be made according to the schedule set forth in
23 this Section 9.3. The Debtor Cash Contribution (as defined in this Section 9.3) and any
24 Non-Debtor Catholic Entity Contribution (as defined in this Section 9.3) shall be made in respect
25 of the uninsured exposure of the Debtor and any Contributing Non-Debtor Catholic Entities for
26 Abuse Claims (including Unknown Abuse Claims), including, but not limited to, years in which
27 no Non-Settling Insurer Policies are available and, to the extent required under applicable law,
28

1 when a self-insured retention or deductible must be satisfied to access potential coverage under
2 Non-Settling Insurer Policies. The Debtor Cash Contribution and any Non-Debtor Catholic
3 Entity Contributions are not, and shall not be construed as, a discharge and/or release of any
4 Abuse Claim (including any Unknown Abuse Claim) covered or alleged to be covered under any
5 of the Non-Settling Insurer Policies. Notwithstanding the foregoing, the Debtor and any
6 Contributing Non-Debtor Catholic Entity shall have no further financial obligations under this
7 Plan or the Plan Documents to Holders of Allowed Abuse Claims (except, in the case of any
8 Contributing Non-Debtor Catholic Entity, with respect to Holders of Opt-Out Abuse Claims as
9 set forth in Section 6.2 hereof), including Allowed Unknown Abuse Claims, other than the
10 obligations required to be paid to the Survivors' Trust in Section 9.3 hereof.

11 9.3.1 *Debtor Cash Contribution.* On the Effective Date of the Plan, the Debtor
12 shall transfer \$63 million in good and available funds to the Survivors' Trust using wiring
13 instructions provided by the Survivors' Trustee (the "Initial Debtor Contribution"). The Initial
14 Debtor Contribution will consist of (i) approximately \$53 million in Cash received through the
15 Exit Facility, and (ii) approximately \$10 million in non-restricted Cash held by the Debtor. The
16 Survivors' Trust shall also receive Cash from the Debtor as set forth below (collectively, the
17 "Additional Debtor Contributions") and together with the Initial Debtor Contribution, the "Debtor
18 Cash Contribution");

19 9.3.1.1 On the date that is one year after the Effective Date, the
20 Debtor shall transfer \$10 million in good and available funds to the Survivors' Trust using
21 wiring instructions provided by the Survivors' Trustee.

22 9.3.1.2 On the date that is two years after the Effective Date, the
23 Debtor shall transfer \$10 million in good and available funds to the Survivors' Trust using
24 wiring instructions provided by the Survivors' Trustee.

25 9.3.1.3 On the date that is three years after the Effective Date, the
26 Debtor shall transfer \$10 million in good and available funds to the Survivors' Trust using
27 wiring instructions provided by the Survivors' Trustee.
28

1 9.3.1.4 On the date that is four years after the Effective Date, the
2 Debtor shall transfer \$10 million in good and available funds to the Survivors' Trust using
3 wiring instructions provided by the Survivors' Trustee.

4 9.3.2 *Contributions from Non-Debtor Catholic Entities.* Any Non-Debtor
5 Catholic Entity against whom the Holder of a Class 4 Claim has asserted liability in connection
6 with an Abuse Claim may become a Contributing Non-Debtor Catholic Entity by contributing
7 Cash or other assets to the Survivors' Trust in exchange for Releases by such Holders of Class 4
8 Claims.

9 9.3.2.1 *Roman Catholic Welfare Corporation of Oakland.* RCWC
10 shall contribute Cash to the Survivors' Trust in an aggregate amount that is contingent on
11 the number of Releases it secures from those Holders of Class 4 Claims and Class 5
12 Claims who have asserted liability against RCWC in connection with an Abuse Claim
13 ("RCWC Claimants"). RCWC shall transfer a total of \$14,250,000.00 (the "RCWC Cash
14 Contribution") to the Survivors' Trust, as follows: \$2,000,000.00 on the Effective Date,
15 \$3,000,000.00 on the date that is one year after the Effective Date, \$3,000,000.00 on the
16 date that is two years after the Effective Date, \$3,000,000.00 on the date that is three years
17 after the Effective Date, and \$3,250,000.00 on the date that is four years after the
18 Effective Date; provided, however, if less than 100% of all RCWC Claimants grant
19 RCWC a release pursuant to Section 13.9 of the Plan, then the RCWC Cash Contribution,
20 and each of its installments set forth in this Section 9.3.2.2, shall be reduced by a
21 percentage proportional to the percentage of RCWC Claimants who opt out of granting
22 RCWC such release. By way of illustration only, if 80% of RCWC Claimants grant
23 RCWC a release pursuant to Section 13.9 of the Plan, RCWC shall only contribute 80%
24 of the aggregate RCWC Cash Contribution, or \$11,400,000.00, to the Survivors' Trust, in
25 installments of \$1,600,000.00 on the Effective Date, \$2,400,000.00 on the first, second,
26 and third anniversaries of the Effective Date, and \$2,600,000.00 on the fourth anniversary
27 of the Effective Date.
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

9.3.2.2 *Other Contributing Non-Debtor Catholic Entities.* Should any other Non-Debtor Catholic Entity become a Contributing Non-Debtor Catholic Entity between the filing of this Plan and the date of the filing of the Plan Supplement, the Plan Supplement shall set forth the amount of Cash contributed by any such Non-Debtor Catholic Entity (or, if the Contribution is not in Cash, the nature and approximate Cash-value of the contribution by any such Non-Debtor Catholic Entity) and shall set forth the extent to which such Non-Debtor Catholic Entity's contribution is conditioned on the number of Releases it receives from Holders of Class 4 and Class 5 Claims asserting liability against such Non-Debtor Catholic Entity in connection with an Abuse Claim.

9.3.2.3 *Release by Holders of Class 5 Claims.* For purposes of calculating the percentage of Releases under Section 13.9 hereof received by a Non-Debtor Catholic Entity, the Unknown Abuse Claims Representative shall count as a single Holder, and each Holder of a Class 4 Claim shall count as a single Holder.

9.3.3 *Separate Contributions.* Any contribution to the Survivors' Trust by a Contributing Non-Debtor Catholic Entity shall be in addition to and separate from the Debtor Cash Contribution.

9.3.4 *Livermore Property.* The Debtor, through its affiliate Adventus, shall transfer ownership of the Livermore Property to the Survivors' Trust on the Effective Date. Adventus shall be treated as a Contributing Non-Debtor Catholic Entity under the Plan.

9.3.5 *Insurance Settlement Agreements.*

9.3.5.1 *Pre-Effective Date.* In addition to the Debtor Cash Contribution, any Cash received by the Debtor on or before the Effective Date in connection with an Insurance Settlement Agreement shall be transferred to the Survivors' Trust on the Effective Date and shall be part of the Survivors' Trust Assets.

9.3.5.2 *Post-Effective Date.* After the Effective Date, the Survivors' Trustee may enter into such Insurance Settlement Agreements as in the

1 Survivors' Trustee's business judgment and in accordance with the Survivors' Trust
2 Documents the Survivors' Trustee deems necessary and beneficial to the Survivors' Trust.
3 To the extent the Survivors' Trustee enters into an Insurance Settlement Agreement that
4 covers the Abuse Claim of a Trust Claimant who elected the Litigation Option and
5 commenced an Abuse Claim Litigation (each as defined in Section 9.8.4 hereof) (a
6 "Settling Trust Claimant"), (i) such Abuse Claim Litigation shall be promptly dismissed
7 to the extent the Settling Trust Claimant is seeking a determination of, and the availability
8 of Insurance Recoveries for, the liability of a Released Party on account of the Settling
9 Trust Claimant's Abuse Claim, (ii) within thirty (30) days after receipt of the Cash
10 consideration of such Insurance Settlement Agreement, the Survivors' Trust shall pay the
11 Settling Trust Claimant an amount equivalent to 50% of the Settling Trust Claimant's
12 then-existing Reserved Amount, calculated based on the value of the Survivors' Trust
13 Assets immediately before receipt of such Cash consideration from the Insurance
14 Settlement Agreement, (iii) the Settling Trust Claimant shall be deemed to have rescinded
15 their election of the Litigation Option in favor of the Distribution Option and the
16 Survivors' Trustee shall be deemed to have consented to such rescission, each in
17 accordance with Section 9.8.4.7 of the Plan, and (iv) the remaining Cash realized by the
18 Survivors' Trust on account of the Insurance Settlement Agreement shall be added to the
19 Survivors' Trust Assets. Thereafter, Settling Trust Claimants shall be treated as having
20 elected the Distribution Option in all respects and shall be entitled to receive *pro rata*
21 distributions from the Survivors' Trust Assets in accordance with the terms of this Plan
22 and the Survivors' Trust Documents.

23 9.3.6 *Assignment of Assigned Insurance Interests.* On the Effective Date, the
24 Insurance Assignment described in Article VIII of the Plan shall become effective.

25 9.3.7 *Use of Survivors' Trust Assets.* The Survivors' Trust Assets shall be
26 used in accordance with and for the purposes set forth in the Survivors' Trust Documents,
27 including without limitation to pay Abuse Claims and reasonable expenses of the Survivors'
28

1 Trust [and to pursue and execute Insurance Settlement Agreements](#). Notwithstanding anything
2 herein to the contrary, no monies and/or assets comprising the Survivors' Trust Assets that are
3 transferred, granted, assigned, or otherwise delivered to the Survivors' Trust shall be used for any
4 purpose other than in accordance with the Plan and the Survivors' Trust Documents.

5 9.3.8 *No Insurer Reimbursement Obligation.* The Non-Settling Insurers shall
6 not be liable for or obligated to reimburse any contribution to the Plan made by the Debtor and its
7 Estate, nor shall the Survivors' Trust be authorized to seek such recovery.

8 9.4. *Unknown Abuse Claims Reserve.* Upon the Effective Date, the Survivors' Trust
9 shall segregate \$5,000,000.00 (Five Million Dollars and Zero Cents) of the Initial Debtor
10 Contribution into the Unknown Abuse Claims Reserve. The Unknown Abuse Claims Reserve
11 shall be maintained for the greater of (i) four years after the Effective Date, and (ii) resolution of
12 all Unknown Abuse Claims submitted to the Survivors' Trustee within four years after the
13 Effective Date. On that date, the remaining funds in the Unknown Abuse Claims Reserve will be
14 de-segregated and returned to the Survivors' Trust's general accounts, and neither the Debtor,
15 Reorganized Debtor, Survivors' Trust, nor any Settling Insurer shall have any more liability for
16 any Unknown Abuse Claim.

17 9.5. *Vesting.* On the Effective Date, all Survivors' Trust Assets shall vest in the
18 Survivors' Trust, and the Debtor, Reorganized Debtor, Contributing Non-Debtor Catholic
19 Entities, and Settling Insurers shall be deemed for all purposes to have transferred all of their
20 respective interests in the Survivors' Trust Assets to the Survivors' Trust. On the Effective Date,
21 or as soon as practicable thereafter, the Reorganized Debtor, any other Released Party, and
22 Settling Insurers, as applicable, shall take all actions reasonably necessary to transfer any
23 Survivors' Trust Assets to the Survivors' Trust. Upon the transfer of control of Survivors' Trust
24 Assets in accordance with this paragraph, the Debtor, Reorganized Debtor, Contributing
25 Non-Debtor Catholic Entities, and the Settling Insurers shall have no further interest in the
26 Survivors' Trust Assets except as otherwise explicitly provided in this Plan.
27
28

1 **9.6. Survivors' Trust Assumption of Liabilities for Abuse Claims.** The transfer to,
2 vesting in and assumption by the Survivors' Trust of the Survivors' Trust Assets as contemplated
3 by the Plan shall, as of the Effective Date, discharge all obligations and liabilities of and bar any
4 recovery or action against the Released Parties for or in respect of all Abuse Claims (including
5 Unknown Abuse Claims). The Confirmation Order shall provide for such discharge. Subject to
6 Article VIII hereof and the rights of Holders of Abuse Claims who elect the Litigation Option, the
7 Survivors' Trust shall, as of the Effective Date, assume sole and exclusive responsibility and
8 liability for all Abuse Claims against the Released Parties, and such Claims shall be paid by the
9 Survivors' Trust from the Survivors' Trust Assets or as otherwise directed in the Survivors' Trust
10 Documents and Articles VIII and IX hereof. From and after the Effective Date, all Abuse Claims
11 against the Released Parties shall be considered Channeled Claims subject to the Channeling
12 Injunction under Section 105(a) of the Bankruptcy Code and the provisions of the Plan and the
13 Confirmation Order. Subject to the foregoing, from and after the Effective Date, the Released
14 Parties shall not have any obligation with respect to any liability of any nature or description
15 arising out of, relating to, or in connection with any Abuse Claims.

16 **9.7. Right to Elect to Receive an Immediate Payment.** Abuse Claimants may elect to
17 receive the Immediate Payment from the Survivors' Trust by checking the appropriate box on
18 their respective Ballots. Only Holders of Abuse Claims who return a Ballot and who
19 affirmatively check the box on their Ballot indicating they wish to receive the Immediate Payment
20 shall be entitled to receive the Immediate Payment. If a Holder of an Abuse Claim elects to
21 receive the Immediate Payment, the payment will be made within thirty (30) days after the
22 Effective Date. After receipt of the Immediate Payment, the Holder of an Abuse Claim shall not
23 be entitled to any further distributions from the Survivors' Trust and shall not be entitled to
24 pursue any Abuse Claim against the Non-Settling Insurers or any other party. If a Person
25 submitted, or is the Holder of, more than one Abuse Claim and such Holder elects to receive the
26 Immediate Payment, such Holder shall only be entitled to one Immediate Payment on account of
27 all of their Abuse Claims, shall not be entitled to any further distributions from the Survivors'
28

1 Trust, and shall not be entitled to pursue any Abuse Claim against the Non-Settling Insurers or
2 any other party.

3 **9.8. Method of Determination of Abuse Claims and Rights of Abuse Claimants to**
4 **Choose to Accept a Distribution or to Pursue Litigation.** After the Effective Date, every Trust
5 Claim held by an Abuse Claimant shall be reviewed and allocated a percentage of the recovery
6 pool based on numerical scaling factors (but not based on alleged dollar value of the Claim) by
7 the Abuse Claims Reviewer in order to determine the distribution to each such Holder in
8 accordance with the terms of the Survivors' Trust Documents.

9 9.8.1 *Notice of Initial Determination.* Based on the percentage allocation
10 determined by the Abuse Claims Reviewer, the Survivors' Trustee shall provide a determination
11 of the distribution to which each Holder of each Trust Claim is entitled (the "Initial
12 Determination"), in accordance with the terms of the Survivors' Trust Documents. Each Holder
13 of a Trust Claim will receive a notice containing the Initial Determination, including a projected
14 recovery based on the anticipated available assets of the Survivors' Trust at the time of the Initial
15 Determination.

16 9.8.2 *Right to Appeal Notice of Initial Determination.* Within thirty (30) days
17 of receipt of the notice of the Initial Determination, each Holder of a Trust Claim shall have the
18 right to request an ~~appeal~~additional review of the Initial Determination ~~to a neutral decisionmaker~~
19 ~~(the "Neutral"), who~~by the Abuse Claims Reviewer and shall be allowed to submit additional
20 documentation or information that such Claimant believes should be considered. The Abuse
21 Claims Reviewer shall provide a subsequent determination (the "~~Neutral~~Review Determination"),
22 as provided for in the Survivors' Trust Documents. ~~The Neutral~~If requested, the Review
23 Determination shall be the "Final Determination" for purposes of such Holder's distributions
24 from the Survivors' Trust. If the Review Determination is not requested, the outcome of the
25 Initial Determination shall be the Final Determination. For the avoidance of doubt, no
26 determination will be made in the Chapter 11 Case concerning the alleged dollar value of an
27 Abuse Claim for purposes of unsettled Insurance. Neither the Abuse Claims Reviewer's or
28

1 Survivors' Trustee's review of an Abuse Claim and determination of qualification, nor the
2 Survivors' Trust's estimation of Claims or payment of distributions, shall constitute a trial, an
3 adjudication on the merits, or evidence of liability or damages in any litigation with the
4 Non-Settling Insurer or any other Person.

5 9.8.3 *Distributions to Trust Claimants from the Survivors' Trust.* Subject to
6 the Survivors' Trust Documents, the following procedures will govern distributions to Trust
7 Claimants from the Survivors' Trust:

8 9.8.3.1 Within 30 days of the ~~Neutral's~~Abuse Claims Reviewer's
9 completion of all ~~Neutral~~Review Determinations, the Survivors' Trustee shall make a
10 projection of anticipated distributions to each Holder of a Trust Claim. This amount may
11 differ from the Initial Determination after accounting for ~~Neutral~~Review Determinations.

12 9.8.3.2 The Survivors' Trustee will make an initial distribution (the
13 "Initial Distribution") to each Trust Claimant, except for those Trust Claimants who elect
14 the Litigation Option (defined in Section 9.8.4). The Initial Distribution shall be
15 comprised of each such Trust Claimants' *pro rata* share of the Survivors' Trust Assets
16 existing on that date, less (i) reasonable reserves for the Survivors' Trust and (ii) all
17 reserves made pursuant to Section 9.8.4.1 hereof, in each case to be determined by the
18 Survivors' Trustee in accordance with the Survivors' Trust Documents (the "Initial
19 Reserve"). The Survivors' Trustee may, but need not, wait until the liquidation of the
20 Livermore Property to make the Initial Distribution.

21 9.8.3.3 Upon the receipt of additional contributions into the
22 Survivors' Trust, including from sales of real property owned by the Survivors' Trust, the
23 Survivors' Trustee shall make further distributions (the "Additional Distributions") to the
24 Trust Claimants who elected (or who are deemed to have elected) the Distribution Option
25 in accordance with this Section of the Plan and the Survivors' Trust Documents, less such
26 appropriate reserves (the "Additional Reserves").

27 9.8.3.4 After (i) the final resolution of all Trust Claims, including
28

1 with respect to the Trust Claimants who selected the Litigation Option, and (ii) all
2 Survivors' Trust Assets are monetized, the Survivors' Trustee shall make a final
3 distribution to the Trust Claimants who elected (or who are deemed to have elected) the
4 Distribution Option (the "Final Distribution"), which shall include previously withheld
5 reserves and any reallocated funds. If, after 180 days from the date of the Final
6 Distribution, there are any funds which are not claimed by the Trust Claimant, such
7 unclaimed funds shall be returned to the Reorganized Debtor.

8 9.8.4 *Right to Elect Litigation Against Non-Settling Insurers and Other*
9 *Parties.* Irrespective of whether a Trust Claimant has requested an ~~appeal~~additional review of the
10 Initial Determination ~~to~~by the ~~Neutral~~Abuse Claims Reviewer, within ninety (90) days after
11 receiving the notice of the Initial Determination of the Trust Claimant's Trust Claim, such Trust
12 Claimant may elect to pursue litigation against the Debtor (as a nominal party only), Non-Settling
13 Insurers and/or other parties (excluding the Debtor or Reorganized Debtor as appropriate) (the
14 "Abuse Claim Litigation" and, the election of the Abuse Claim Litigation, the "Litigation
15 Option") by filing the notice described in Section 8.2.2 of the Plan. Trust Claimants who do not
16 timely make an election will be deemed to have chosen to forego the Litigation Option and to
17 receive an Initial Distribution (the "Distribution Option").

18 9.8.4.1 In the event a Trust Claimant elects the Litigation Option,
19 the Reserved Amount to be held by the Survivor's Trustee on account of such Trust
20 Claimant shall be the amount of such Trust Claimant's Final Determination. As the
21 Survivors' Trust receives additional Cash (including, without limitation, on account of the
22 Debtor Cash Contributions, RCWC Cash Contributions, Insurance Settlement
23 Agreements, other contributions of Cash, or proceeds from the liquidation of any of the
24 Survivors' Trust Assets), the Survivors' Trustee shall increase the Reserved Amount on
25 account of such Trust Claimant commensurately.

26 9.8.4.2 The liability, if any, of the Survivors' Trust to a Trust
27 Claimant who elects the Litigation Option shall be limited to the Reserved Amount for
28

1 such Trust Claimant, even if the Trust Claimant obtains a judgment by a Final Order
2 through the Abuse Claim Litigation (the "Litigation Judgment") that is higher than the
3 Reserved Amount.

4 9.8.4.3 In the case of a Trust Claimant who obtains a Litigation
5 Judgment that is lower than the Reserved Amount for such Trust Claimant, the
6 distribution from the Survivors' Trust to such Trust Claimant shall be capped at the
7 amount of the Litigation Judgment; provided, however, that such distribution from the
8 Survivors' Trust shall be further reduced by the amount of any liability for the Litigation
9 Judgment that is apportioned to (i) one or more defendants in the Abuse Claim Litigation
10 other than any of the Released Parties, and/or (ii) any Non-Settling Insurer on account of
11 such Non-Settling Insurer's coverage obligations under an Abuse Insurance Policy, if any,
12 subject to such Non-Settling Insurer's rights to Contribution and other rights under this
13 Plan and the applicable Abuse Insurance Policy(ies). The difference between a Trust
14 Claimant's Reserved Amount and the reduced distribution to such Trust Claimant from
15 the Survivors' Trust shall be reallocated for distribution to Trust Claimants ~~who elected~~
16 ~~the Distribution Option~~ in their *pro rata* share.

17 9.8.4.4 In the case of a Trust Claimant who obtains a Litigation
18 Judgment that is higher than the Reserved Amount for such Trust Claimant, the
19 distribution from the Survivors' Trust to such Trust Claimant shall be the lower of: (a) the
20 Reserved Amount or (b) the amount of such Litigation Judgment less any liability for the
21 Litigation Judgment apportioned to (i) any defendants in the Abuse Claim Litigation other
22 than any of the Released Parties and/or (ii) any Non-Settling Insurer on account of such
23 Non-Settling Insurer's coverage obligations under an Abuse Insurance Policy, if any,
24 subject to such Non-Settling Insurer's rights to Contribution and other rights under this
25 Plan and the applicable Abuse Insurance Policy(ies). The difference between a Trust
26 Claimant's Reserved Amount and the reduced distribution to such Trust Claimant from
27 the Survivors' Trust shall be reallocated for distribution to Trust Claimants who elected
28

1 the Distribution Option in their *pro rata* share.

2 9.8.4.5 If a Trust Claimant obtains a Litigation Judgment for which
3 all liability is assigned in the aggregate to (i) defendants in the Abuse Claim Litigation
4 other than the Released Parties and/or (ii) one or more Non-Settling Insurers, any party
5 found liable for payment to such Trust Claimant shall pay that judgment directly to such
6 Trust Claimant. The Trust Claimant shall have no further claims against the Survivors'
7 Trust. The Survivors' Trustee shall reallocate the Reserved Amount on account of such
8 Trust Claimant's Trust Claim for distribution to Trust Claimants who elected the
9 Distribution Option in their *pro rata* share.

10 9.8.4.6 If, pursuant to ~~this~~ Section 9.8.4, a Trust Claimant who
11 received a Litigation Judgment is entitled to a distribution from the Survivors' Trust, the
12 Survivors' Trustee shall make any such distribution from the Survivors' Trust Assets to
13 such Trust Claimant not later than thirty (30) days after the Survivors' Trustee receives
14 notice of entry of the Trust Claimant's Litigation Judgment in the Abuse Claim Litigation.
15 If the Survivors' Trust is not a formal notice party in the Abuse Claim Litigation filed by
16 such Trust Claimant, it shall be the burden of the Trust Claimant to serve the Survivors'
17 Trustee with notice of entry of the Trust Claimant's Litigation Judgment in the Abuse
18 Claim Litigation.

19 9.8.4.7 Upon written notice to the Survivors' Trustee, subject to the
20 Survivors' Trustee's sole and absolute discretion, a Trust Claimant who selected the
21 Litigation Option may rescind that election in favor of [the Distribution Option and shall](#)
22 [be treated, for all purposes under the Plan, as having selected](#) the Distribution Option.
23 Notwithstanding the foregoing, the Survivors' Trustee shall consent to such rescission if
24 such written notice of rescission is given prior to entry of an order of dismissal or a final
25 judgment by a Final Order in the Abuse Claim Litigation in favor of a Released Party.

26 9.8.4.8 Trust Claimants electing the Distribution Option rather than
27 the Litigation Option shall be eligible for Additional Distributions and any Final
28

1 Distribution, in each case as determined by the Survivors' Trustee in accordance with the
2 Survivors Trust Documents but may not later change their election to the Litigation
3 Option.

4 9.8.4.9 Following final resolution of the last Abuse Claim
5 Litigation, the Survivors' Trustee will make the Final Distribution as set forth in
6 Section 9.8.3.4 above.

7 9.8.5 *Reporting Requirement.* The Survivors' Trustee shall report to the
8 Reorganized Debtor, on a quarterly basis, or upon reasonable request, (i) the date on which each
9 Holder of an Abuse Claim is notified of their award under the Survivors' Trust Distribution Plan,
10 (ii) whether each Holder of an Abuse Claim has elected the Immediate Payment, the Distribution
11 Option, or the Litigation Option, and (iii) any modification made by any Holder of an Abuse
12 Claim to their treatment status.

13 **9.9. *Compensation and Reimbursement of Expenses to Survivors' Trustee and***
14 ***Survivors' Trust Professionals.*** The Survivors' Trustee shall be entitled to compensation as
15 provided for in the Survivors' Trust Documents. The Survivors' Trustee may retain and
16 reasonably compensate, without Bankruptcy Court approval and without the consent of the
17 Reorganized Debtor, counsel and other Professionals as reasonably necessary to assist in the
18 duties of the Survivors' Trustee subject to the terms of the Survivors' Trust Documents. All fees
19 and expenses incurred in connection with the foregoing shall be payable from the Survivors'
20 Trust, as provided for in the Survivors' Trust Documents.

21 **9.10. *Excess Survivors' Trust Assets.*** After the payment of all Abuse Claims that are
22 entitled to a distribution from the Survivors' Trust and all expenses of the Survivors' Trust
23 Expenses, all remaining Assets in the Survivors' Trust shall be transferred to the Reorganized
24 Debtor concurrent with the termination of the Survivors' Trust pursuant to the Survivors' Trust
25 Documents.

26 **9.11. *Indemnification of Debtor, Reorganized Debtor, and Contributing Non-Debtor***
27 ***Catholic Entities.*** The Survivors' Trust shall indemnify and hold harmless the Debtor,
28

1 Reorganized Debtor, and the Contributing Non-Debtor Catholic Entities from and against any and
2 all Abuse Claims, as well as indemnify and reimburse such parties for all fees, costs and expenses
3 related to Abuse Claims (including such fees, costs and expenses incurred in connection with
4 discovery), to the extent set forth in this Plan and the Survivors' Trust Documents. The
5 Survivors' Trust shall not have any obligation to indemnify any Person accused of committing a
6 physical act of Abuse against a Holder of an Abuse Claim or such Holder's
7 predecessor(s)-in-interest.

8 **9.12. Modification of Survivors' Trust Documents.** The Survivors' Trust Documents
9 may not be amended or modified without the consent of the Reorganized Debtor. The
10 Reorganized Debtor shall also have consent rights with respect to the appointment of any
11 successor Survivors' Trustee and Survivors' Trust Advisory Committee members, which consent
12 shall not be unreasonably withheld. Notwithstanding the foregoing, the indemnification
13 obligations of the Survivors' Trust described in this Plan as to any Released Party may not be
14 amended or modified without the consent of such Released Party and no such amendment shall
15 affect the rights of any remaining Non-Settling Insurers.

16 **ARTICLE X**
17 **CONDITIONS TO CONFIRMATION AND EFFECTIVENESS OF THE PLAN**

18 **10.1. Conditions to Confirmation.** The following are conditions precedent to
19 Confirmation of this Plan that must be (i) satisfied, or (ii) waived, subject to Court approval:

20 10.1.1. A Final Order, finding the Disclosure Statement contains adequate
21 information pursuant to Section 1125 of the Bankruptcy Code, shall have been entered by the
22 Court.

23 10.1.2. The Plan, Plan Supplement, Disclosure Statement, Survivors' Trust
24 Documents, and any other Plan Documents are in a form acceptable to the Debtor and
25 Contributing Non-Debtor Catholic Entities. Except as to the Debtor, all such documents shall be
26 deemed acceptable to each of the foregoing Persons unless such Person Files a written objection
27 to confirmation of the Plan.
28

1 10.1.3. The proposed Confirmation Order is acceptable to the Debtor and
2 Contributing Non-Debtor Catholic Entities. Except as to the Debtor, all such documents shall be
3 deemed acceptable to each of the foregoing Persons unless such Person Files a written objection
4 to the form of the proposed Confirmation Order.

5 10.1.4. The Confirmation Order approves the Channeling Injunction and
6 Exculpation Clause.

7 10.1.5. The Confirmation Order approves the release of, and releases, all
8 Contributing Non-Debtor Catholic Entities to the extent provided in the Plan.

9 10.1.6. The Confirmation Order shall include findings of fact that: (i) the release
10 of each of the Contributing Non-Debtor Catholic Entities is fair and necessary to the Debtor's
11 reorganization and reorganization is unlikely without that Entity's release; (ii) sufficient identity
12 of interests exists between the Debtor and the released Contributing Non-Debtor Catholic Entities
13 such that a suit against any of the released Contributing Non-Debtor Catholic Entities is a suit
14 against the Debtor or will deplete Estate assets; (iii) all consideration given by a released
15 Contributing Non-Debtor Catholic Entity provides significant and critical funding for this Plan
16 constituting a substantial contribution to the success of the Plan; and (iv) released Contributing
17 Non-Debtor Catholic Entities would not make a substantial contribution absent the benefits they
18 obtain from the third-party releases.

19 10.1.7. The Confirmation Order shall include a finding of fact that the Debtor,
20 each of the Contributing Non-Debtor Catholic Entities, any Settling Insurers, and each of their
21 respective present and former members, officers, directors, employees, advisors, attorneys, and
22 agents acted in good faith within the meaning of and with respect to all of the actions described in
23 Section 1125(e) of the Bankruptcy Code and are, therefore, not liable for the violation of any
24 applicable law, rule, or regulation governing such actions.

25 10.1.8. The Confirmation Order in a form consistent with the foregoing shall be
26 entered in the Chapter 11 Case.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 **10.2. Conditions to Effectiveness.** The following are conditions precedent to the
2 Effective Date that must be (i) satisfied, or (ii) waived, subject to Court approval (for the
3 avoidance of doubt, the Effective Date is not conditioned on resolution of any litigation or
4 assumption of any Unexpired Leases or Executory Contracts):

5 10.2.1. The Confirmation Order shall have been entered and shall be a Final Order
6 in a form reasonably acceptable to the Debtor, and there shall be no stay or injunction that would
7 prevent the occurrence of the Effective Date. The Debtor in its sole discretion may waive the
8 requirement that the Confirmation Order be a Final Order.

9 10.2.2. There shall have been no material amendments to the Plan or Confirmation
10 Order.

11 10.2.3. The Debtor and all other necessary parties shall have executed all
12 documents and entered into all agreements as may be necessary in connection with the Exit
13 Facility described in Article XI of the Plan.

14 10.2.4. The Debtor, the Survivors' Trustee, and any other necessary parties shall
15 have executed all documents necessary for formation of the Survivors' Trust, and for the
16 Survivors' Trustee to administer and operate the Survivors' Trust.

17 10.2.5. All approvals necessary to effectuate the transfer of the Livermore Property
18 to the Survivors' Trust have been obtained.

19 10.2.6. Transfer of funds to the Survivors' Trust for all initial contributions to the
20 Survivors' Trust shall have been made, and the proof thereof provided to the Debtor and the
21 Survivors' Trustee.

22 10.2.7. All other actions, authorizations, filings, consents, and approvals required
23 (if any), including but not limited to canonical approvals, shall have been obtained, effected, or
24 executed in a manner acceptable to the Debtor and remain in full force and effect or, if waivable,
25 waived by the Person or Persons entitled to the benefit thereof.

26 10.2.8. All other actions, documents, and agreements necessary to implement and
27 effectuate the Plan shall have been effected or executed.
28

1 order of the Court, act or action under applicable law, regulation, order, or rule or vote, consent,
2 authorization, or approval of any Person, subject to such modifications as the Debtor and the Exit
3 Facility Lender may deem to be necessary to consummate the Exit Facility. Proceeds of the Exit
4 Facility shall be used to fund the Initial Debtor Contribution and the operations of the
5 Reorganized Debtor.

6 **11.2. Effect of the Exit Facility.** On the Effective Date, the Exit Facility shall constitute
7 legal, valid, binding and authorized indebtedness and obligations of the Reorganized Debtor,
8 enforceable in accordance with its terms and such indebtedness and obligations (and the
9 transactions effectuated to implement the Exit Financing) shall not be and shall not be deemed to
10 be, enjoined or subject to discharge, impairment, release or avoidance under the Plan, the
11 Confirmation Order or on account of the confirmation or consummation of the Plan. On the
12 Effective Date, all the liens and security interests granted in accordance with the Exit Facility
13 Documents shall be legal, valid, binding upon the Reorganized Debtor, enforceable in accordance
14 with their respective terms, and no obligation, payment, transfer or grant of security under the
15 Exit Facility Documents shall be stayed, restrained, voidable, or recoverable under the
16 Bankruptcy Code or under any applicable law or subject to any defense, reduction, recoupment,
17 setoff or counterclaim. Such liens and security interests shall be deemed automatically perfected
18 on the Effective Date without the need for the taking of any further filing, recordation, approval,
19 consent or other action, and such liens and security interests shall not be enjoined or subject to
20 discharge, impairment, release, avoidance, recharacterization or subordination (including
21 equitable subordination) for any purposes whatsoever and shall not constitute preferential
22 transfers or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy
23 law.

24 **11.3. Authorization.** On the Effective Date, the Reorganized Debtor and the Exit
25 Facility Lender shall be authorized to make all filings and recordings, obtain all governmental
26 approvals and consents, and take any other actions necessary to establish and perfect such liens
27 and security interests under the provisions of the applicable state, federal, or other law (whether
28

1 domestic or foreign) that would be applicable in the absence of the Plan and the Confirmation
2 Order (it being understood that perfections shall occur automatically by virtue of the entry of the
3 Confirmation Order and any such filings, recordings, approvals, and consents shall not be
4 required), and the Reorganized Debtor shall thereafter cooperate to make all other filings and
5 recordings that otherwise would be necessary under applicable law to give notice of such liens
6 and security interests to third parties.

7 **ARTICLE XII**
8 **MEANS FOR IMPLEMENTING THE PLAN**

9 **12.1. *Revesting.***

10 12.1.1 *Revesting of Property in the Reorganized Debtor.* On the Effective Date,
11 all property of the Estate as defined in Section 541 of the Bankruptcy Code, including any Causes
12 of Action, shall revest in the Reorganized Debtor, free and clear of all liens and encumbrances
13 and all Claims, rights, interests, and entitlements. Thereafter, the Reorganized Debtor may use,
14 sell, transfer or exchange such property in its discretion, subject to any restriction or limitation set
15 forth in the Plan.

16 12.1.2 *Obtaining Credit.* At any time after the Effective Date the Reorganized
17 Debtor may obtain credit in its sole discretion without approval of the Bankruptcy Court.

18 12.1.3 *No Waiver.* No claim, right, Cause of Action, or other property of the
19 Estate shall be deemed waived or otherwise forfeited by the Debtor's failure to identify such
20 property in the Schedules or the Disclosure Statement accompanying the Plan.

21 **12.2. *Non-Monetary Commitment to Healing and Reconciliation.*** In order to further
22 promote healing and reconciliation, and in order to continue efforts to protect children and
23 vulnerable adults and to prevent Abuse from occurring in the future, the Reorganized Debtor
24 shall, as of the Effective Date (unless a different date is provided in the Confirmation Order),
25 continue the non-monetary measures outlined in Article IV(G) of the Disclosure Statement
26 entitled "Debtor's Mission to Effect Reconciliation and Compensation," which non-monetary
27 measures are expressly incorporated herein.
28

1 **12.3. CCCEB Settlement.** Upon the occurrence of the Effective Date, the CCCEB
2 Settlement, in accordance with the CCCEB Settlement Documents, shall become effective. The
3 CCCEB Settlement shall include the following terms:

4 12.3.1. In full and complete satisfaction of all obligations under the CCCEB Note,
5 CCCEB shall transfer to RCBO on the Effective Date fee simple title to the Cathedral Property,
6 together with all improvements thereon and all tangible personal property owned by CCCEB and
7 located on or used in connection with operation of the Cathedral Property.

8 12.3.2. CCCEB shall assign to RCBO, and RCBO shall assume all obligations of
9 CCCEB under, all current contracts related to maintenance, operation, and security of the
10 Cathedral Property, provided that RCBO may decline to assume any such contract following
11 reasonable diligence review, and further provided that to the extent any such contracts are not
12 assignable under their terms or applicable law or assignment would constitute a breach under the
13 terms of such contract, RCBO may instead, at its election, fund CCCEB's obligations for
14 payment under any such contracts.

15 12.3.3. Funds in deposit accounts in the name of or controlled by CCCEB for
16 operation of the Cathedral Property shall, at RCBO's election, be transferred to RCBO, or
17 otherwise used for operating expenses related to the Cathedral Property or otherwise to pay the
18 debts of CCCEB.

19 12.3.4. CCCEB shall assign to RCBO, and RCBO shall assume all obligations
20 under the existing leases and user agreements with tenants and other users of the Cathedral
21 Property, including (i) that certain License and Services Agreement dated as of January 1, 2020,
22 with RCC regarding the mausoleum on the Cathedral Property; (ii) that certain Commercial
23 Office Lease Agreement with RCC dated as of April 3, 2024; (iii) that certain Lease Agreement
24 with the Order of Malta Clinic of Northern California dated January 25, 2008, and amended
25 February 10, 2023; and (iv) agreements for use of Cathedral Property space with RCWC, and the
26 Cathedral of Christ the Light parish Church.

27 12.3.5. CCCEB shall have no further obligation or liability of any kind for the debt
28

1 evidenced by the CCCEB Note, or in connection with the CCCEB Note.

2 12.3.6. The Debtor and CCCEB shall agree to such other terms, not inconsistent
3 with the Plan, as are necessary or desired to complete the CCCEB Settlement.

4 **12.4. Treatment of Actions and Causes of Action.** On the Effective Date, all Causes of
5 Action held by the Estate or the Debtor other than those included in the Survivors' Trust Assets
6 shall be deemed fully vested in the Reorganized Debtor. Pursuant to Section 1123(b)(3) of the
7 Bankruptcy Code, the Reorganized Debtor shall retain and have the exclusive authority and
8 standing to prosecute, enforce, pursue, sue on, settle or compromise any and all Causes of Action
9 (including Avoidance Actions), arising before the Effective Date, including all Causes of Action
10 of a trustee and debtor-in-possession under the Bankruptcy Code, but not including the Coverage
11 Action, Assigned Insurance Interests, and any other Causes of Action expressly released or
12 compromised as part of or pursuant to the Plan or by other order of the Bankruptcy Court entered
13 prior to the Effective Date. The Reorganized Debtor shall also retain and may prosecute and
14 enforce all defenses, counterclaims, and rights that have been asserted or could be asserted by the
15 Debtor against or with respect to all Claims asserted against the Debtor or property of the Estate.
16 Failure to specifically identify potential Causes of Action in the Plan shall not be deemed a
17 waiver of any such Cause of Action by the Debtor, Reorganized Debtor, or the Survivors' Trust.

18 **12.5. Continued Existence.** From and after the Effective Date, the Debtor shall
19 continue in existence as the Reorganized Debtor in accordance with applicable law for all
20 purposes, including, among other things, (a) enforcing and prosecuting claims, interests, rights,
21 and privileges of the Debtor including, without limitation, prosecuting Causes of Action,
22 (b) resolving Disputed Claims, (c) administering the Plan, (d) filing appropriate tax returns and
23 refund requests, and (e) performing all such other acts and conditions required by and consistent
24 with consummation of the Plan.

25 **12.6. The Survivors' Trust.** On the Effective Date, the Survivors' Trust shall be
26 created, as provided in Article IX of the Plan.

27 **12.7. Post-Effective Date Prosecution of Non-Abuse Litigation Claims.**
28

1 12.7.1 *Relief from the Automatic Stay.* Effective upon the Effective Date,
2 Holders of Class 6 Claims are granted relief from the automatic stay of Section 362 of the
3 Bankruptcy Code solely for the purpose of continuing to prosecute their Class 6 Claim in a court
4 of competent jurisdiction (each, a “Class 6 Action”), including but not limited to litigating such
5 action through entry of a judgment, prosecution of any appeals and/or settlement of such action,
6 subject to the terms and conditions set forth herein. All Holders of Class 6 Claims shall be
7 permitted, but not required, to liquidate their Class 6 Action in a court of competent jurisdiction
8 in accordance with 28 U.S.C. § 157(b)(2)(B).

9 12.7.2 *Non-Abuse Litigation Reserve.* No less than sixty (60) days after the
10 Effective Date, the Reorganized Debtor shall establish the Non-Abuse Litigation Reserve and
11 fund it with \$750,000.00.

12 12.7.3 *Sources of Recovery for Non-Abuse Litigation Claims.* Notwithstanding
13 any provision to the contrary in the Plan Documents, Holders of Class 6 Claims shall be entitled
14 to prosecute and/or settle their respective Class 6 Action, provided that each such Holder shall be
15 limited to recovering from (i) the proceeds of any applicable insurance policy which provides
16 coverage, or could provide coverage, with respect to such Class 6 Claim and (ii) its *pro rata*
17 portion of the Non-Abuse Litigation Reserve; provided, however, no Holder of a Class 6 Claim
18 may recover more than \$250,000.00 from the Non-Abuse Litigation Reserve. Effective upon the
19 Effective Date, Holders of Class 6 Claims shall be otherwise barred and enjoined from seeking
20 recovery on any judgment or settlement obtained in their respective Class 6 Action from the
21 assets of the Debtor, Reorganized Debtor, Contributing Non-Debtor Catholic Entities, Survivors’
22 Trust, and any other party receiving a release under this Plan.

23 12.7.4 *Insurance Coverage for Non-Abuse Litigation Claims.* All parties,
24 including, but not limited to, any insurer under any insurance policy alleged to provide coverage
25 of a Class 6 Claim, reserve and expressly do not waive any of their rights, remedies and/or
26 defenses with respect to any Class 6 Claim. If any insurer denies and/or disclaims coverage of a
27 Class 6 Claim, the Debtor or Reorganized Debtor (as applicable) shall reasonably cooperate at the
28

1 sole cost of the Holder of such Class 6 Claim to assign to that Holder the right to pursue and
2 receive the proceeds of any applicable coverage under such Insurer's Abuse Insurance Policy or
3 Abuse Insurance Policies. Nothing contained herein shall be deemed a representation or warranty
4 concerning the availability, scope or interpretation of any insurance coverages which may or may
5 not exist for Class 6 Claims.

6 **12.8. Bankruptcy Procedure and Transition.**

7 12.8.1 *Notice Required Post-Confirmation.* Except as otherwise specifically
8 provided in this Plan, notice of Filings in the Bankruptcy Court after the Confirmation Date,
9 including fee applications, shall be required to be given only to Persons or Entities on the
10 Post-Confirmation Notice List. Consistent with the Local Rules of the Bankruptcy Court, no
11 other form of service shall be required on parties receiving service through ECF.

12 12.8.2 *Post-Confirmation Matters.* Except as otherwise specified herein,
13 matters arising after the Confirmation Date and subject to the Court's retained jurisdiction may be
14 initiated in the same manner and with the same effect as if the Chapter 11 Case was pending
15 before the Bankruptcy Court and the Plan had not been confirmed. Subject to the provisions of
16 the Plan and the Bankruptcy Code governing compensation of Professionals, and except as
17 provided in Article XIII of the Plan, every party to such a matter shall bear its own attorneys' fees
18 and costs in connection therewith.

19 12.8.3 *Dissolution of the Committee.* On the Effective Date, the Committee
20 shall be dissolved and the Committee and its members, as of the Effective Date, shall be
21 discharged of and from all further authority, duties, responsibilities, and obligations related to,
22 arising from and in connection with the Chapter 11 Case.

23 12.8.4 *Statutory Fees.*

24 12.8.4.1 The Reorganized Debtor shall continue to pay all
25 U.S. Trustee Fees accruing on or before the earlier of (i) the closing of the Chapter 11
26 Case, and (ii) December 31, 2026. Should the Chapter 11 Case remain open through
27 January 1, 2027 or later, the Survivors' Trust shall pay all U.S. Trustee Fees accruing on
28

1 or after that date until the Chapter 11 Case is closed. All U.S. Trustee Fees shall be paid
2 at the rate in effect at the time such fees come due.

3 12.8.4.2 Solely for purposes of calculating U.S. Trustee Fees on
4 account of the amounts to be funded by the Debtor to the Survivors' Trust, such amounts
5 shall be considered distributions from the Debtor pursuant to 28 U.S.C. § 1930(a)(6) on
6 the date of such distributions.

7 12.8.4.3 Contributions by any party to the Survivors' Trust other than
8 the Debtor, including without limitation a Contributing Non-Debtor Catholic Entity or a
9 Settling Insurer, shall not be considered distributions by or on behalf of the Debtor or
10 Reorganized Debtor for purposes of calculating U.S. Trustee Fees.

11 12.8.4.4 Distributions from the Survivors' Trust shall not be
12 considered distributions by or on behalf of the Debtor or Reorganized Debtor for purposes
13 of calculating U.S. Trustee Fees.

14 12.8.5 Post-Confirmation Reporting. The Reorganized Debtor shall file with
15 the Bankruptcy Court post-confirmation quarterly reports in a form consistent with Bankruptcy
16 Code § 1106(a)(7), Bankruptcy Rule 2015(a)(5), and 28 C.F.R. § 58.8 until the earliest of the
17 Chapter 11 Case being closed, dismissed, or converted to a case under Chapter 7 of the
18 Bankruptcy Code.

19 **12.9. Post-Petition Deposits.**

20 12.9.1 *Closing of Utility Deposit Account.* As of the Effective Date, the
21 Reorganized Debtor shall be authorized to close the Adequate Assurance Account, as defined in
22 the *Final Order Establishing Adequate Assurance Procedures With Respect to The Debtor's*
23 *Utility Providers* [Docket No. 114], and retain all funds held therein.

24 12.9.2 *Other Deposits.* From and after the Effective Date, the Reorganized
25 Debtor may, at its election, demand the refund of any deposit provided to a Person other than a
26 utility after the Petition Date or may offset the amount of such deposit, at the Reorganized
27 Debtor's election, against either post-Effective Date billings or against distributions to the holder
28

1 of such deposit on account of its Allowed Claims, or otherwise take any actions permitted by law
2 to obtain recovery of such deposit; for the avoidance of any doubt, the foregoing supersedes any
3 pre- or post-petition agreement between the holder of such deposit and the Debtor.

4 **12.10. Other Actions.** On and after the Effective Date, the Reorganized Debtor shall be
5 authorized to take such actions as are reasonably necessary to complete and effectuate the terms
6 of this Plan, subject only to the specific limitations contained in this Plan, the Bankruptcy Code or
7 Bankruptcy Rules, and any order of the Court.

8 **12.11. General Settlement.** Pursuant to Sections 105 and 1123 of the Bankruptcy Code
9 and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and
10 other benefits provided under the Plan, on the Effective Date, the provisions of the Plan shall
11 constitute a good faith compromise and settlement of all Claims and controversies resolved
12 pursuant to the Plan, including without limitation the CCCEB Settlement. On or before the
13 Effective Date, the Bankruptcy Court will have approved, by Final Order, such compromises, and
14 the Bankruptcy Court's findings will constitute its determination that such compromises and
15 settlements are in the best interests of the Debtor, the Estate, Holders of Abuse Claims (including
16 Unknown Abuse Claims), Holders of other Claims, and other parties in interest, and are fair,
17 equitable, and within the range of reasonableness. To the extent a separate Final Order is not
18 entered on or before the Confirmation Date, the entry of the Confirmation Order will constitute
19 the Final Order approving the compromises and settlements hereunder.

20 **12.12. Closing of the Case.** As soon as reasonably practicable when the Reorganized
21 Debtor deems appropriate, consistent with the provisions of this Plan, the Bankruptcy Code
22 including without limitation Section 350 of the Bankruptcy Code, the Bankruptcy Rules including
23 without limitation Bankruptcy Rule 3022, and the Local Rules of this Court, the Reorganized
24 Debtor shall file and serve an application for entry of a Final Decree closing the Chapter 11 Case,
25 together with a proposed Final Decree. A Final Decree may be entered before the Survivors'
26 Trust is fully administered, and the expectation that the Survivors' Trust will make further
27 distributions shall not be a basis for delaying entry of a Final Decree. Entry of a Final Decree
28

1 closing the Chapter 11 Case shall, whether or not specified therein, be without prejudice to the
2 right of the Reorganized Debtor, the United States Trustee, the Survivors' Trustee, or any other
3 party in interest to reopen the Chapter 11 Case for any matter over which the Bankruptcy Court or
4 the District Court has retained jurisdiction under this Plan. Any Final Decree or order closing this
5 Chapter 11 Case will provide that the Bankruptcy Court or the District Court, as appropriate, will
6 retain (a) jurisdiction to enforce, by injunctive relief or otherwise, the Confirmation Order, any
7 other orders entered in this Chapter 11 Case, and the obligations created by this Plan and the Plan
8 Documents; and (b) all other jurisdiction and authority granted to it under this Plan and the Plan
9 Documents.

10 **ARTICLE XIII**
11 **EFFECT OF PLAN CONFIRMATION**

12 **13.1. Binding Effect of Confirmation.** As of the Confirmation Date, but subject to
13 occurrence of the Effective Date, the provisions of this Plan shall be binding on and inure to the
14 benefit of the Debtor, the Estate, all Holders of Claims against the Debtor, and all other Persons
15 or Entities whether or not such Persons or Entities have accepted this Plan. The rights, benefits,
16 and obligations of any Person or Entity named or referred to in the Plan will be binding on, and
17 will inure to the benefit of, the executors, administrators, successors and assigns of each Person
18 or Entity (as applicable), whether or not they have accepted the Plan.

19 **13.2. Ratification.** Subject to all of the terms of this Plan, the Confirmation Order shall
20 be deemed to ratify all transactions effectuated by the Debtor during the pendency of the
21 Chapter 11 Case to the extent occurring pursuant to an order of the Court.

22 **13.3. Discharge of Claims.** Under Section 1141(d) of the Bankruptcy Code, and except
23 as otherwise specifically provided in the Plan or in any agreement or document executed pursuant
24 to the Plan, the distributions, rights, and treatment of Claims and Causes of Action in the Plan
25 shall be in complete satisfaction, discharge, and release, as of the Effective Date, of Claims and
26 Causes of Action that arose prior to the Effective Date, whether known or unknown, against the
27 Debtor (including for the avoidance of doubt the Churches) or any of its assets or properties,
28

1 including without limitation (i) any demands, liabilities, and Causes of Action that arose before
2 the Effective Date, (ii) any liability to the extent such Claims relate to services performed by
3 employees of the Debtor before the Effective Date and that arise from a termination of
4 employment, (iii) any contingent or non-contingent liability on account of representations or
5 warranties issued on or before the Effective Date, and (iv) all debts of the kind specified in
6 Sections 502(g), 502(h), or 502(i) of the Bankruptcy Code. Any default by the Debtor with
7 respect to any Claim existing immediately before or on account of the filing of the Chapter 11
8 Case shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial
9 determination of the discharge of all Claims subject to the Effective Date occurring. Nothing in
10 this Section 13.3 shall prohibit a Holder of an Abuse Claim from exercising the Litigation Option
11 to pursue recovery from any applicable Non-Settling Insurer Abuse Insurance Policy in
12 accordance with this Plan.

13 **13.4. Confirmation Injunction.**

14 Except as expressly provided in the Plan or the Confirmation Order, as of the Effective
15 Date all Holders of Claims of any nature whatsoever against or in the Debtor or any of its assets
16 or properties based upon any act, omission, transaction, occurrence, or other activity of any nature
17 that occurred before the Effective Date shall be precluded and permanently enjoined from
18 prosecuting or asserting any such discharged Claim against the Debtor or the Reorganized Debtor
19 or the property of the Debtor or Reorganized Debtor. In accordance with the foregoing, except as
20 expressly provided in the Plan or the Confirmation Order, the Confirmation Order shall be a
21 judicial determination of discharge or termination of all Claims, and other debts and liabilities
22 against or in the Debtor pursuant to Sections 105, 524 and 1141 of the Bankruptcy Code, and
23 such discharge shall void any judgment obtained against the Debtor at any time to the extent such
24 judgment relates to a discharged Claim.

25 **13.5. Injunction Against Interference with the Plan.** Upon the entry of the

26 Confirmation Order, all Holders of Claims and other parties in interest, along with their
27 respective present or former affiliates, employees, agents, officers, directors, attorneys, or
28

1 principals, shall be enjoined from taking any actions to interfere with the implementation or
2 consummation of this Plan.

3 **13.6. Exculpation.** Subject to the occurrence of the Effective Date, to the fullest
4 extent permissible under applicable law and without affecting or limiting either the releases
5 by the Debtor or the Releases by Holders of Abuse Claims, and except as otherwise
6 specifically provided in the Plan or the Confirmation Order, none of the Exculpated Parties
7 shall have or incur any liability to any Holder of a Claim or any other Person for any act or
8 omission in connection with, related to, or arising out of, the Chapter 11 Case, the Plan, the
9 pursuit of Confirmation of the Plan, the negotiation and consummation of the Plan, or the
10 administration of the Chapter 11 Case and the Plan, the property to be distributed under
11 the Plan, the administration of the Survivors' Trust Assets and the Survivors' Trust by the
12 Survivors' Trustee, or any other related agreement, or any restructuring transaction,
13 contract, instrument, release, or other agreement or document created or entered into
14 during the Chapter 11 Case in connection with the Chapter 11 Case, or upon any other act
15 or omission, transaction, agreement, event, or other occurrence related or relating to the
16 foregoing, and each Exculpated Party hereby is exculpated from any claim or Cause of
17 Action related to the foregoing; provided, however, that the foregoing shall not operate as
18 an exculpation, waiver or release for (i) any express contractual obligation owing by any
19 such Person or Entity, (ii) willful misconduct or gross negligence, and (iii) with respect to
20 Professionals, liability arising from claims of professional negligence which shall be
21 governed by the standard of care otherwise applicable to professional negligence claims
22 under applicable non-bankruptcy law, and, in all respects, the Exculpated Parties shall be
23 entitled to rely upon the advice of counsel with respect to their duties and responsibilities
24 under the Plan; provided further that nothing in the Plan shall, or shall be deemed to,
25 release the Exculpated Parties, or exculpate the Exculpated Parties with respect to, their
26 respective obligations or covenants arising pursuant to the Plan.
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
13.7. Injunction Related to Exculpation. As of the Effective Date, all Holders of Claims that are the subject of Section 13.6 are, and shall be, expressly, conclusively, absolutely, unconditionally, irrevocably, and forever stayed, restrained, prohibited, barred and enjoined from taking any of the following actions against any Exculpated Party and, solely to the extent provided by Section 1125(e) of the Bankruptcy Code, any Entity described in Section 1125(e) or its or their property or successors or assigns on account of or based on the subject matter of such Claims, whether directly or indirectly, derivatively or otherwise: (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding (including any judicial, arbitral, administrative or other proceeding) in any forum; (b) enforcing, attaching (including any prejudgment attachment), collecting, or in any way seeking to recover any judgment, award, decree, or other order; (c) creating, perfecting or in any way enforcing in any matter, directly or indirectly, any lien or encumbrance; and/or (d) setting off, seeking reimbursement or contributions from, or subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount against any liability or obligation that is discharged under Section 13.3 or exculpated under Section 13.6.

17
18
19
20
21
22
23
24
25
26
27
28
13.8. Releases by the Debtor. As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce the Plan and the Confirmation Order, pursuant to Section 1123(b) of the Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed, including the service of the Released Parties and Settling Insurers, and each of them, to facilitate and implement the reorganization of the Debtor, as an integral component of the Plan, the Debtor, the Reorganized Debtor, and the Estate shall, and shall be deemed to, expressly, conclusively, absolutely, unconditionally, irrevocably, and forever release and discharge each and all of the Released Parties and Settling Insurers of and from any and all Causes of Action (including Avoidance Actions), any and all other Claims, obligations, rights, demands, suits, judgments, damages, debts, remedies, losses and liabilities of any nature whatsoever (including any derivative claims or Causes of Action asserted or that may be asserted on

1 behalf of the Debtor, the Reorganized Debtor, or the Estate), whether liquidated or
2 unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or
3 unforeseen, existing or hereinafter arising, in law, equity, contract, tort or otherwise, based
4 on or relating to, or in any manner arising from, in whole or in part, any act, omission,
5 transaction, event, or other circumstance taking place or existing on or before the Effective
6 Date (including before the Petition Date) in connection with or related to the Debtor, the
7 Reorganized Debtor, the Estate, their respective assets and properties, the Chapter 11 Case,
8 the Plan Documents, and any related agreements, instruments, and other documents
9 created or entered into before or during the Chapter 11 Case, the pursuit of entry of the
10 Confirmation Order, the administration and implementation of the Plan, including the
11 distribution of property under the Plan, or any other related agreement, or upon any other
12 act or omission, transaction, agreement, event, or other occurrence taking place on or
13 before the Effective Date related or relating to the foregoing. Notwithstanding anything to
14 the contrary in the foregoing, the releases set forth in this Section 13.8 shall not be
15 construed as releasing any post-Effective Date obligations of any Person or Entity under the
16 Plan or any document, instrument, or agreement executed to implement the Plan or
17 reinstated under the Plan.

18 *13.9. Releases by Holders of Abuse Claims.* As of the Effective Date, except for the
19 rights that remain in effect from and after the Effective Date to enforce the Plan and the
20 Confirmation Order, pursuant to Section 1123(b) of the Bankruptcy Code, for good and
21 valuable consideration, the adequacy of which is hereby confirmed, including the service of
22 the Released Parties to facilitate and implement the reorganization of the Debtor, as an
23 integral component of the Plan, and except as otherwise expressly provided in the Plan or
24 the Confirmation Order, to the maximum extent permitted under applicable law, as such
25 law may be extended subsequent to the Effective Date, all Holders of Abuse Claims
26 (including without limitation Unknown Abuse Claims and any Abuse Claims that are
27 Disputed Claims) that timely return a Ballot but do not affirmatively opt out of the Releases
28

1 pursuant to Section 6.2 of the Plan, shall, and shall be deemed to, expressly, conclusively,
2 absolutely, unconditionally, irrevocably, and forever discharge and release each and all of
3 the Released Parties and their respective property and successors and assigns of and from
4 all Abuse Claims and any and all Claims and Causes of Action whatsoever, whether known
5 or unknown, asserted or unasserted, derivative or direct, foreseen or unforeseen, existing or
6 hereinafter arising, in law, equity, or otherwise, whether for tort, fraud, contract, veil
7 piercing or alter-ego theories of liability, successor liability, contribution, indemnification,
8 joint liability, or otherwise, arising from or related in any way to such Abuse Claims.

9 **13.10. Injunction Related to Releases.** As of the Effective Date, and except as set
10 forth in Articles VIII and IX hereof for Holders of Abuse Claims who elect the Litigation
11 Option to sue the Debtor (as a nominal party only), all Holders of Abuse Claims that are the
12 subject of Section 13.9 hereof are, and shall be, expressly, conclusively, absolutely,
13 unconditionally, irrevocably, and forever stayed, restrained, prohibited, barred and
14 enjoined from taking any of the following actions against any Released Party or its property
15 or successors or assigns on account of or based on the subject matter of such Claims,
16 whether directly or indirectly, derivatively or otherwise: (a) commencing, conducting or
17 continuing in any manner, directly or indirectly, any suit, action or other proceeding
18 (including any judicial, arbitral, administrative or other proceeding) in any forum;
19 (b) enforcing, attaching (including, without limitation, any prejudgment attachment),
20 collecting, or in any way seeking to recover any judgment, award, decree, or other order;
21 (c) creating, perfecting or in any way enforcing in any matter, directly or indirectly, any
22 lien or encumbrance; and/or (d) setting off, seeking reimbursement or contributions from,
23 or subrogation against, or otherwise recouping in any manner, directly or indirectly, any
24 amount against any liability or obligation that is discharged under Section 13.3 of the Plan
25 or released under Section 13.9 of the Plan.

26 **13.11. Disallowed Claims.** On and after the Effective Date, the Debtor and the
27 Reorganized Debtor shall be fully and finally discharged of any and all liability or obligation on
28

1 any and all Disallowed Claims, and any order Disallowing a Claim that is not a Final Order as of
2 the Effective Date solely because of an Entity's right to move for reconsideration of such Order
3 pursuant to Section 502 of the Bankruptcy Code or Bankruptcy Rule 3008 shall nevertheless
4 become and be deemed to be a Final Order on and as of the Effective Date. The Confirmation
5 Order, except as otherwise provided herein, shall constitute an order Disallowing all Claims to
6 the extent such Claims are not allowable under any provision of Section 502 of the Bankruptcy
7 Code, including time-barred Claims, and Claims for unmatured interest.

8 **13.12. Channeling Injunction. IN CONSIDERATION OF THE UNDERTAKINGS**
9 **UNDER THIS PLAN BY THE RELEASED PARTIES, THEIR CONTRIBUTIONS TO**
10 **THE SURVIVORS' TRUST, AND OTHER CONSIDERATION AND TO FURTHER**
11 **PRESERVE AND PROMOTE THE AGREEMENTS AMONG THE RELEASED**
12 **PARTIES AND THE SETTLING INSURERS AND TO SUPPLEMENT WHERE**
13 **NECESSARY THE INJUNCTIVE EFFECT OF THE DISCHARGE AS PROVIDED IN**
14 **SECTIONS 524 AND 1141 OF THE BANKRUPTCY CODE, AND PURSUANT TO**
15 **SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE:**

16 13.12.1. ANY AND ALL CHANNELED CLAIMS, INCLUDING
17 WITHOUT LIMITATION UNKNOWN ABUSE CLAIMS, ARE CHANNELED INTO
18 THE SURVIVORS' TRUST AND SHALL BE TREATED, ADMINISTERED,
19 DETERMINED, RESOLVED AND PAID IN THE AMOUNTS AS PROVIDED BY THE
20 SURVIVORS' TRUST DISTRIBUTION PLAN AND PROCEDURES ESTABLISHED
21 UNDER THIS PLAN AND THE SURVIVORS' TRUST AGREEMENT AS THE SOLE
22 AND EXCLUSIVE REMEDY FOR ALL HOLDERS OF CHANNELED CLAIMS; AND

23 13.12.2. EXCEPT AS SET FORTH IN ARTICLES VIII AND IX
24 HEREOF FOR HOLDERS OF ABUSE CLAIMS WHO ELECT THE LITIGATION
25 OPTION TO SUE THE DEBTOR (AS A NOMINAL PARTY ONLY), ALL PERSONS
26 WHO HELD OR ASSERTED, HOLD OR ASSERT, OR MAY IN THE FUTURE HOLD
27 OR ASSERT ANY CHANNELED CLAIMS ARE HEREBY PERMANENTLY STAYED,
28

1 ENJOINED, BARRED AND RESTRAINED FROM TAKING ANY ACTION, DIRECTLY
2 OR INDIRECTLY, FOR THE PURPOSES OF ASSERTING, ENFORCING, OR
3 ATTEMPTING TO ASSERT OR ENFORCE ANY CHanneled CLAIM AGAINST
4 THE RELEASED PARTIES AND THE SETTling INSURERS, INCLUDING:

5 (i) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER
6 PROCEEDING OF ANY KIND WITH RESPECT TO ANY CHanneled CLAIM
7 AGAINST ANY OF THE RELEASED PARTIES OR SETTling INSURERS OR
8 AGAINST THE PROPERTY OF ANY OF THE RELEASED PARTIES OR SETTling
9 INSURERS; (ii) ENFORCING, ATTACHING, COLLECTING OR RECOVERING, BY
10 ANY MANNER OR MEANS, FROM ANY OF THE RELEASED PARTIES OR THE
11 PROPERTY OF ANY OF THE RELEASED PARTIES OR SETTling INSURERS, ANY
12 JUDGMENT, AWARD, DECREE, OR ORDER WITH RESPECT TO ANY
13 CHanneled CLAIM AGAINST ANY OF THE RELEASED PARTIES OR SETTling
14 INSURERS; (iii) CREATING, PERFECTING OR ENFORCING ANY LIEN OF ANY
15 KIND RELATING TO ANY CHanneled CLAIM AGAINST ANY OF THE
16 RELEASED PARTIES OR SETTling INSURERS OR THE PROPERTY OF THE
17 RELEASED PARTIES OR SETTling INSURERS; (iv) ASSERTING, IMPLEMENTING
18 OR EFFECTUATING ANY CHanneled CLAIM OF ANY KIND AGAINST ANY
19 OBLIGATION DUE ANY OF THE RELEASED PARTIES OR SETTling INSURERS,
20 ANY OF THE RELEASED PARTIES OR SETTling INSURERS, OR THE PROPERTY
21 OF ANY OF THE RELEASED PARTIES OR SETTling INSURERS; (v) TAKING ANY
22 ACT, IN ANY MANNER, IN ANY PLACE WHATSOEVER, THAT DOES NOT
23 CONFORM TO, OR COMPLY WITH, THE PROVISIONS OF THIS PLAN OR THE
24 SURVIVORS' TRUST DOCUMENTS; AND (vi) ASSERTING OR ACCOMPLISHING
25 ANY SETOFF, RIGHT OF INDEMNITY, SUBROGATION, CONTRIBUTION OR
26 RECOUPMENT OF ANY KIND AGAINST ANY OBLIGATION DUE TO ANY OF THE
27 RELEASED PARTIES OR SETTling INSURERS.
28

1 **13.13. Provisions Relating to the Channeling Injunction.**

2 13.13.1 *Modifications.* The Channeling Injunction is a permanent injunction. It
3 shall not be modified, dissolved, or terminated.

4 13.13.2 *Non-Limitation.* Nothing in the Plan or the Survivors' Trust Documents
5 shall or shall be construed in any way to limit the scope, enforceability, or effectiveness of the
6 Channeling Injunction or the assumption by the Survivors' Trust of all liability with respect to the
7 Abuse Claims.

8 13.13.3 *Bankruptcy Rule 3016 Compliance.* The Debtor's compliance with the
9 requirements of Bankruptcy Rule 3016 shall not constitute or be deemed to constitute an
10 admission that the Plan provides for an injunction against conduct not otherwise enjoined under
11 the Bankruptcy Code.

12 13.13.4 *No Duplicative Recovery.* In no event shall any Holder of an Abuse
13 Claim be entitled to receive any payment, reimbursement, or restitution from any Released Party
14 under any theory of liability for the same loss, damage, or other Abuse Claim that is reimbursed
15 by the Survivors' Trust or is otherwise based on the same events, facts, matters, or circumstances
16 that gave rise to the applicable Abuse Claim. This provision does not prohibit a Holder of Abuse
17 Claim from pursuing recovery from Non-Settling Insurers for coverage of an Abuse Claim,
18 subject to Articles VIII and IX hereof.

19 **13.14. Effect of Channeling Injunction.** The Channeling Injunction is an integral part of
20 this Plan and is essential to this Plan's consummation and implementation. It is intended that the
21 channeling of the Channeled Claims as provided in Section 13.12 of the Plan shall inure to the
22 benefit of the Released Parties and the Settling Insurers. In any action to enforce the injunctive
23 provisions of Section 13.12 of the Plan against a Holder of a Claim whereby it is held by a Final
24 Order that such Holder willfully violated the terms of Section 13.12 of the Plan, the moving party
25 may seek an award of costs including reasonable attorneys' fees against such Holder, and such
26 other legal or equitable remedies as are just and proper, after notice and a hearing. The
27
28

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

3 **13.15. Exclusion Regarding Non-Settling Insurers. NOTWITHSTANDING THE**
4 **FOREGOING, AND FOR THE AVOIDANCE OF DOUBT, NOTHING IN THIS**
5 **ARTICLE XIII (INCLUDING THE RELEASES, INJUNCTIONS, AND**
6 **EXCULPATIONS) LIMITS THE RIGHTS OF A NON-SETTLING INSURER AS SET**
7 **FORTH IN, OR PRESERVED BY, THE PLAN, INCLUDING (I) ARTICLES VIII AND**
8 **IX AND (II) THE RIGHTS OF ANY INSURER (INCLUDING NON-SETTLING**
9 **INSURERS) TO ASSERT ANY CLAIMS FOR REINSURANCE UNDER**
10 **REINSURANCE CONTRACTS OR CLAIMS UNDER RETROCESSIONAL**
11 **CONTRACTS AGAINST THE SETTLING INSURERS AND OTHER INSURANCE**
12 **COMPANIES. FURTHERMORE, THE NON-SETTLING INSURERS ARE NOT**
13 **GRANTING (NOR SHALL THEY BE SUBJECT TO) ANY THIRD-PARTY RELEASE,**
14 **INJUNCTION, OR EXCULPATION COVERING ANY NON-DEBTOR PERSON OR**
15 **ENTITY AND THEY SHALL BE DEEMED TO HAVE OPTED OUT OF ANY SUCH**
16 **RELEASE, INJUNCTION, OR EXCULPATION.**

17 **ARTICLE XIV**
18 **MODIFICATION**

19 **14.1. Modification of the Plan.**

20 14.1.1. To the fullest extent permitted under Section 1127 of the Bankruptcy Code,
21 the Plan may be altered, amended or modified by the Debtor (or Reorganized Debtor as
22 appropriate) at any time prior to its substantial consummation.

23 14.1.2. In the event of any modification, alteration or amendment on or before
24 Confirmation, any votes to accept or reject this Plan shall be deemed to be votes to accept or
25 reject this Plan as modified, unless the Court finds that the modification, alteration or amendment
26 materially and adversely affects the rights of parties in interest which have cast said votes.

27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

14.2. Correction of Defects. Following the Effective Date, the Reorganized Debtor may initiate a proceeding or motion in the Court in order to remedy any defects or omissions, or to reconcile any inconsistencies, in the Plan or the Confirmation Order, upon notice of such proceedings or motion served on all parties listed in the Post-Confirmation Notice List and any other parties who may be materially and adversely affected.

14.3. Savings Clause. Any minor defect or inconsistency in the Plan may be corrected or amended by the Confirmation Order.

14.4. Remedy of Defects. After the Effective Date, the Reorganized Debtor may, with approval of the Court, and so long as it does not materially and adversely affect the interests of Holders of Claims, remedy any defect or omission or reconcile any inconsistencies in the Plan or in the Confirmation Order in such manner as may be necessary to carry out the purposes and effect of the Plan and in form and substance satisfactory to the Reorganized Debtor.

**ARTICLE XV
RETENTION OF JURISDICTION**

15.1. Scope of the Bankruptcy Court's Retained Jurisdiction. The Bankruptcy Court shall retain and have jurisdiction over the Chapter 11 Case for all purposes provided by the Bankruptcy Code, including for the following purposes:

15.1.1. To hear and determine motions for the assumption or rejection of Executory Contracts or Unexpired Leases, if any are pending on the Effective Date and not otherwise determined by Confirmation, and the allowance of Claims resulting therefrom.

15.1.2. To grant full and complete relief upon the request of the Reorganized Debtor.

15.1.3. To determine any and all objections to the allowance of Claims and to allow, disallow, estimate, liquidate, or determine any Claim, except with respect to Abuse Claims whose Holders select the Litigation Option pursuant to Section 9.8.4 hereof and subject to the terms of Section 5.2.2 and Articles VIII and IX hereof.

15.1.4. To determine any and all applications for compensation and reimbursement

1 of expenses and any other fees and expenses authorized to be paid or reimbursed under the
2 Bankruptcy Code or the Plan which accrued on or prior to the Confirmation Date.

3 15.1.5. To determine any and all applications, adversary proceedings and contested
4 or litigated matters (a) that may be pending on the Effective Date, except as provided in the
5 Confirmation Order; or (b) which shall be commenced on or after the Effective Date and be
6 properly before the Bankruptcy Court.

7 15.1.6. To consider any modifications of the Plan, any defect or omission, or
8 reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation
9 Order, to the extent authorized by the Bankruptcy Code.

10 15.1.7. To implement the provisions of the Plan and to issue orders in aid of
11 execution of the Plan to the extent authorized by Section 1142 of the Bankruptcy Code.

12 15.1.8. To resolve any disputes and otherwise hear such additional matters brought
13 by the Survivors' Trustee or otherwise related to the Survivors' Trust Assets or to the fulfillment
14 of the Survivors' Trustee's duties pursuant to the Plan and the Survivors' Trust Documents.

15 15.1.9. To hear and determine disputes arising in connection with the
16 interpretation, implementation or enforcement of the Plan.

17 15.1.10. To enter a Final Decree and orders reopening the Chapter 11 Case
18 as appropriate after entry of a Final Decree, *provided that* the Bankruptcy Court shall retain
19 jurisdiction to enter an order terminating the Survivors' Trust and discharging the Survivors'
20 Trustee in accordance with the terms of the Survivors' Trust, notwithstanding the issuance of the
21 Final Decree and closing of the Chapter 11 Case and without the necessity of reopening the
22 Chapter 11 Case.

23 15.1.11. To hear any other matter consistent with the Bankruptcy Code.

24 **15.2. Failure of Bankruptcy Court to Exercise Jurisdiction.** If the Bankruptcy Court
25 abstains from exercising or declines to exercise jurisdiction or is otherwise without jurisdiction
26 over any matter arising out of the Chapter 11 Case, including matters set forth in this Article XV,
27
28

1 such lack of jurisdiction will not diminish, control, prohibit, or limit the exercise of jurisdiction
2 by any other court having competent jurisdiction with respect to such matter.

3 **ARTICLE XVI**
4 **MISCELLANEOUS PROVISIONS**

5 **16.1. Enforcement.** The Reorganized Debtor may take such actions, including the
6 initiation of proceedings or the prosecution of a motion, as may be reasonably necessary in order
7 to interpret or enforce the purposes and intent of the Plan.

8 16.1.1 *Forum for Enforcement.* Subject to the retained jurisdiction of the
9 Bankruptcy Court, any motion or proceeding to enforce the Plan may be brought before the
10 Bankruptcy Court or any other court of competent jurisdiction.

11 16.1.2 *Expenses of Enforcement.* In the event that any action, motion, contested
12 matter, complaint, answer, counterclaim, cross-claim or other action is filed or taken by the
13 Reorganized Debtor either in the Bankruptcy Court or otherwise, in order to enforce or interpret
14 any terms of the Plan or the Confirmation Order, or any order or agreement made in
15 implementation of the Plan, the prevailing party in such matter (as determined by a court of
16 competent jurisdiction) shall be entitled to recover from any opposing party its expenses,
17 including reasonable attorneys' fees and costs, incurred in such matter.

18 **16.2. Exemption from Certain Transfer Taxes and Recording Fees.** Pursuant to
19 Section 1146(c) of the Bankruptcy Code, the issuance, transfer, or exchange of a security, or the
20 making or delivery of an instrument of transfer under the Plan may not be taxed under any law
21 imposing a stamp tax or similar tax. The taxes from which such transfers are exempt include
22 stamp taxes, recording taxes, sales and use taxes, transfer taxes, and other similar taxes.

23 **16.3. Effectuating Documents.** The Debtor or the Reorganized Debtor, as the case may
24 be, is authorized to execute, deliver, file, or record such contracts, instruments, releases, and other
25 agreements or documents and take such actions as may be necessary or appropriate to implement,
26 effectuate, and further evidence the terms and conditions of the Plan and any notes or interests
27 issued pursuant to the Plan.
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

[signatures on the next page]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

DATED: ~~January 3~~ February 18, 2025

THE ROMAN CATHOLIC BISHOP OF OAKLAND

By: /s/ Attila Bardos
Attila Bardos
Chief Financial Officer

Presented by:
FOLEY & LARDNER LLP
Thomas F. Carlucci
Shane J. Moses
Ann Marie Uetz
Matthew D. Lee
Geoffrey S. Goodman
Mark C. Moore

/s/Shane J. Moses
Shane J. Moses

*Counsel for the Debtor
and Debtor in Possession*

Schedule 1.1.21

Legal Description of Cathedral Property Parcel

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

LEGAL DESCRIPTION OF LAND - CATHEDRAL

Real property in the City of Oakland, County of Alameda, State of California, described as follows:

Parcel 2, Parcel Map 6031, filed March 4, 1991 in Book 196, Pages 41 and 42 of Maps, Alameda County Records.

APN: 008 -0653-024

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Schedule 1.1.28
Schedule of Churches

Church Listing

Church Names	City
HOLY SPIRIT/NEWMAN HALL CHURCH	BERKELEY
ST. MARY MAGDALEN CHURCH	BERKELEY
CATHEDRAL OF CHRIST THE LIGHT	OAKLAND
ST. THERESA CHURCH	OAKLAND
ST. PATRICK MISSION	CROCKETT
ST. BARNABAS CHURCH	ALAMEDA
ST. JOSEPH BASILICA	ALAMEDA
ST. AMBROSE CHURCH	BERKELEY
OUR LADY OF GRACE CHURCH	CASTRO VALLEY
TRANSFIGURATION CHURCH	CASTRO VALLEY
ST. RAYMOND PENAFORT CHURCH	DUBLIN
CORPUS CHRISTI CHURCH	FREMONT
HOLY SPIRIT CHURCH	FREMONT
ST. JAMES THE APOSTLE CHURCH	FREMONT
ST. JOSEPH CHURCH	FREMONT
OUR LADY OF GUADALUPE CHURCH	FREMONT
ALL SAINTS CHURCH	HAYWARD
ST. BEDE CHURCH	HAYWARD
ST. CLEMENT CHURCH	HAYWARD
ST. JOACHIM CHURCH	HAYWARD
ST. CHARLES BORROMEIO CHURCH	LIVERMORE
ST. MICHAEL CHURCH	LIVERMORE
ST. EDWARD CHURCH	NEWARK
ST. AUGUSTINE CHURCH	OAKLAND
ST. BENEDICT CHURCH	OAKLAND
ST. BERNARD CHURCH	OAKLAND
ST. ELIZABETH CHURCH	OAKLAND
ST. LEO THE GREAT CHURCH	OAKLAND
OUR LADY OF LOURDES CHURCH	OAKLAND
ST. MARGARET MARY CHURCH	OAKLAND
ST. PATRICK CHURCH	OAKLAND
SACRED HEART CHURCH	OAKLAND
CORPUS CHRISTI CHURCH	PIEDMONT
CATHOLIC COMMUNITY of PLEASANTON	PLEASANTON
CHURCH OF THE ASSUMPTION	SAN LEANDRO
OUR LADY OF GOOD COUNSEL	SAN LEANDRO
ST. FELICITAS CHURCH	SAN LEANDRO
ST. LEANDER CHURCH	SAN LEANDRO
ST. JOHN THE BAPTIST CHURCH	SAN LORENZO
OUR LADY OF THE ROSARY CHURCH	UNION CITY
ST. ANNE CHURCH	UNION CITY
ST. IGNATIUS OF ANTIOCH CHURCH	ANTIOCH
IMMACULATE HEART of MARY CHURCH	BRENTWOOD
ST. AGNES CHURCH	CONCORD
ST. BONAVENTURE CHURCH	CONCORD

Church Listing

	Church Names	City
1		
2		
3	ST. FRANCIS OF ASSISI CHURCH	CONCORD
4	QUEEN OF ALL SAINTS CHURCH	CONCORD
5	ST. ROSE OF LIMA CHURCH	CROCKETT
6	ST. ISIDORE CHURCH	DANVILLE
7	ST. JEROME CHURCH	EL CERRITO
8	ST. JOHN THE BAPTIST CHURCH	EL CERRITO
9	ST. CALLISTUS CHURCH	EL SOBRANTE
10	ST. PERPETUA CHURCH	LAFAYETTE
11	ST. CATHERINE OF SIENA CHURCH	MARTINEZ
12	ST. MONICA CHURCH	MORAGA
13	ST. ANTHONY CHURCH	OAKLEY
14	SANTA MARIA CHURCH	ORINDA
15	ST. JOSEPH CHURCH	PINOLE
16	CHURCH OF THE GOOD SHEPHERD	PITTSBURG
17	OUR LADY QUEEN OF THE WORLD	BAY POINT
18	ST. PETER MARTYR CHURCH	PITTSBURG
19	CHRIST THE KING CHURCH/ST. STEPHEN CHURCH	PLEASANT HILL/WALNUT CREEK
20	OUR LADY OF MERCY CHURCH	POINT RICHMOND
21	ST. CORNELIUS CHURCH	RICHMOND
22	ST. DAVID OF WALES CHURCH	RICHMOND
23	ST. PATRICK CHURCH	RODEO
24	ST. JOAN OF ARC CHURCH	SAN RAMON
25	ST. ANNE CHURCH	WALNUT CREEK
26	ST. JOHN VIANNEY CHURCH	WALNUT CREEK
27	ST. MARY CHURCH	WALNUT CREEK
28	DIVINE MERCY CHURCH	OAKLAND DIVIMERCC
29	ST. MARK CHURCH	RICHMOND
30	ST. ANTHONY	MARY HELP OF CHRISTIANS
31	ST. COLUMBA CHURCH	OAKLAND
32	ST. JARLATH CHURCH	OAKLAND
33	ST. LOUIS BERTRAND	OAKLAND
34	MOST HOLY ROSARY CHURCH	ANTIOCH
35	ST. JOSEPH THE WORKER CHURCH	BERKELEY
36	ST. ANNE CHURCH	BYRON
37	ST. PAUL CHURCH	SAN PABLO
38	ST. PHILIP NERI	ST. ALBERT THE GREAT CHURCH ALAMEDA

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Schedule 1.1.72

Legal Description of Livermore Property

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

LEGAL DESCRIPTION LIVERMORE PROPERTY

REAL Property in the Unincorporated Area, County of Alameda, State of California, described as follows:

Commencing at [h• Southeasterly comer of that certain 0.157 of an acre parcel of land described in the deed to the State of California recorded September 30, 1952 in Volume 6837, Page 111, Official Records of Ala da County; thence North 2° 26' 15" East, 10.11 feet to the Northerly line of said parcel; thence along said Northerly line South 83° 57' 10" west, 684.28 feet; thence South 1° 31' 50" East, 40.12 feet;;hence North 83° 57' 10" East, 583.02 feet; thence along a tangent curve to the right with a radius of 0 feet, through an angle of 61° 36' 54" an arc distance of 53,77 feet to the Westerly line of that cert in 0.047 of an acre, parcel of land conveyed to the State of California by deed recorded June I,,1953 in Volume 7043, Page 61, Official Records of Alameda County; thence along said Westerly South 2° 26' 15" West, 212.44 feet; thence South 86° 42' 45" East, 25.00 feet; thence South 3° 17' 15" West, 43.00 feet to a point distant North 3° 17' 15" East, 237.00 feet from Engineer's Stati4n 690 + 70.00 on the "A4" line of the Department of Public Works' survey for the State freeway, in Alameda County, road IV-Ala-5-F; thence South 86° 42' 45" East, 15.64 feet; thence North 2° 26' 15' East, 318.86 feet; thence North 83° 57' 10" East, IO. I 1 feet to the to the point of commencement,

As described in the Relinquishment of State Highway in the County of Alameda recorded June 10, 1956, Book 806(, Page 455, and being a portion of Las Colinas Road.

FIRST AMERICAN TITLE

Summary report: Litera Compare for Word 11.7.0.54 Document comparison done on 2/18/2025 8:12:57 PM	
Style name: New	
Intelligent Table Comparison: Inactive	
Original filename: RCBO - Debtor's Amended Plan of Reorganization 4905-2678-6571 v.5.docx	
Modified filename: RCBO - Debtor's Second Amended Plan of Reorganization 4927-9142-5042 v.3.docx	
Changes:	
<u>Add</u>	224
Delete	185
Move From	1
<u>Move To</u>	1
<u>Table Insert</u>	1
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	412

EXHIBIT B

Redline of Second Amended Disclosure Statement vs. First Amended Disclosure Statement

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 **FOLEY & LARDNER LLP**

2 Thomas F. Carlucci (CA Bar No. 135767)
3 Tel: (415) 984-9824; tcarlucci@foley.com
4 Shane J. Moses (CA Bar No. 250533)
5 Tel: (415) 438-6404; smoses@foley.com
6 Ann Marie Uetz (admitted *pro hac vice*)
7 Tel: (313) 234-7114; auetz@foley.com
8 Matthew D. Lee (admitted *pro hac vice*)
9 Tel: (608) 258-4203; mdlee@foley.com
10 Geoffrey S. Goodman (admitted *pro hac vice*)
11 Tel: (312) 832-4515; ggoodman@foley.com
12 Mark C. Moore (admitted *pro hac vice*)
13 Tel: (214) 999-4150; mmoore@foley.com
14 555 California Street, Suite 1700
15 San Francisco, CA 94104-1520

16 *Counsel for the Debtor
17 and Debtor in Possession*

18
19 **UNITED STATES BANKRUPTCY COURT**
20 **NORTHERN DISTRICT OF CALIFORNIA**
21 **OAKLAND DIVISION**

22 In re:
23
24 THE ROMAN CATHOLIC BISHOP OF
25 OAKLAND, a California corporation sole,
26
27 Debtor.

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

29 **SECOND AMENDED DISCLOSURE STATEMENT FOR**
30 **DEBTOR'S SECOND AMENDED PLAN OF REORGANIZATION**

31 **NOTE: THIS DISCLOSURE STATEMENT IS BEING PRESENTED TO THE**
32 **COURT FOR APPROVAL, BUT HAS NOT YET BEEN APPROVED BY THE**
33 **BANKRUPTCY COURT AS CONTAINING ADEQUATE INFORMATION**
34 **WITHIN THE MEANING OF SECTION 1125(A) OF THE**
35 **BANKRUPTCY CODE**

1 **IMPORTANT INFORMATION ABOUT THIS DISCLOSURE STATEMENT¹**

2 THE ROMAN CATHOLIC BISHOP OF OAKLAND, A CALIFORNIA CORPORATION
3 SOLE, THE DEBTOR AND DEBTOR IN POSSESSION IN THE ABOVE-CAPTIONED CHAPTER
4 11 CASE (THE “DEBTOR” OR “RCBO”) SEEKS CONFIRMATION OF THE DEBTOR’S SECOND
5 AMENDED PLAN OF REORGANIZATION (THE “PLAN”). A COPY OF THE PLAN IS
6 ATTACHED TO THIS DOCUMENT AS EXHIBIT A.

7 THIS DISCLOSURE STATEMENT (THE “DISCLOSURE STATEMENT”), THE PLAN,
8 THE PLAN SUPPLEMENT, THE ACCOMPANYING BALLOTS, AND RELATED MATERIALS
9 ARE BEING FURNISHED BY THE DEBTOR, AS THE PLAN PROPONENT, PURSUANT TO
10 SECTIONS 1125 AND 1126 OF TITLE 11 OF THE UNITED STATES CODE (THE
11 “BANKRUPTCY CODE”) AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY
12 PROCEDURE, IN CONNECTION WITH THE DEBTOR’S SOLICITATION OF VOTES TO
13 ACCEPT THE PLAN.

14 THE PLAN PROVIDES FOR THE REORGANIZATION OF THE DEBTOR’S FINANCIAL
15 AFFAIRS, FOR DISTRIBUTIONS TO CREDITORS HOLDING ALLOWED CLAIMS FROM THE
16 DEBTOR’S ASSETS, THE ASSETS OF CONTRIBUTING NON-DEBTOR CATHOLIC ENTITIES,
17 AND THE CONTRIBUTIONS OF SETTLING INSURERS, IF ANY, AND FOR THE CLAIMS
18 AGAINST NON-SETTLING INSURERS TO BE ASSIGNED TO THE SURVIVORS’ TRUST (AS
19 DEFINED HEREIN). THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE
20 SUBJECT TO MATERIAL CONDITIONS PRECEDENT, SOME OF WHICH MAY NOT BE
21 SATISFIED. THERE IS NO ASSURANCE THAT THESE CONDITIONS WILL BE SATISFIED
22 OR WAIVED.

23 ALL HOLDERS OF CLAIMS AGAINST THE DEBTOR ARE ENCOURAGED TO READ
24 AND CAREFULLY CONSIDER THIS ENTIRE DISCLOSURE STATEMENT, INCLUDING ALL
25 EXHIBITS AND INCLUDING THE “*RISK FACTORS TO BE CONSIDERED*” IN ARTICLE XVIII.

26 IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE
27 DATE OF THE PLAN OCCURS, ALL HOLDERS OF CLAIMS AGAINST THE DEBTOR
28 (INCLUDING, WITHOUT LIMITATION, THOSE HOLDERS OF CLAIMS WHO DO NOT
29 SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN OR WHO ARE NOT ENTITLED TO
30 VOTE ON THE PLAN, EXCEPT AS OTHERWISE PROVIDED IN THE PLAN) WILL BE BOUND
31 BY THE TERMS OF THE PLAN AND THE TRANSACTIONS DESCRIBED IN THE PLAN.

32 NO PERSON MAY GIVE ANY INFORMATION ON BEHALF OF THE DEBTOR
33 REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN, OTHER
34 THAN THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, EXCEPT
35 FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS (THE “COMMITTEE”)
36 CONSISTENT WITH ITS OBLIGATIONS ARISING UNDER 11 U.S.C. § 1103(c)(3). ALL OTHER
37 STATEMENTS REGARDING THE PLAN AND THE TRANSACTIONS CONTEMPLATED
38 THEREIN, WHETHER WRITTEN OR ORAL, ARE UNAUTHORIZED.

39 THIS DISCLOSURE STATEMENT IS DESIGNED TO PROVIDE ADEQUATE
40 INFORMATION TO ENABLE HOLDERS OF IMPAIRED CLAIMS AGAINST THE DEBTOR
41 (THAT ARE ENTITLED TO VOTE AS DESCRIBED HEREIN) TO MAKE AN INFORMED

42 ¹ Capitalized terms used but not otherwise defined in this Disclosure Statement shall have the meanings
43 ascribed to them in the Debtor’s Second Amended Plan of Reorganization [Docket No. ~~1594~~1757] (the
44 “Plan”).

1 JUDGMENT ON WHETHER TO ACCEPT OR REJECT THE PLAN. ALL CREDITORS ARE
2 ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN
3 IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN
4 SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE
5 QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN FILED
6 CONTEMPORANEOUSLY HERewith, OTHER EXHIBITS ANNEXED HERETO, AND OTHER
7 DOCUMENTS REFERENCED AS FILED WITH THE BANKRUPTCY COURT PRIOR TO THE
8 END OF THE SOLICITATION PERIOD FOR THE PLAN. NO MATERIALS OTHER THAN THE
9 ACCOMPANYING MATERIALS ATTACHED HERETO OR REFERENCED HEREIN HAVE
10 BEEN APPROVED BY THE BANKRUPTCY COURT OR THE PLAN PROPONENT FOR USE IN
11 SOLICITING ACCEPTANCES OR REJECTIONS OF THE PLAN. SUBSEQUENT TO THE DATE
12 HEREOF, THERE CAN BE NO ASSURANCE THAT: (I) THE INFORMATION AND
13 REPRESENTATIONS CONTAINED HEREIN REMAIN MATERIALLY ACCURATE, OR (II)
14 THIS DISCLOSURE STATEMENT CONTAINS ALL MATERIAL INFORMATION.

15
16
17
18
19
20
21
22
23
24
25
26
27
28
THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION
CONTAINED IN THIS DISCLOSURE STATEMENT OR IN ANY EXHIBIT, EXCEPT AS
EXPRESSLY INDICATED IN THIS DISCLOSURE STATEMENT OR IN ANY EXHIBIT. THIS
DISCLOSURE STATEMENT WAS COMPILED FROM INFORMATION OBTAINED BY THE
DEBTOR FROM NUMEROUS SOURCES BELIEVED TO BE ACCURATE TO THE BEST OF THE
DEBTOR'S KNOWLEDGE, INFORMATION, AND BELIEF. THE DEBTOR'S RESPECTIVE
PROFESSIONALS HAVE NOT INDEPENDENTLY VERIFIED ALL OF THE INFORMATION
SET FORTH IN THIS DISCLOSURE STATEMENT AND ARE NOT RESPONSIBLE FOR ANY
INACCURACIES THAT MAY BE CONTAINED IN THIS DISCLOSURE STATEMENT OR THE
PLAN.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS
OF THE DATE HEREOF, AND THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL
NOT, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE
INFORMATION IS CORRECT AT ANY TIME SUBSEQUENT TO THIS DATE, AND THE
DEBTOR UNDERTAKES NO DUTY TO UPDATE THE INFORMATION.

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 AND THE RELATED DOCUMENTS ARE THE ONLY
DOCUMENTS AUTHORIZED BY THE BANKRUPTCY COURT TO BE USED IN CONNECTION
WITH THE SOLICITATION OF VOTES ACCEPTING OR REJECTING THE PLAN. NO
REPRESENTATIONS ARE AUTHORIZED BY THE BANKRUPTCY COURT CONCERNING
THE DEBTOR, THE DEBTOR'S BUSINESS OPERATIONS, THE VALUE OF THE DEBTOR'S
ASSETS, OR THE VALUES OF ANY BENEFITS OFFERED PURSUANT TO THE PLAN, EXCEPT
AS EXPLICITLY SET FORTH IN THIS DISCLOSURE STATEMENT OR ANY OTHER
DISCLOSURE STATEMENT OR OTHER DOCUMENT APPROVED FOR DISTRIBUTION BY
THE BANKRUPTCY COURT. HOLDERS OF CLAIMS SHOULD NOT RELY UPON ANY
REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE ACCEPTANCE OF THE PLAN,
OTHER THAN THOSE SET FORTH IN THIS DISCLOSURE STATEMENT.

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY PURPOSE
OTHER THAN TO DETERMINE WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN,
AND NOTHING STATED IN THIS DISCLOSURE STATEMENT SHALL CONSTITUTE AN
ADMISSION OF ANY FACT OR LIABILITY BY ANY PERSON OR BE ADMISSIBLE IN ANY

SECOND AMENDED DISCLOSURE STATEMENT FOR SECOND AMENDED PLAN OF REORGANIZATION

1 PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PERSON, OR BE DEEMED
2 CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN ON THE
DEBTOR, ANY RELEASED PARTY, OR HOLDERS OF CLAIMS.

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

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

21 **[THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY ORDER OF THE**
22 **BANKRUPTCY COURT AS CONTAINING ADEQUATE INFORMATION OF A KIND AND**
23 **IN SUFFICIENT DETAIL TO ENABLE HOLDERS OF CLAIMS TO MAKE AN INFORMED**
24 **JUDGMENT WITH RESPECT TO VOTING TO ACCEPT OR REJECT THE PLAN.]**
25 HOWEVER, THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT
26 DOES NOT CONSTITUTE A RECOMMENDATION OR DETERMINATION BY THE
27 BANKRUPTCY COURT AS TO THE MERITS OF THE PLAN. EACH HOLDER OF A CLAIM
28 ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN SHOULD READ THIS DISCLOSURE
STATEMENT AND THE PLAN (INCLUDING ALL EXHIBITS AND SCHEDULES TO THE PLAN
AND DISCLOSURE STATEMENT) IN THEIR ENTIRETY BEFORE VOTING.

TABLE OF CONTENTS

Page

ARTICLE I

EXECUTIVE SUMMARY 1

A. Survivors’ Trust Assets / Plan Contributions..... 1

B. Comparison to Other Diocesan/Religious Order Cases..... ~~4~~6

C. Plan Mechanics 6

D. Non-Monetary Commitment to Healing and Reconciliation..... 10

ARTICLE II

GENERAL INFORMATION 10

A. Releases and Exculpations..... 10

B. Summary of Voting Procedures..... 12

 1. Vote Solicitation and Deadline..... 12

 2. Importance of Your Vote..... 13

 3. Third-Party Release Opt-Out for Abuse Claimants 13

C. Overview of Chapter 11 13

D. Summary of Classification of Claims 15

E. Disclosure Statement Enclosures..... 17

 1. Order Approving Disclosure Statement..... 17

 2. Notice of Confirmation Hearing..... 17

 3. Ballot..... 17

ARTICLE III

QUESTIONS AND ANSWERS ABOUT THE DISCLOSURE STATEMENT AND PLAN..... 17

A. What is Chapter 11?..... 17

B. Why is the Debtor sending me this Disclosure Statement? 18

C. Am I entitled to vote on the Plan? 18

D. What is meant by “Confirmation” and “Effective Date”? 18

E. Does the Plan contain releases and permanent injunctions in favor of the Debtor and the Churches?..... ~~18~~19

F. Does the Plan contain releases and permanent injunctions in favor of Third Parties?..... 19

G. As the Holder of an Abuse Claim, will I be bound by the Third-Party Releases and Third-Party Permanent Injunctions? 19

H. As the Holder of any Claim other than an Abuse Claim, will I be bound by the Third-Party Releases and Third-Party Permanent Injunctions?..... ~~19~~20

I. What is required for the Unknown Abuse Claims Representative to Opt-Out of the Third-Party Releases and Third-Party Permanent Injunctions?..... ~~19~~20

J. Are there any Exculpation Provisions contained in the Plan? ~~19~~20

K. Does the Plan contain Provisions Designed to Foster the Protection of Children from Sexual Abuse?..... 20

L. What is the Effect of the Plan on the Debtor’s Ongoing Religious and Charitable Endeavors? 20

M. Is the Debtor Preserving Estate Causes of Action under the Plan? 20

ARTICLE IV

THE DEBTOR AND ITS OPERATIONS..... 20~~21~~

A. Organization and Central Mission of the Roman Catholic Church ~~20~~21

B. History of the Diocese of Oakland..... ~~21~~22

C. Governance, Mission-Service Activities, and Structure of the Diocese of Oakland..... 22

D. The Debtor’s Operations..... ~~23~~24

1	E.	Mission Alignment Process	24
2	F.	Affiliated Non-Debtor Catholic Entities.....	<u>24</u> <u>25</u>
3	1.	The Roman Catholic Welfare Corporation of Oakland.....	25
4	2.	Lumen Christi Academies of the Roman Catholic Diocese of Oakland.....	<u>25</u> <u>26</u>
5	3.	The Roman Catholic Cemeteries of the Diocese of Oakland.....	<u>25</u> <u>26</u>
6	4.	The Oakland Parochial Fund, Inc.....	<u>25</u> <u>26</u>
7	5.	The Catholic Cathedral Corporation of the East Bay.....	27
8	6.	The Oakland Society for the Propagation of the Faith.....	<u>27</u> <u>28</u>
9	7.	Catholic Charities of the Diocese of Oakland, Inc.....	28
10	8.	Catholic Church Support Services (dba Catholic Management Services).....	<u>28</u> <u>29</u>
11	9.	Furrer Properties Inc.....	<u>28</u> <u>29</u>
12	10.	Adventus.....	29
13	11.	Catholic Foundation for the Diocese of Oakland.....	29
14	G.	The Debtor's Mission to Effect Reconciliation and Compensation	<u>29</u> <u>30</u>

ARTICLE V

9		THE CHAPTER 11 CASE.....	32
10	A.	Events Leading to the Chapter 11 Case	32
11	B.	Voluntary Petition.....	<u>32</u> <u>33</u>
12	C.	First Day Relief.....	<u>32</u> <u>33</u>
13	D.	Retention of Advisors for the Debtor.....	<u>33</u> <u>34</u>
14	E.	The Committee.....	34
15	F.	Further Motions in the Chapter 11 Case.....	<u>34</u> <u>35</u>
16	1.	Exclusivity.....	<u>34</u> <u>35</u>
17	2.	Removal.....	35
18	3.	Unexpired Leases of Nonresidential Real Property	35
19	G.	Mediation	<u>35</u> <u>36</u>
20	H.	Bar Dates and Claims Process	36
21	1.	Bar Dates	36
22	2.	The Claims Review Process.....	37
23	I.	Litigation Regarding Insurance Coverage for Abuse Claims.....	<u>37</u> <u>38</u>
24	J.	Original Debtor Plan and Disclosure Statement.....	<u>39</u> <u>40</u>
25	K.	The Committee's Alternate Vision of Case Resolution.....	40

ARTICLE VI

18		SUMMARY OF THE PLAN	<u>42</u><u>43</u>
19	A.	Classification of Claims Generally	<u>42</u> <u>43</u>
20	B.	Classification and Treatment of Claims.....	<u>42</u> <u>43</u>
21	1.	Class 1 – Secured Claim of RCC	<u>43</u> <u>44</u>
22	2.	Class 2 – Priority Unsecured Claims.....	<u>43</u> <u>44</u>
23	3.	Class 3 – General Unsecured Claims	<u>44</u> <u>45</u>
24	4.	Class 4 – Abuse Claims.....	<u>44</u> <u>45</u>
25	5.	Class 5 - Unknown Abuse Claims.....	<u>44</u> <u>45</u>
26	6.	Class 6 – Non-Abuse Litigation Claims.....	<u>45</u> <u>46</u>
27	7.	Class 7A – Abuse Related Contribution Claims Related to Class 4 Claims ...	<u>45</u> <u>46</u>
28	8.	Class 7B – Abuse Related Contribution Claims Related to Class 5 Claims ...	<u>45</u> <u>46</u>
29	9.	Class 8 – OPF Claims.....	<u>45</u> <u>46</u>
30	C.	Unclassified Claims.....	<u>46</u> <u>47</u>
31	1.	Administrative Claims.....	<u>46</u> <u>47</u>

ARTICLE VII

26		SURVIVORS' TRUST	<u>48</u><u>49</u>
27	A.	Survivors' Trust Liability for Abuse Claims.....	<u>48</u> <u>49</u>
28	B.	Role of the Survivors' Trust	<u>48</u> <u>49</u>

1	C.	Appointment and Powers of the Survivors' Trustee.....	4849
2	1.	Survivors' Trustee as Fiduciary-.....	4950
3	2.	Liquidation of Survivors' Trust Assets-.....	4950
4	3.	Protection of Survivors' Trust Assets-.....	4950
5	4.	Bank Accounts of the Survivors' Trust-.....	4950
6	5.	Insurance-.....	4950
7	6.	Taxes-.....	4950
8	7.	Settlements With Non-Settling Insurers-.....	4950
9	D.	Survivors' Trust Advisory Committee.....	4950
10	E.	Property and Funding of the Survivors' Trust.....	5051
11	1.	Debtor Cash Contribution-.....	5051
12	2.	Contributions from Non-Debtor Catholic Entities-.....	5152
13	3.	Separate Contributions-.....	5253
14	4.	Livermore Property-.....	5253
15	5.	Insurance Settlement Agreements-.....	5253
16	6.	Assignment of Assigned Insurance Interests-.....	5253
17	7.	Use of Survivors' Trust Assets-.....	5253
18	8.	No Insurer Reimbursement Obligation-.....	5253
19	F.	Unknown Abuse Claims Reserve.....	5253
20	G.	Treatment of Abuse Claims.....	5354
21	1.	Immediate Payment and Initial Determination . <u>Election</u>	5354
22	2.	Review and Scoring of Claims-.....	5354
23	3.	Initial Determination-.....	5455
24	4.	Distributions to Trust Claimants from the Survivors' Trust-.....	5455
25	5.	Election of Distribution Option vs. Litigation Option.....	5556
26	6.	Post-Effective Date Insurance Settlement Agreements-.....	5657
27	H.	Compensation and Reimbursement of Expenses to Survivors' Trustee and Survivors' Trust Professionals.....	5658
28	I.	Excess Survivors' Trust Assets.....	5758
29	J.	Indemnification of Debtor, Reorganized Debtor, and Contributing Non-Debtor Catholic Entities.....	5758
30	K.	Modification of Survivors' Trust Documents.....	5758

ARTICLE VIII

31		SETTLING INSURERS.....	5758
32	A.	No Insurance Settlement Agreements to Date.....	5758
33	B.	Insurance Settlement Agreements.....	5758
34	C.	Sale Free and Clear of Interests of Settling Insurer Policies.....	5859
35	D.	Rights Under Insurance Settlement Agreements.....	5859
36	E.	Contribution Claims of Settling Insurers.....	5859
37	F.	Timing.....	5859

ARTICLE IX

38		MATTERS RELATING TO NON-SETTLING INSURERS.....	5860
39	<u>A.</u>	<u>Insurance Coverage for Abuse Claims</u>	<u>60</u>
40	AB.	Preservation of the Rights of Non-Settling Insurers	5861
41	BC.	Scope of Plan Injunctions With Respect to Non-Settling Insurers	6264
42	CD.	Non-Settling Insurers' Contribution Claims Against Settling Insurers	6264
43	DE.	Cooperation with Non-Settling Insurers	6265
44	EF.	Reductions In Non-Settling Insurers' Liability	6365

ARTICLE X

45		MEANS FOR IMPLEMENTATION OF THE PLAN.....	6365
46	A.	Revesting.....	6366

1	B.	Child Protection Measures.....	6466
	C.	CCCEB Settlement.....	6466
2	D.	Treatment of Actions and Causes of Action.....	6567
	E.	Continued Existence.....	6568
3	F.	The Survivors' Trust.....	6568
	G.	Post-Effective Date Prosecution of Non-Abuse Litigation Claims.....	6568
4	H.	Bankruptcy Procedure and Transition.....	6669
	I.	Post-Petition Deposits.....	6769
5	J.	Cancellation of Liens.....	6769
	K.	Other Actions.....	6769
6	L.	General Settlement.....	6770
	M.	Closing of the Case.....	6770

ARTICLE XI

8		DISPUTED CLAIMS AND CLAIMS DISTRIBUTIONS.....	6870
	A.	Single Claim.....	6870
9	B.	Objections to Claims.....	6870
	C.	Treatment of Disputed Claims.....	6871
10	D.	Late Filed Claims.....	6971
	E.	Claims Estimation.....	6971
11	F.	No Distribution on Disallowed Claims.....	6971
	G.	Timing of Distributions on Allowed Claims.....	6972
12	H.	Transfers of Claims.....	6972
	I.	Prepayment of Claims.....	7072
13	J.	Delivery of Distributions.....	7072
	K.	Unclaimed Distributions.....	7072
14	L.	No Interest on Claims.....	7072
	M.	Provisions Governing Unimpaired Claims.....	7073
15	N.	Additional Terms Regarding Class 4 and Class 5 Claims.....	7073

ARTICLE XII

16		EFFECTIVE DATE.....	7173
17	A.	Conditions Precedent to Effective Date.....	7173
	B.	Waiver of Conditions Precedent to the Effective Date.....	7174
18	C.	Revocation of the Plan.....	7274

ARTICLE XIII

19		EFFECTS OF PLAN CONFIRMATION AND EFFECTIVE DATE.....	7274
20	A.	Binding Effect of Confirmation.....	7274
	B.	Ratification.....	7275
21	C.	Discharge of Claims.....	7275
	D.	Confirmation Injunction.....	7375
22	E.	Injunction Against Interference with the Plan.....	7375
	F.	Exculpation.....	7375
23	G.	Injunction Related to Exculpation.....	7376
	H.	Releases by the Debtor.....	7476
24	I.	Releases by Holders of Abuse Claims.....	7477
	J.	Injunction Related to Releases.....	7577
25	K.	Channeling Injunction Preventing Prosecution of Channeled Claims Against Released Parties.....	7577
26	L.	Provisions Relating to the Channeling Injunction.....	7679
	M.	Effect of Channeling Injunction.....	7779
27	<u>N.</u>	<u>Effect of Channeling Injunction.....</u>	<u>79</u>

1	ARTICLE XIV	
2	RETENTION OF JURISDICTION	<u>7780</u>
3	ARTICLE XV	
4	TAX CONSEQUENCES OF THE PLAN	<u>7780</u>
5	A. Federal Income Tax Consequences to Holders of Unsecured Claims.....	<u>7880</u>
6	B. Federal Income Tax Consequences to the Debtor.....	<u>7981</u>
7	C. Tax Consequences to the Survivors' Trust.....	<u>7981</u>
8	ARTICLE XVI	
9	ALTERNATIVES TO THE PLAN	<u>7981</u>
10	A. Alternative Plan Pursuant to Chapter 11 of the Bankruptcy Code.....	<u>7982</u>
11	B. Dismissal of the Chapter 11 Case.....	<u>7982</u>
12	C. Chapter 7 Liquidation Not a Viable Alternative.....	<u>8082</u>
13	D. Appointment of a Chapter 11 Trustee is Not a Viable Alternative.....	<u>8082</u>
14	ARTICLE XVII	
15	ACCEPTANCE AND CONFIRMATION OF THE PLAN	<u>8082</u>
16	A. General Confirmation Requirements.....	<u>8082</u>
17	1. Parties in Interest Entitled to Vote.....	<u>8083</u>
18	2. Classes Impaired Under the Plan.....	<u>8183</u>
19	3. Voting Procedures and Requirements.....	<u>8183</u>
20	4. Ballots.....	<u>8183</u>
21	B. Confirmation Hearing.....	<u>8184</u>
22	C. Confirmation.....	<u>8184</u>
23	D. Acceptance of Plan.....	<u>8284</u>
24	E. Confirmation Without Acceptance of All Impaired Classes.....	<u>8284</u>
25	F. Best Interests Test.....	<u>8385</u>
26	G. Feasibility.....	<u>8386</u>
27	H. Compliance with the Applicable Provisions of the Bankruptcy Code.....	<u>8486</u>
28	ARTICLE XVIII	
29	RISK FACTORS TO BE CONSIDERED	<u>8486</u>
30	A. Risks Associated with the Insurance Assignment.....	<u>86</u>
31	AB. Objection to Classifications of Claims.....	<u>8488</u>
32	BC. Failure to Satisfy Voting Requirements.....	<u>8488</u>
33	CD. The Plan May Not Be Accepted or Confirmed.....	<u>8488</u>
34	DE. The Debtor's Assumptions and Estimates May Prove Incorrect.....	<u>8588</u>
35	EF. Non-Confirmation or Delay in Confirmation of the Plan.....	<u>8589</u>
36	FG. Non-Consensual Confirmation.....	<u>8589</u>
37	GH. Consent to Third-Party Releases.....	<u>8589</u>
38	HI. Risk of Non-Occurrence of the Effective Date.....	<u>8690</u>
39	IJ. Non-Settling Insurers May Raise Objections to Confirmation.....	<u>8690</u>
40	JK. Post-Confirmation Litigation May Not Result in Additional Recovery.....	<u>8690</u>
41	KL. Confirmation of the Plan may be Delayed or Denied by the District Court.....	<u>8690</u>
42	ARTICLE XIX	
43	BANKRUPTCY RULE 9019 REQUEST	<u>8790</u>
44	ARTICLE XX	
45	RECOMMENDATION AND CONCLUSION	<u>8791</u>

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBITS:

- A—PLAN OF REORGANIZATION
- B—LIQUIDATION ANALYSIS
- C—FINANCIAL PROJECTIONS
- D—LOAN TERM SHEET
- E—RCWC PLAN FUNDING COMMITMENT
- F—SURVIVORS’ TRUST DOCUMENTS
- G—COMMITTEE LETTER

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ARTICLE I

EXECUTIVE SUMMARY

The Debtor is responsible for coordinating the mission of the Roman Catholic Church within the geographical boundary of the Diocese of Oakland. Beginning in the late Twentieth Century, it came to light that some people working for and associated with the Roman Catholic Church—priests, bishops, laypersons, and volunteers—had been sexually abusing children and vulnerable adults for decades. This crisis shocked the world. It also exposed Church institutions worldwide, including the Debtor, to significant tort liability. As will be described in greater detail, the Debtor filed bankruptcy as a means of managing its liability for these depraved actions against some of the most vulnerable members of society.

Providing fair and equitable compensation for survivors of Abuse and reorganizing to enable the Debtor to continue its mission to serve the needs of the faithful within the Diocese of Oakland are the focal points of the Plan. The tragedy of the Abuse by those purporting to do the missionary work of the Church is impossible to overstate. Instead of fulfilling this mission, these perpetrators inflicted harm and suffering. The Abuse was and is inexcusable. It not only deeply impacted the survivors, but it also affected the faithful and the community the Debtor serves.

A. Survivors’ Trust Assets / Plan Contributions

i. Contributions from the Debtor and Other Contributing Entities.

To compensate the victims and survivors of sexual abuse, the Plan establishes a Survivors’ Trust funded with the 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, pursuant to the procedures contained in the Survivors’ Trust Distribution Plan (part of the Survivors’ Trust Documents attached hereto as Exhibit F).²

On the Plan’s Effective Date (the date after confirmation when the Plan becomes Effective), the Plan will create a Survivors’ Trust for the purpose of paying distributions to Holders of Class 4 and Class 5 Claims, which are the two Classes of Abuse Claims under the Plan. The Survivors’ Trust will be funded with (a) \$103 million in cash contributed by the Debtor, (b) a contribution of real estate which the Debtor believes is worth between approximately \$43 million and \$81 million (or more) if it is entitled for residential development, and (c) \$14.25 million in cash contributed by RCWC contingent on the number of Releases it secures from those Holders of Class 4 Claims and Class 5 Claims who have asserted liability against RCWC in connection with an Abuse Claim.³ The Debtor will also contribute and assign to the Survivors’ Trust the rights and ~~interests~~obligations of the Debtor in the Non-Settling Insurer Policies.

More specifically, the Survivors’ Trust will receive the following contributions from the Debtor and RCWC (together, the “Contributing Entities”) on the following schedule:

² Distributions to Holders of Abuse Claims may be subject to fee agreements between Holders of Abuse Claims and their legal counsel. The Debtor has no information on any such agreements. Legal counsel to Holders of Abuse Claims are obligated to 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.

³ Provided, however, if less than 100% of all RCWC Claimants grant RCWC a release pursuant to Section 13.9 of the Plan, then the RCWC Cash Contribution, and each of its installment payments, shall be reduced by a percentage proportional to the percentage of RCWC Claimants who opt out of granting RCWC such Release.

- On the Effective Date:
 - From the Debtor: \$63.0 million in cash
 - From the Debtor (via Adventus): the Livermore Property
 - From RCWC: \$2.0 million in cash
- On the first anniversary of the Effective Date: \$10.0 million from the Debtor and \$3.0 million from RCWC;
- On the second anniversary of the Effective Date: \$10.0 million from the Debtor and \$3.0 million from RCWC;
- On the third anniversary of the Effective Date: \$10.0 million from the Debtor and \$3.0 million from RCWC; and,
- On the fourth anniversary of the Effective Date: \$10.0 million from the Debtor and \$3.25 million from RCWC.

The Debtor Cash Contribution to the Survivors' Trust will be facilitated in part by a \$55 million loan from ~~the~~ RCC. The remaining Debtor Cash Contribution will come from unrestricted cash including unrestricted cash raised from the sale of real estate owned by the Debtor [as described in more detail below](#). The RCWC Cash Contribution will come from unrestricted cash including unrestricted cash raised from the sale of real estate owned by RCWC, and is based on the number of Abuse Claims asserting liability against it that do not affirmatively "opt out" of the third-party releases.

The Contributing Entities' Cash contributions to the Survivors' Trust are anticipated to be not less than \$117.25 million. The [Debtor believes the](#) Livermore Property is worth between \$43 million and up to approximately \$81 million or more if it is entitled for residential development, such that the sale of the Livermore Property by the Survivors' Trustee could contribute such amount following its sale to the Survivors' Trust Assets.⁴ Adventus holds title to the Livermore Property. The Livermore Property is located at 3658 Las Colinas Road, Livermore, CA. The ~~property~~ [Livermore Property](#) consists of approximately 122.5 acres of vacant land with no on-site improvements. It is currently zoned for agricultural use. The Debtor's estimated valuation of the Livermore Property assumes the property is entitled for the construction of single-family homes. The Debtor has engaged with City of Livermore officials and staff regarding the entitlement process for many years— [but cannot guarantee that such entitlement efforts will ultimately be successful. If the Livermore Property is ultimately not entitled for the construction of single-family homes, then total possible creditor recoveries under the Plan may be materially less than projected.](#)

The Debtor shall also contribute any proceeds held by the Debtor or the Reorganized Debtor on account of any Insurance Settlement Agreements finalized and effectuated prior to the Effective Date, if any, and the Assigned Insurance Interests, all as set forth in Article VIII and Sections 9.3.5 and 9.3.6 of the Plan. RCWC will make a similar contribution of Assigned Insurance Interests alongside its Cash Contribution. Contributions of any kind by the Contributing Entities are referred to as the "Contributing Entities' Contributions," the cash component of which is the "Contributing Entities' Cash Contributions."

ii. ~~The "Why" of the Contributions From~~ [Support A Finding That The Plan Is Fair And Equitable](#) the Debtor and Other Contributing Entities

The Debtor firmly believes the Contributing Entities' Contributions, in the aggregate, accomplish the dual goals of fairly compensating Holders of Abuse Claims and allowing the Debtor to continue its

⁴ As discussed in the Committee Letter attached hereto as Exhibit G, the Committee contests this valuation.

1 mission to serve the Catholic faithful and those who need its services and ministries in the East Bay area.
2 The basis for this belief is three-fold.

3 First, the Contributing Entities' Contributions exceed, in the aggregate and on a per-Abuse Claim
4 basis, the equivalent contributions from debtors in recent diocesan bankruptcy cases the Debtor believes
5 are comparable to this diocesan bankruptcy case. ~~This is discussed in more detail in Section I.B, below.~~

6 Second, the Plan maximizes the Debtor's assets available to pay creditors while allowing the
7 Debtor to continue its mission. ~~Many of the Debtor's assets are either necessary for it to maintain basic
8 operations—including for Churches within the Diocese of Oakland—or were donated to the Debtor for a
9 specific, restricted purpose. Because the Debtor is a charitable entity, California law imposes limitations
10 on the use of property donated subject to a restriction on use. See Cal. Bus. and Prof. Code § 17510.8
11 (“acceptance of charitable contributions by a charity . . . establishes a charitable trust and a duty on the
12 part of the charity . . . to use those charitable contributions for the declared charitable purposes for which
13 they are sought”). Consequently, the Debtor may not use assets donated for a specific purpose for any
14 other purpose. In other words, the Debtor cannot use assets donated for the purpose of corporal works of
15 mercy (e.g. feeding the hungry, sheltering the homeless, visiting the sick or imprisoned), to pay operational
16 expenses, or to pay its creditors. Many of the Debtor's cash assets are restricted in this manner.
17 Additionally, as described more fully below. The Debtor believes it is using the most it is able to use
18 from its assets available to pay creditors and that the remaining assets are needed to allow the Debtor to
19 continue its mission. Perhaps most materially, the Plan reflects the Debtor's willingness to make deep
20 sacrifices by liquidating assets in order to compensate survivors of sexual abuse in a way that is fair and
21 equitable pursuant to Section 1129(b)(2) of the Bankruptcy Code. In order to pay the entire Debtor Cash
22 Contribution, and to repay RCC for the loan it will make to the Debtor in support of the Plan, the Debtor
23 will be forced to sell a significant amount of its real estate holdings, including some property on which an
24 existing Church currently sits and operates, and including both vacant and non-vacant land. The funding
25 for the Plan includes the Debtor liquidating all eleven vacant real estate parcels titled in the name of the
26 Debtor, and liquidating portions of eighteen additional real estate parcels titled in the name of the Debtor,
27 as described below. The Debtor will also utilize the Debtor-owned portions of full sites on which
28 Churches currently sit and operate either as primary or secondary locations. The Debtor will also liquidate
seven residential homes and Adventus will liquidate one residential home, currently used in connection
with its ministry, and contribute the proceeds to the Reorganized Debtor as described below. Furrer
Properties, Inc. will also liquidate the property known as Cooper's Mortuary including a four-unit
apartment building (three total parcels of real estate) and contribute the proceeds to the Reorganized
Debtor as described below.~~

- The \$63 million Initial Debtor ~~Cash~~-Contribution (to be ~~made~~ paid to the Survivors' Trust on the Effective Date ~~will include what limited unrestricted cash the Debtor has available to pay Abuse Claims plus proceeds from the loan the Debtor will receive from RCC;~~) reflects the maximum amount cash the Debtor can contribute to the Survivors' Trust on the Effective Date while allowing the Debtor to continue its mission.

- ~~• After the Effective Date, the Reorganized Debtor will meet its contribution obligations by selling real estate (including some Church property and including both vacant and non-vacant land) and transferring the proceeds to the Survivors' Trust, potentially to be supplemented with additional unrestricted cash; and,~~

- The Debtor will obtain a loan of \$55 million from RCC on the Effective Date. This is the largest amount RCC is willing and able to loan to the Debtor. RCC is the only viable and realistic exit financing party available to the Debtor.

- \$53 million of the RCC loan will be transferred to the Survivors' Trust on the Effective Date. The balance of the exit facility loan from RCC will be used to fund the Reorganized Debtor's operations.

SECOND AMENDED DISCLOSURE STATEMENT FOR SECOND AMENDED PLAN OF REORGANIZATION

1 ○ The remaining \$10 million of the Initial Debtor Contribution will be paid from cash
2 reserves set aside to pay creditors or from the sale of real estate as described below.

- 3 • The \$40 million dollars to be contributed by the Reorganized Debtor to the Survivors' Trust
4 during the four years following the Effective Date reflects the maximum amount of cash
5 the Debtor can contribute to the Survivors' Trust while allowing the Reorganized Debtor
6 to continue its mission. The Reorganized Debtor will meet its contribution obligations –
7 which include the \$40 million dollars to be contributed to the Survivors' Trust and the
8 amounts needed to service the existing and contemplated debt obligations to RCC – by
9 selling real estate (including some Church property and including both vacant and non-
 vacant land). During each of the four years following the Effective Date, the Reorganized
 Debtor will transfer to the Survivors' Trust \$10 million dollars of proceeds from the sale
 of such real estate. The Reorganized Debtor will supplement contributions to the Survivors'
 Trust with additional unrestricted cash if necessary to meet its commitment to contribute
 \$40 million dollars to the Survivors' Trust during the four years following the Effective
 Date.

10 More specifically, the Reorganized Debtor will liquidate the following real estate to support the funding
11 of the Plan:

- 12 • The Reorganized Debtor will either utilize as collateral for the loan RCC will make to the
13 Debtor in support of the Plan or liquidate all eleven vacant real estate parcels titled in the
14 name of the Debtor which are not part of a larger parcel containing a Church or ministry-
15 related building.
- 16 • The Reorganized Debtor will either utilize as collateral for the loan RCC will make to the
17 Debtor in support of the Plan or liquidate vacant portions of seventeen real estate parcels
18 titled in the name of the Debtor which the Debtor has determined may be liquidated while
19 allowing the Debtor to continue its mission, even though they are each part of a larger
20 parcel which includes a Church or ministry-related building which is currently operating.
- 21 • The Reorganized Debtor will either utilize as collateral for the loan RCC will make the to
22 the Debtor in support of the Plan or liquidate the Debtor-owned portions of twelve real
23 property locations on which Churches currently operate either as primary or secondary
24 locations.
- 25 • The Reorganized Debtor will liquidate seven residential homes and Adventus will liquidate
26 one residential home and contribute the proceeds to the Reorganized Debtor, all of which
27 are currently used in connection with the Debtor's ministry.
- 28 • Furrer Properties, Inc. will liquidate the three parcels of property on which Cooper's
 Mortuary operates and which includes a four-unit apartment building (three total parcels
 of real estate) and contribute the proceeds to the Reorganized Debtor.
- If necessary to use as a source of collateral for the RCC loan, RCBO will utilize other real
 estate currently being used in support of the Debtor's ministry.

 • ~~The Livermore Property, which the Plan proposes to transfer~~ to be contributed by the Debtor to
25 the Survivors' Trust on the Effective Date, ~~hands over to the Survivors' Trust for the benefit of Class 4~~
26 Claims what is likely what the Debtor believes is ~~the most valuable single real estate asset available to the~~
27 Debtor (through its affiliate, Adventus, which will approve the transfer if the Plan is confirmed). The
28 Debtor has spent considerable time working with the City of Livermore to permit the Livermore Property
 to be developed for residential use. This work is ongoing. If the Debtor (or the Survivors' Trust) succeeds,
 the sale of the Livermore Property will dramatically increase the amount available to pay Abuse Claims.

SECOND AMENDED DISCLOSURE STATEMENT FOR SECOND AMENDED PLAN OF REORGANIZATION

1 If the Livermore Property is ultimately not entitled for the construction of single-family homes, then total
2 possible creditor recoveries under the Plan may be materially less than projected.

3 Third, many of the Debtor's assets are either necessary for it to maintain basic operations –
4 including for Churches within the Diocese of Oakland – or were donated to the Debtor for a specific,
5 restricted purpose. Because the Debtor is a charitable entity, California law imposes limitations on the
6 use of property donated subject to a restriction on use. See Cal. Bus. and Prof. Code § 17510.8
7 ("acceptance of charitable contributions by a charity . . . establishes a charitable trust and a duty on the
8 part of the charity . . . to use those charitable contributions for the declared charitable purposes for which
9 they are sought"). Consequently, the Debtor may not use assets donated for a specific purpose for any
10 other purpose. In other words, the Debtor cannot use assets donated for the purpose of corporal works of
11 mercy (e.g. feeding the hungry, sheltering the homeless, visiting the sick or imprisoned), to pay operational
12 expenses, or to pay its creditors. Many of the Debtor's cash assets are restricted in this manner.

13 ~~Finally, and most materially, the Plan reflects the Debtor's willingness to make deep sacrifices to~~
14 ~~fairly compensate survivors of sexual abuse. In order to pay the entire Debtor Cash Contribution, and to~~
15 ~~pay back RCC, the Debtor will be forced to sell a significant amount of its real estate holdings, including~~
16 ~~some Church property and including both vacant and non-vacant land. The~~
17 Based on the foregoing, the
18 Plan reflects the Debtor's careful analysis of its real estate assets, including how each asset contributes to
19 the Debtor's mission and measures that would need to be taken to make those each asset salable, and
20 inherently depends on the sale or encumbering of certain real estate. Some of the real estate to be sold
21 will be vacant or mostly-vacant land adjacent to one of the Churches. Some of the real estate to be sold
22 will include land on which Churches presently sit and operate. In the case of the latter, this means those
23 locations might would not be used for church services or any other aspects of the Catholic faith and mission
24 after they are sold. This

25 The Debtor recognizes the sale of valuable real property, particularly "full sites" currently used in
26 the Debtor's ministry, is a painful result outcome for the Debtor and many Catholics. The Debtor is still
27 assessing which specific property will be sold but the Debtor will sell enough property as needed to fund
28 the Plan and to make it feasible. Nonetheless, the Debtor is making this sacrifice voluntarily for the benefit
29 of Survivors in this bankruptcy case. The sale of real property on which a Church currently sits and
30 operates or which is used in its ministry would not happen in a forced liquidation under chapter 7 of the
31 Bankruptcy Code. Under applicable U.S. Supreme Court and Ninth Circuit case law, the Debtor cannot
32 be forced to sell real estate on which it operates one of the Churches. See Security Farms v. Gen.
33 Teamsters, Warehouseman and Helpers Union, Local 890 (In re Gen. Teamsters, Warehouseman and
34 Helpers Union, Local 890), 265 F.3d 865, 877 (9th Cir. 2001); see also Hosanna-Tabor Evangelical
35 Lutheran Church and School v. E.E.O.C., 565 U.S. 171, 188-190) (in the context of the ministerial
36 exception to federal employment discrimination laws, First Amendment Religion Clauses prohibit
37 "government interference with an internal church decision that affects the faith and mission of the church
38 itself"). Here the Debtor is willing to sell some of its property, including Church property, pursuant to a
39 confirmed Plan in order to achieve the dual goals of this Chapter 11 Case.

22 **iii. Potential Settling Insurer Contributions and the Insurance Assignment.**

23 The Plan provides that Non-Settling Insurers may become Settling Insurers and provides for
24 settlement proceeds resulting therefrom to be used to further supplement recoveries to Trust Claims. To
25 the extent no settlement with a particular Non-Settling Insurer is achieved, the Plan establishes a
26 framework for post-confirmation litigation for Trust Claimants seeking recovery from Non-Settling
27 Insurers through the Litigation Option.

28 The Debtor engaged in extensive and tireless mediation with the Insurers over the Insurance
Assignment. The Debtor and Insurers have reached agreement on a term sheet that would allow the Debtor
to assign its rights and obligations under the Abuse Insurance Policies, but not the Policies themselves, to

1 the Survivors' Trust upon the Effective Date. The Plan – chiefly, but not exclusively, Article VIII of the
2 Plan – reflect, in the Debtor's view, the agreed-upon term sheet.⁵ _

3 As set forth in detail below, there are significant unresolved legal issues with respect to the
4 Insurance Assignment. The Debtor strongly encourages all Holders of Abuse Claims to refer to the Risk
5 Factors section below, specifically Article XVIII(A), regarding the relative positions of the parties.

6 **iv. Potential Additional Contributions.**

7 The Plan further provides that other Non-Debtor Catholic Entities (in addition to Adventus and
8 RCWC), such as religious orders, may make contributions and receive treatment similar to Adventus and
9 RCWC. All such parties (including Adventus and RCWC) are referred to as the “Contributing Non-
10 Debtor Catholic Entities.” Collectively, the Cash, property, and insurance contributions to the Survivors’
11 Trust from all parties are referred to herein as the “Survivors’ Trust Assets.”

12 On the Effective Date, the Survivors' Trust will segregate \$5.0 million of the Initial Debtor
13 Contribution into the Unknown Abuse Claims Reserve for the benefit of Holders of Class 5 Claims.

14 **B. Comparison to Other Diocesan/Religious Order Cases**

15 The Debtor believes the treatment proposed in the Plan is fair and equitable to its creditors and
16 represents a greater recovery—on a claimant-by-claimant basis—based on contributions from the Debtor
17 itself when compared with prior, similar bankruptcy cases.⁶ At Confirmation the Debtor will put on
18 evidence demonstrating same.

19 The following chart demonstrates potential average per-Claim distributions assuming: 1) stated
20 values of the Contributing Entities' Cash Contributions plus the stated range of value for the Livermore
21 Property, and 2) approximately 345 unique Abuse Claims will ultimately receive distributions:

22 Contributing Entities' Cash Contribution	23 Livermore Property Value	24 Total Debtor/RCWC Contribution Value	25 Average Per-Claim Distribution
26 \$117.25 million	27 NONE	28 \$117.25 million	\$339,855
\$117.25 million	\$43.0 million	\$160.25 million	\$464,492
\$117.25 million	\$81.0 million	\$198.25 million	\$574,637

29 In addition, these potential average per-Claim distributions do not include: 1) the value of the
30 Assigned Insurance Interests and potential associated recoveries, 2) possible settlements with Settling
31 Insurers prior to the Effective Date of the Plan, if any, and 3) additional possible contributions from other
32 Contributing Non-Debtor Catholic Entities besides RCWC.

33 ~~The first chart below compares the Debtor Contributions to other cases with confirmed or proposed~~
34 ~~plans of reorganization, with the green portion assuming the low range of value for the ultimate sale of~~
35 ~~the Livermore Property, and the blue portion assuming the high value for same; provided however, that~~

36 ⁵ As discussed in the Committee Letter, the Committee does not support the agreement between the Debtor
37 and the Insurers embodied herein.

38 ⁶ As discussed in the Committee Letter, the Committee disagrees with this assertion.

1 ~~the debtor-funded recovery shown for Rockville-Centre includes contributions on the Effective Date from~~
2 ~~separately incorporated parishes.~~

3 ~~The charts below reflect outcomes in specific bankruptcy cases derived from publicly available~~
4 ~~information about those cases. The Debtor chose these specific cases because the Debtor believes they~~
5 ~~are comparable to this case due to: 1) the number of abuse claims and 2) the recency of confirmation or~~
6 ~~settlement in the case. Non-bankruptcy outcomes have not been included because the Debtor believes~~
7 ~~non-bankruptcy settlements or judgments are not applicable to this chapter 11 case in that the creditors in~~
8 ~~this chapter 11 case will be paid according to a confirmed plan of reorganization if the Plan is confirmed.~~
9 ~~Where possible the Debtor has attempted to compare apples-to-apples in terms of debtor-only~~
10 ~~contributions in cases with separately incorporated parishes.⁷~~

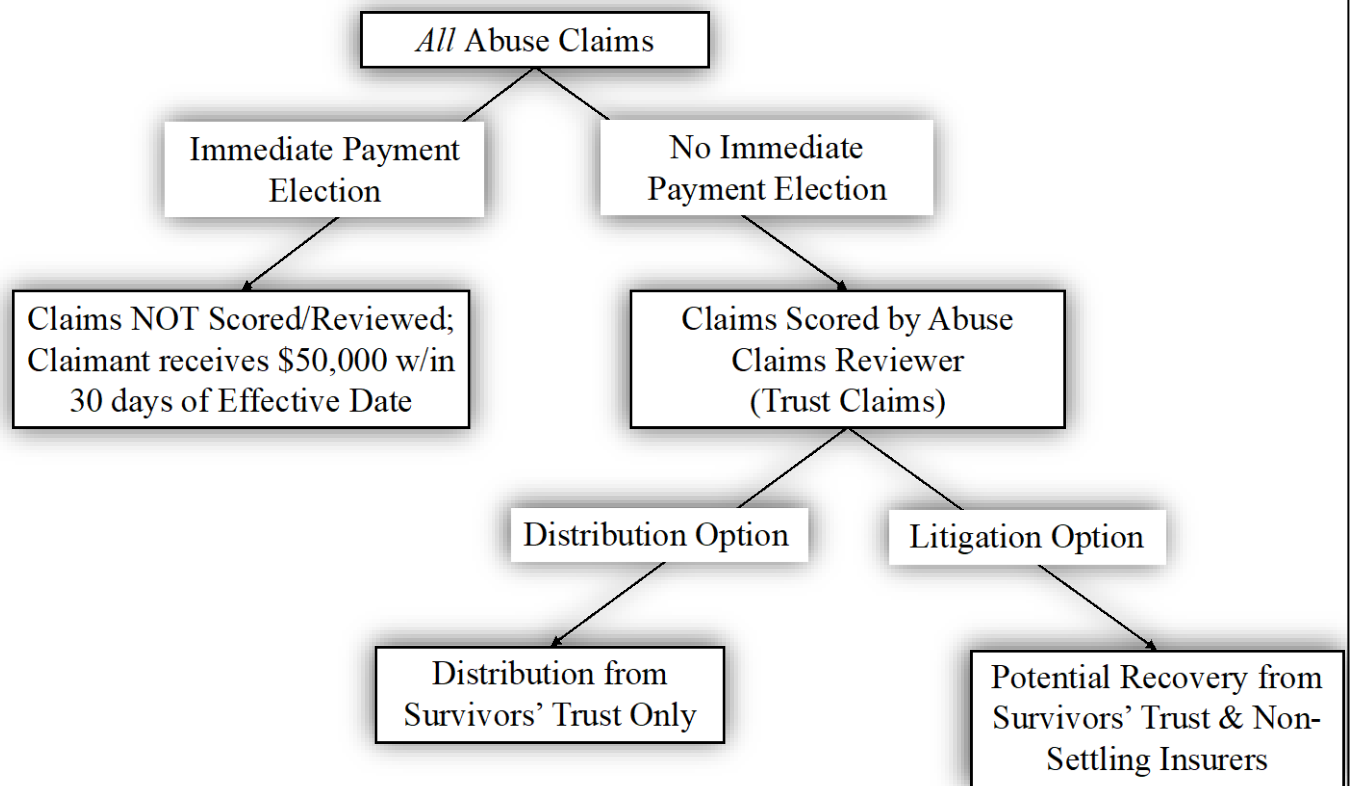
11 ~~The second chart below reflects projected per-claimant average values assuming 345 Abuse~~
12 ~~Claims receive Distributions from the Survivors' Trust. As discussed in Section V(H)(2) below, 386~~
13 ~~"unique" (non-duplicative, timely) Abuse Claims were filed in this Chapter 11 Case. Of those claims,~~
14 ~~after the thorough review described herein, the Debtor estimates that approximately 345 may receive~~
15 ~~distributions from the Survivors' Trust, although all Abuse Claims will be entitled to elect the Immediate~~
16 ~~Payment Option.~~

17 ~~Because the Immediate Payment Option pays less (\$50,000) than the projected per-claimant~~
18 ~~average values under the Plan, every Abuse Claimant that elects that option increases the projected per-~~
19 ~~claimant average for all other Abuse Claimants. The tradeoff, as described below, is that Abuse Claimants~~
20 ~~electing the Immediate Payment Option: 1) receive their payment within 30 days of the Effective Date of~~
21 ~~the Plan, and 2) do not have their Abuse Claims scored or reviewed in any way.~~

22 **C. Plan Mechanics**

23 ~~The following subsections outline the decisions Abuse Claimants make under the Plan regarding~~
24 ~~their potential distributions from the Survivors' Trust. Those decisions (and the outcomes therefrom) can~~
25 ~~be represented graphically as follows:~~

26 ⁷~~As discussed in the Committee Letter, the Committee disputes: 1) whether this analysis is relevant and 2) which~~
27 ~~data points from which cases should be used. The Committee has provided its own comparative analysis in the~~
28 ~~Committee Letter.~~



i. Immediate Payments.

The Plan provides the option for Abuse Claimants to elect to receive an Immediate Payment within 30 days of the Effective Date in the amount of \$50,000. If an Abuse Claimant elects to receive an Immediate Payment, all recovery on their Abuse Claim is limited to the Immediate Payment. For the avoidance of doubt, an Abuse Claimant who elects to receive an Immediate Payment shall not be permitted to seek any additional recovery on account of the Abuse Claim from any other party, including Non-Settling Insurers. Correspondingly, Abuse Claims of Claimants that elect the Immediate Payment will not be scored or subject to Claim objections.

ii. Initial Determination / Claims Scoring.

After the Effective Date, the Abuse Claims Reviewer will score all remaining Abuse Claims (defined as “Trust Claims”) and issue a letter to each Holder of such Claims (“Trust Claimants”) regarding the scoring of their specific Claim (the “Initial Determination”). The purpose of the scoring is to calculate each Trust Claimant’s *pro rata* share of projected distributions. The Initial Determination will include a projected total recovery for the Trust Claimant based on the anticipated Survivors’ Trust Assets available for distribution. The purpose of the Initial Determination is to provide information about projected distributions to Trust Claimants. Actual distributions may change based on, among other things, the value of the Livermore Property when sold and recoveries for Litigation Claimants from Non-Settling Insurers that free up additional funds for Distribution Claimants.

As set forth in the Trust Distribution Plan, the scoring process works as follows:

- First, the Abuse Claims Reviewer applies Initial Criteria to determine whether any incurable defects exist with respect to a Trust Claim. These criteria include whether the

1 Trust Claim was timely submitted, substantially completed and signed, is duplicative of
2 another Trust Claim, or was previously resolved through litigation or settlement;

- 3 • Second, the Abuse Claims Reviewer applies General Criteria intended to determine
4 whether the Trust Claim adequately describes the alleged abuse, alleged perpetrator,
5 location of abuse, and legal liability of the Debtor or another party; and,
- 6 • Third, the Abuse Claims Reviewer applies Evaluation Factors to score the claim on a scale
7 from 1-100. The Evaluation Factors include the nature of the abuse (in terms of duration,
8 frequency, level of severity and degree of intrusiveness, etc.), the impact of the abuse (in
9 terms of mental and physical health, spiritual well-being, interpersonal relationships, etc.);
10 prior recoveries, if any, from other parties; and the claimant's involvement in bringing the
11 abuse to light for the benefit of all Trust Claimants.

8 After scoring each Trust Claim, the Abuse Claims Reviewer will calculate the value of an
9 individual "point." The point value will be determined by dividing (a) the total dollars available for
10 distribution to Trust Claims by (b) the total of points among the individual Trust Claims. For example:

- 10 • Assume there are ~~250~~345 claimants holding Trust Claims with an average score of 50
11 points per claim.
- 12 • 50 points per claim multiplied by ~~250~~345 claims yields ~~12,500~~17,250 total points.
- 13 • Assuming a total distributable amount of \$~~150~~198.25 million (the projected "high" value
14 set forth in the chart above for all contributions), each point would be valued at
15 \$~~12,000~~11,493 (~~\$150~~198.25 million divided by ~~12,500~~17,250 points, rounded to the
16 nearest dollar).

15 Accordingly, Trust Claims assigned 25, 50, and 75 points would receive projected total recoveries of
16 \$~~300,000~~287,325, \$~~600,000~~574,650, and \$~~900,000~~861,975 from the Survivor's Trust, respectively.

17 Following receipt of the Initial Determination, Trust Claimants get 30 days to request ~~review~~re-
18 review of the Initial Determination by ~~a neutral decisionmaker (the "Neutral~~the Abuse Claims Reviewer
19 with the option to submit additional documentation or information that such Claimant believes should be
20 considered (the "Review Determination"). If sought, the ~~Neutral~~Review Determination shall be the "Final
21 Determination." If no ~~Neutral~~Review Determination is sought, the Initial Determination shall be the Final
22 Determination.

20 **iii. Distribution Option vs. Litigation Option.**

21 All Trust Claimants will have 90 days from issuance of the Initial Determination to elect one of
22 two paths as to their Trust Claim: 1) acceptance of a distribution solely from the Survivors' Trust (the
23 "Distribution Option"), or 2) pursuit of litigation that could yield recovery from an insurer, if any (the
24 "Litigation Option"). Claimants that do not make an election will be deemed to have chosen the
25 Distribution Option.

24 On the 91st day following issuance of the Initial Determinations by the Abuse Claims Reviewer,
25 the Survivors' Trustee will know: 1) how many Trust Claimants chose the Distribution Option
26 ("Distribution Claimants"), and 2) how many Trust Claimants chose the Litigation Option ("Litigation
27 Claimants"). Following resolution of the last ~~Neutral~~Review Determination, the Survivors' Trustee will
28 know the total number of points of Trust Claims and be able to project *pro rata* shares of anticipated
distributions to Trust Claimants.

At that point:

SECOND AMENDED DISCLOSURE STATEMENT FOR SECOND AMENDED PLAN OF REORGANIZATION

1 For Trust Claimants that chose the Distribution Option:

- 2
- 3 • The Survivors' Trustee will make his Initial Distribution, which shall be comprised of such
4 Trust Claimant's *pro rata* share of the Survivors' Trust Assets existing on that date, less
5 reasonable reserves for the Survivors' Trust. This will likely not include the proceeds from
6 the sale of the Livermore Property at that time.
 - 7 • Following sale of the Livermore Property (if it did not occur prior to the Initial Distribution)
8 or upon receipt of additional Cash Contributions, the Survivors' Trustee will
9 such Additional Distributions as are necessary and appropriate, which shall be comprised
10 of such Trust Claimant's *pro rata* share thereof, less reasonable reserves for the Survivors'
11 Trust. Whether and when to make Additional Distributions prior to the Final Distribution
12 shall be within the discretion of the Survivors' Trustee.

13 For Trust Claimants that chose the Litigation Option:

- 14 • The Survivors' Trust shall reserve the amount of the projected distribution based on the
15 Final Determination pending the outcome of the litigation. As the Survivors' Trust
16 receives additional Cash Contributions or the proceeds from the sale of the Livermore
17 Property, the Survivors' Trust shall increase the reserve commensurately (the "Reserved
18 Amount").
- 19 • The Trust Claimant shall be allowed to resume or institute (as appropriate) litigation against
20 the Debtor (in name only) to establish coverage liability and damages for the Trust
21 Claimant's Abuse Claim as against the applicable Non-Settling Insurer(s). As to the
22 liability of the Debtor (as assumed by the Survivors' Trust):
 - 23 ○ If the litigation yields a judgment against the Debtor (in name only) (the "Judgment
24 Amount") that is lower than the Reserved Amount, the Judgment Amount
25 controls. Any excess in the reserve will be reallocated for payment to ~~all~~
26 Trust Distribution Claimants who elected the Distribution Option.
 - 27 ○ If the litigation yields a Judgment Amount against the Debtor (in name only) that
28 is higher than the Reserved Amount, the Reserved Amount controls.
- If the litigation yields a judgment covered by insurance, the amount of such coverage shall
be paid by the responsible Insurer(s) directly to such Trust Claimant following recovery.
- Following resolution of each Litigation Option case, the Survivors' Trustee will make
a Litigation Distribution to each such Litigation Claimant in an amount equal to the lesser
of: 1) the Reserved Amount, or 2) the Judgment Amount, both amounts being subject to
reasonable reserves.
 - If: 1) the Survivors' Trust subsequently receives additional Survivors' Trust Assets
that would have increased the reserve for a Litigation Claimant, and 2) the
Litigation Distribution was less than the Judgment Amount, the Survivors' Trustee
can make additional Litigation Distributions to such claimant up to the Judgment
Amount, *provided however*, that in no event can a Litigation Claimant receive more
than the total amount of his or her judgment from all sources.
 - Any excess in the reserve for a Litigation Claimant will be reallocated for payment
to all ~~Trust Claimants who elected the Distribution Option~~ Claimants in their *pro*
rata share.

1 Following resolution of the last Trust Claim of the last Trust Claimant that chose the Litigation
2 Option, the Survivors' Trustee will make his Final Distribution to Trust Distribution Claimants ~~that elected~~
3 ~~the Distribution Option~~, which shall be comprised of such Trust Claimants' pro-rata shares of all
4 remaining Survivors' Trust Assets, including reserves.

5 **D. Non-Monetary Commitment to Healing and Reconciliation**

6 The final key aspect of the Plan is the continuation of the Debtor's Mission to Effect Reconciliation
7 and Compensation, which constitutes its non-monetary commitment pursuant to the Plan. Bishop shares
8 the conviction of His Holiness Pope Francis, expressed on February 2, 2015, that "everything possible must
9 be done to rid the Church of the scourge of the sexual abuse of minors and to open pathways of reconciliation
10 and healing for those who were abused ..." As such the Bishop, on behalf of himself and the Debtor, pledges
11 and agrees to continue the good work outlined in Article IV(G), below.

12 The abuse of children and vulnerable adults has no place in the Diocese of Oakland, specifically,
13 or the Roman Catholic Church, generally. The Debtor will do everything in its power to prevent such
14 abuse.

15 **ARTICLE II**

16 **GENERAL INFORMATION**

17 On May 8, 2023, (the "Petition Date"), the Debtor filed a voluntary chapter 11 petition with the
18 Bankruptcy Court. Since the Petition Date, the Debtor has remained in possession of its assets and has
19 continued to own, operate, and manage its affairs pending the approval of a plan of reorganization in
20 accordance with the provisions of the Bankruptcy Code.

21 On May 23, 2023, the U.S. Trustee appointed the Committee in this Chapter 11 Case pursuant to
22 section 1102 of the Bankruptcy Code. The Committee is comprised of individuals who assert claims of
23 sexual abuse against the Debtor. The individual members of the Committee are represented by counsel
24 that collectively represent approximately forty-five percent (45%) of all Abuse Claimants who have
25 asserted Abuse Claims against the Debtor.

26 The Plan sets forth, among other things, the proposed treatment of Claims and other interests in
27 accordance with the Bankruptcy Code. This Disclosure Statement is intended to explain the Plan and
28 provide such information to Holders of Claims as may be deemed material, important, and necessary so
that they may make reasonably informed decisions in exercising their right to vote for acceptance of the
Plan. A copy of the Plan is included with this Disclosure Statement as Exhibit A. If the Plan and this
Disclosure Statement are not consistent, the terms of the Plan control. Capitalized terms used in this
Disclosure Statement but not otherwise defined herein shall have the meanings ascribed to them in the
Plan.

The Plan provides for the financial restructuring of the Debtor and the resolution of all, or
substantially all, Claims against the Debtor, including, without limitation, the resolution of all Abuse
Claims against the Debtor.

A. Releases and Exculpations

The Contributions set forth in the Plan are the result of extensive negotiations regarding, among
other things, the extent of liability faced by each entity, the ability of each entity to pay, and insurance
coverage available for the types of Claims being satisfied through the Survivors' Trust. In exchange for
the contributions to the Survivors' Trust, (a) the Debtor and Reorganized Debtor, (b) the Contributing
Non-Debtor Catholic Entities, (c) the Settling Insurers, if any, and (d) each of the foregoing Persons'

1 respective Related Persons shall receive the benefit of certain releases, exculpation (to the extent permitted
2 under applicable Ninth Circuit law including without limitation *Blixseth v. Credit Suisse*, 961 F.3d 1074
3 (9th Cir. 2020)), and injunctions, which are summarized below, and set forth more specifically later in
4 this Disclosure Statement and in the Plan.

5 **Exculpation.** The Plan provides certain exculpation
6 provisions which are typical and customary in chapter 11 plans. The
7 provisions provide that the (a) the Exit Facility Lender, (b) the
8 Debtor, including the Churches, (c) the Reorganized Debtor,
9 including the Churches, (d) the Committee, (e) the Committee's
10 members, (f) each Contributing Non-Debtor Catholic Entity, (g) the
11 College of Consulters of the Diocese of Oakland and each of its
12 members, (h) The Diocese of Oakland Finance Council and each of
13 its members, (i) the Presbyteral Council of the Diocese of Oakland
14 and each of its members, (j) the Meditators, (k) the Unknown Abuse
15 Claims Representative, and (l) for each of the foregoing, their
16 respective officers, directors, agents, employees, equity holders,
17 attorneys, financial advisors, accountants, representatives, and other
18 duly authorized employed Professionals in this Bankruptcy Case,
19 will be released from certain of their acts and omissions that
20 occurred from the Petition Date through Effective Date, or in
21 preparation of the Chapter 11 Case. None of these parties will be
22 exculpated from claims arising from the gross negligence, willful
23 misconduct, fraud, or breach of the fiduciary duty of loyalty.

24 **Releases.** The Plan provides that the Released Parties (as
25 defined therein), will be granted releases and a channeling
26 injunction regarding certain claims, including all Abuse Claims. If
27 the Plan is confirmed, Abuse Claimants will not be able to recover
28 directly from or pursue further litigation against such parties,
including the Contributing Non-Debtor Catholic Entities, and Abuse
Claimants' recoveries on account of their Abuse Claims will be
limited by the terms of the Plan.

Injunctions. The Plan provides for certain injunctions,
including a channeling injunction which will channel certain
Claims, including all Abuse Claims against the Debtor or any of the
Contributing Non-Debtor Catholic Entities, into the Survivors'
Trust. This means that any holder of a Claim that is channeled will
no longer be permitted to pursue their Claim except as set forth in
the Plan.

The exculpations, releases, and injunctions contained in the Plan are an integral part of the Debtor's
overall restructuring efforts and were an essential element of the negotiations among the parties and in
obtaining the support of the Debtor and the Contributing Non-Debtor Catholic Entities for the Plan. **Each
Holder of an Abuse Claim has the ability to exempt itself be exempted from the releases and
channeling injunction provisions of the Plan relating to the Contributing Non-Debtor Catholic
Entities by affirmatively withholding consent or "opting out" of such releases and injunctions on
the Abuse Claim Ballot. Opting out of the releases for Contributing Non-Debtor Catholic Entities,
specifically RCWC, does not change the proposed treatment for any Holder of an Abuse Claim. As
described above, however, it may change the amount contributed by RCWC to the Survivors' Trust
Assets.**

1 You may be deemed to grant releases to third parties under the Plan. Abuse Claimants are
2 deemed under the Plan to have consented to the release of the Contributing Non-Debtor Catholic
3 Entities pursuant to Section 13.9 of the Plan if: 1) you return a ballot voting for *or* against the Plan,
4 *and* 2) you do not check the box indicating that you opt out of the third-party release in favor of
5 Contributing Non-Debtor Catholic Entities. Abuse Claimants that do not return a ballot will not
6 be deemed to release the Contributing Non-Debtor Catholic Entities.

7 If the Plan is confirmed by the Bankruptcy Court and the Effective Date occurs, all Holders
8 of Claims against the Debtor, including all Abuse Claimants, will be bound the by the terms of the
9 Plan and the transactions contemplated thereby, including the release provisions contained therein
10 (including Holders of Claims who do not submit Ballots to accept or reject the Plan or who are not
11 entitled to vote on the Plan, but excluding Holders of Abuse Claims who are entitled to, and
12 affirmatively do, opt out of the release and channeling injunction provisions contained in the Plan).

13 The Plan further provides that the Holders of Allowed Administrative Expense Claims, Priority
14 Tax Claims, Non-Tax Priority Claims, Professional Fee Claims, Secured Claims, and General Unsecured
15 Claims will be paid in full as set forth herein, that all Abuse Claims will be channeled to the Survivors'
16 Trust, that the Debtor will be able to restructure its financial affairs, and that the Reorganized Debtor will
17 be able to continue the mission and ministry of the Church, including through its work with the elderly,
18 poor, incarcerated, vulnerable populations, and the Catholic community as a whole, and to address the
19 spiritual needs of those harmed by the Abuse crisis.

20 In the opinion of the Debtor, the treatment of Claims under the Plan provides an opportunity for
21 greater recovery for Creditors than that which is likely to be achieved under other alternatives.
22 Accordingly, the Debtor believes that confirmation of the Plan is in the best interests of, and
23 provides the highest and most expeditious recoveries to, Holders of Claims against the Debtor. All
24 creditors entitled to vote, therefore, are urged to vote to accept the Plan.

25 As set forth in the Committee Letter and throughout this Disclosure Statement, the
26 Committee does not support this Plan.

27 **B. Summary of Voting Procedures**

28 1. Vote Solicitation and Deadline.

To be counted, your Ballot must be received, pursuant to the following instructions, by
Kurtzman Carson Consultants, LLC dba Verita Global ("Verita"), on or before **5:00 p.m. (prevailing
Pacific Time) on _____, 2025** (the "Voting Deadline"):

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

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

By electronic, online submission:

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

IMPORTANT NOTE: You will need a unique E-Ballot ID Number that will be

1 provided with your Ballot.

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

3 Please (i) complete the information requested on the Ballot; (ii) sign, date, and indicate your vote to accept
4 or reject the Plan; and (iii) return the completed Ballot in the enclosed pre-addressed, postage-paid
5 envelope, or by one of the other methods described above, so that it is actually received by Verita on or
6 before the Voting Deadline.

7 **DO NOT RETURN ANY INVOICES, DEBT INSTRUMENTS, NOTES, OR**
8 **CERTIFICATES THAT YOU MAY HAVE WITH YOUR BALLOT.**

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

12 **IF YOU HAVE QUESTIONS REGARDING THE BALLOT, DID NOT RECEIVE A**
13 **RETURN ENVELOPE WITH YOUR BALLOT, DID NOT RECEIVE AN ELECTRONIC COPY**
14 **OF THE DISCLOSURE STATEMENT AND THE PLAN, OR NEED PHYSICAL COPIES OF**
15 **THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE DEBTOR'S**
16 **SOLICITATION AND CLAIMS AGENT, VERITA, BY EMAIL AT**
17 **RCBOINFO@VERITAGLOBAL.COM OR BY CALLING (888)-733-1425 (U.S./CANADA) OR**
18 **(310)-751-2631 (INTERNATIONAL) AND REQUESTING TO SPEAK WITH A MEMBER OF**
19 **THE DEBTOR'S BALLOTING TEAM.**

20 2. **Importance of Your Vote.**

21 Your vote is important. The Bankruptcy Court defines acceptance by a Class of Claims as
22 acceptance of at least two-thirds in amount and a majority in number of Allowed Claims in the Class that
23 vote. Only the Ballots of those Holders of Claims who actually vote are counted for purposes of
24 determining whether a Class voted to accept the Plan. Your failure to vote will leave to others the decision
25 to accept or reject the Plan.

26 3. **Third-Party Release Opt-Out for Abuse Claimants**

27 If you are the Holder of an Abuse Claim in Class 4 or Class 5, the Ballot includes a checkbox
28 allowing you to opt-out of the non-debtor releases. If you wish to opt-out of the release provided under
the Plan to non-debtor parties, you must check the box on the Ballot indicating that you wish to opt-out
and return the Ballot by the Voting Deadline set forth above.

IF YOU HOLD AN ABUSE CLAIM AND RETURN THE BALLOT CASTING A VOTE
IN FAVOR OF OR AGAINST THE PLAN, YOU WILL BE DEEMED TO CONSENT TO THE
THIRD-PARTY RELEASE IN THE PLAN AND DESCRIBED IN SECTION III.F AND
ARTICLE XIII, BELOW, UNLESS YOU CHECK THE OPT-OUT BOX ON THE BALLOT. ANY
ATTEMPT TO OPT-OUT OF THE RELEASES THROUGH A DIFFERENT METHOD WILL
NOT BE EFFECTIVE.

C. **Overview of Chapter 11**

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter
11, a debtor is authorized to reorganize its business for the benefit of itself and its creditors. In addition
to permitting rehabilitation of a debtor, another goal of chapter 11 is to promote equality of treatment for
similarly situated creditors and interest holders with respect to any distribution of a debtor's assets.

1 The commencement of a chapter 11 case creates an estate that comprises all of the legal and
2 equitable interests of the debtor as of the filing date. The Bankruptcy Code provides that the debtor may
3 continue to operate its business and remain in possession of its property as a “debtor in possession.” Upon
4 filing a petition for chapter 11 relief and during the pendency of a case, the Bankruptcy Code imposes an
5 automatic stay against creditors’ attempts to collect or enforce, through litigation or otherwise, claims
6 against the debtor. The automatic stay provisions of section 362 of the Bankruptcy Code, unless modified
7 by court order, will generally prohibit or restrict attempts by creditors to collect or enforce any claims that
8 arose prior to the commencement of the chapter 11 case against the debtor.

9 The Bankruptcy Code provides for the formation of an official committee of unsecured creditors
10 in a chapter 11 case to represent the interests of Creditors in the case. On May 23, 2023, the United States
11 Trustee appointed the Committee in the Chapter 11 Case to represent the interests of the Debtor’s
12 unsecured creditors, including Holders of Abuse Claims. Each of the members of the Committee asserted
13 a claim for sexual abuse against the Debtor.

14 The principal objective of a chapter 11 reorganization is the confirmation of a plan of
15 reorganization. The plan sets forth the means for satisfying the claims of creditors and other stakeholders.
16 The plan and a disclosure statement that contains information necessary to allow creditors, shareholders,
17 and members to evaluate the plan are sent to creditors, shareholders and members whose claims or
18 interests are impaired, who then vote to accept or reject the plan.

19 A class of claims is entitled to vote to accept or reject a plan if the class is “impaired” by the plan.
20 Section 1124 of the Bankruptcy Code provides generally that a claim is impaired if the legal, equitable,
21 or contractual rights of the claim are altered.

22 A plan may be confirmed under section 1129(a) of the Bankruptcy Code if each class of claims or
23 interests is not impaired by the plan or if each class has voted to accept the plan. Votes will be counted
24 only with respect to claims: (a) that are listed on the debtor’s schedules other than as disputed, contingent,
25 or unliquidated; or (b) for which a proof of claim was filed on or before the claim filing deadline set by
26 the Bankruptcy Court for the filing of proofs of claim. However, any vote by a holder of a claim will not
27 be counted if the claim has been disallowed or is the subject of an unresolved objection, absent an order
28 from the Bankruptcy Court allowing the claim for voting purposes. A class of claims has accepted a plan
if voting creditors that hold at least two-thirds in amount and more than one-half in number of the allowed
voting claims in the class have voted to accept the plan. Pursuant to Bankruptcy Rule 3018(a), Class 4
Claims shall be estimated at \$1.00 for voting purposes only. The actual amount payable on account of
Class 4 or Class 5 Claims will be determined pursuant to the Survivors’ Trust Distribution Plan.

A holder of a Disputed Claim is not entitled to vote on the Plan unless such Claim is temporarily
Allowed by the Debtor, or by an order of the Bankruptcy Court, in an estimated amount that it deems
proper for the purpose of voting to accept or reject the Plan. In other words, only holders of Allowed
Claims that are in Class 3 (General Unsecured Claims), Class 4 (Abuse Claims), Class 5 (Unknown Abuse
Claims) Class 6 (Non-Abuse Litigation Claims), or Class 8 Claim (OPF Claim) may vote to accept or
reject the Plan. A Claim (a) to which an objection has been Filed by the Debtor or any other party in
interest that is pending at the time of the Confirmation Hearing, or (b)(i) that is listed on the Debtor’s
Schedules as disputed, unliquidated, or contingent, and (ii) with respect to which a superseding proof of
claim has not been Filed, is not an Allowed Claim for voting purposes, unless the Claim is settled by
agreement or the Bankruptcy Court Allows the Claim (in whole or in part) by Final Order. Upon request
of a party in interest, the Bankruptcy Court may temporarily Allow or estimate a Disputed Claim for the
purpose of voting on the Plan. In addition, a vote may be disregarded if the Bankruptcy Court determines
that the acceptance or rejection of the Plan by the Claim Holder is not solicited or procured in good faith
or in accordance with the provisions of the Bankruptcy Code.

If an impaired class votes to reject the plan, the proponent of the plan may seek to “cram down”
the plan by confirming it under section 1129(b) of the Bankruptcy Code. A plan proponent may cram

1 down a plan upon a rejecting class only if at least one impaired class has voted to accept the plan, the plan
2 does not discriminate unfairly, and the plan is fair and equitable with respect to each impaired class that
3 has not voted to accept the plan. **The Debtor believes that the Plan will satisfy the foregoing
requirements as to any rejecting Class of Claims and can therefore be confirmed despite any such
rejection by any Class.**

4 Voting on the Plan by each Holder of a Claim in an Impaired Class is important. After carefully
5 reviewing the Plan and Disclosure Statement, each Holder of a Claim should vote on the enclosed ballot
6 either to accept or reject the Plan. Any ballot that does not appropriately indicate acceptance or rejection
7 of the Plan will not be counted. A ballot that is not received by the deadline will not be counted. If a
8 ballot is lost, damaged, or missing, a replacement ballot may be obtained by contacting the Debtor's
Claims and Noticing 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
solicitation team.

9 Class 3 (General Unsecured Claims), Class 4 (Abuse Claims), Class 5 (Unknown Abuse Claims),
10 Class 6 (Non-Abuse Litigation Claims) and Class 8 (OPF Claim) are Impaired under the Plan and are
entitled to vote on the Plan.

11 Class 1 (RCC Secured Claim) and Class 2 (Priority Unsecured Claims) are Unimpaired under the
12 Plan, projected to receive payment in full, and are conclusively deemed to accept the Plan. Accordingly,
13 they are not entitled to vote. Class 7A (Contribution and Indemnification Claims Related to Class 4
14 Claims) and Class 7B (Contribution and Indemnification Claims Related to Class 5 Claims) are Impaired
under the Plan, will not receive any distributions, and conclusively deemed to reject the Plan. Accordingly,
they are not entitled to vote.

15 Section 1129(a) of the Bankruptcy Code establishes several conditions for the confirmation of a
16 plan. These conditions are too numerous to be fully explained here. Parties are encouraged to seek
17 independent legal counsel to answer any questions concerning the chapter 11 process. Among the
conditions for plan confirmation is that either each holder of an impaired claim must accept the plan, or
the plan must provide at least as much value as would be received upon liquidation of a debtor's estate
under chapter 7 of the Bankruptcy Code. The Debtor believes the Plan satisfies all the applicable
requirements of section 1129(a) of the Bankruptcy Code.

18 The Bankruptcy Court has scheduled a Confirmation Hearing to consider approving the Plan
19 commencing on _____, 2025 at ____:____.m. (prevailing Pacific Time) at the United States Bankruptcy
20 Court for the Northern District of California, United States Courthouse, 1300 Clay Street, Courtroom 220,
Oakland, CA 94612. The Confirmation Hearing may be adjourned from time to time without further
21 notice other than by announcement in the Bankruptcy Court on the scheduled hearing date or upon the
Debtor filing a notice of adjournment.

22 **D. Summary of Classification of Claims**

23 Detailed elsewhere in this Disclosure Statement are descriptions of the technical aspects of the
24 classification of Claims, the relative allocations of assets to Holders of such Claims, the methodology as
25 to how such assets are to be distributed, the risks inherent in the proposed Plan, and the applicable
bankruptcy and tax consequences of the Plan. However, a broad overview of what each class of creditors
is likely to receive under the Plan will be helpful for your consideration of whether you wish to accept or
reject the Plan.

26 The following is a summary of the classification of all Claims under the Plan. This summary is
27 qualified in its entirety by reference to the Plan:

Class	Class Description	Number of Claimants	Status	Voting Rights
Class 1	RCC Secured Claim	1	Unimpaired	Non-voting Deemed to accept
Class 2	Priority Unsecured Claims, other than non-classified claims set forth in Article III	36	Unimpaired	Non-voting Deemed to accept
Class 3	General Unsecured Claims	71	Impaired	Eligible to vote
Class 4	Abuse Claims	~345	Impaired	Eligible to vote
Class 5	Unknown Abuse Claims	Unknown	Impaired	Eligible to vote via the Unknown Abuse Claims Representative
Class 6	Non-Abuse Litigation Claims	2	Impaired	Eligible to vote
Class 7A	Contribution and Indemnification Claims Related to Class 4 Claims	Unknown	No recovery	Non-voting Deemed to reject
Class 7B	Contribution and Indemnification Claims Related to Class 5 Claims	Unknown	No recovery	Non-voting Deemed to reject
Class 8	OPF Claim	1	Impaired	Eligible to vote

As discussed in the Liquidation Analysis attached hereto as **Exhibit B**, the Debtor estimates that recoveries for Holders of Abuse Claims in Class 4 and Class 5 under the Plan will be greater than if the Debtor were to liquidate under chapter 7 of the Bankruptcy Code because the total amount of assets available for Distribution is greater under the Plan than in liquidation under chapter 7.

The Debtor's Liquidation Analysis is predicated on the premise that a "hypothetical liquidation" must be a *possible* liquidation. This means a liquidation analysis ought not include assets which cannot be used to pay creditors because including such assets distorts the outcome and would create confusion concerning the comparison of how creditors are being paid under the Plan versus what creditors might be paid in a liquidation which is legally *possible*. Under Ninth Circuit law, assets of the Debtor's estate that cannot be legally made available for distribution to creditors should not be included in a hypothetical liquidation under section 1129(a)(7) of the Bankruptcy Code. *See Security Farms*, 265 F.3d at 877. Moreover, the decision on whether to operate a church at a particular location, or the decision whether to sell real estate on which a church sits, is inherently an ecclesiastical decision which affects the faith and mission of the Catholic Church. Under the Free Exercise Clause and Establishment Clause of the First Amendment to the U.S. Constitution, these decisions are reserved for the Bishop alone and the government may not interfere with or dictate those decisions. In other words, because: 1) the Debtor cannot be forced into a chapter 7 liquidation proceeding under the Bankruptcy Code, and 2) the Debtor cannot be forced to sell real estate on which it operates one of the Churches, the Liquidation Analysis does not contemplate such sales. The Debtor asserts this presents a more accurate view of potential recoveries in a hypothetical liquidation scenario and provides appropriate context to whether the Plan is in the best interests of Abuse Claimants, in particular. [Notwithstanding this, the Debtor will supplement this Second Amended Disclosure Statement with an additional liquidation analysis which is premised on the liquidation of all real estate titled in the name of the Debtor. However, the Debtor believes such a liquidation analysis is not the appropriate measure for this Chapter 11 Case for the reasons stated above.](#)

1 **As set forth in the Committee Letter, the Committee disputes the Debtor’s position regarding**
2 **forced liquidation in a hypothetical chapter 7 and believes additional property may be available for**
3 **creditors. Ultimately, the Court will decide whether to confirm the Plan or not. If the Court**
4 **disagrees with the Debtor’s position regarding forced liquidation in a hypothetical chapter 7, it may**
5 **not confirm the Plan.**

6 Additionally, the Cash Contributions and the Assigned Insurance Interests provided by the
7 Contributing Non-Debtor Catholic Entities will not be available to the Estate under chapter 7, nor would
8 be the Immediate Payment option present in the Plan.

9 The Debtor also believes that theoretical Distributions under a chapter 7 case would likely be
10 delayed due to the time it will take a chapter 7 trustee to assess the Debtor’s assets, review and analyze
11 Claims, and evaluate and litigate claims against third parties. The cost of litigation to determine the value
12 of the Abuse Claims asserted against the Debtor alone would cost tens of millions of dollars. Holders of
13 Allowed Claims entitled to vote to accept or reject the Plan should review the Liquidation Analysis
14 (including all footnotes thereto and documents referenced therein) and the Committee Letter in assessing
15 whether to vote to accept or reject the Plan.

16 **E. Disclosure Statement Enclosures**

17 Accompanying this Disclosure Statement are the following enclosures:

18 1. **Order Approving Disclosure Statement.**

19 A copy of the Order of the Bankruptcy Court dated _____, 2025, in which the
20 Bankruptcy Court approved this Disclosure Statement and, among other things, establishing procedures
21 for voting on the Plan, scheduling the Confirmation Hearing, and setting the deadline for objecting to
22 confirmation of the Plan (the “Disclosure Statement Order”).

23 2. **Notice of Confirmation Hearing.**

24 A copy of the notice of the deadline for submitting ballots to accept or reject the Plan and, among
25 other things, the date, time and place of the Confirmation Hearing, and the deadline for filing objections
26 to confirmation of the Plan (the “Confirmation Hearing Notice”).

27 3. **Ballot.**

28 Ballot(s) (and return envelope) for each respective Class entitled to vote, for voting to accept or
reject the Plan. See Article VI(B) below for an explanation of which Holders of Claims are entitled to
vote. The Ballot includes the Immediate Payment election for Holders of Class 4 Claims and a checkbox
allowing Holders of Class 4 Claims and the Unknown Abuse Claims Representative (on behalf of Class
5) to affirmatively opt-out of the Releases provided to non-debtors under the Plan.

ARTICLE III

QUESTIONS AND ANSWERS ABOUT THE DISCLOSURE STATEMENT AND PLAN

A. What is Chapter 11?

Chapter 11 is a form of bankruptcy under the Bankruptcy Code that involves a court-supervised
reorganization of a debtor’s assets and liabilities. It is most used by businesses. The commencement of
a Chapter 11 case creates an “estate” comprised of any and all the legal and equitable interests of the

1 debtor as of the date of filing of its bankruptcy petition. The Bankruptcy Code provides that the Chapter
2 11 debtor may continue to operate and remain in possession of its property as a “debtor-in-possession.”

3 Under Chapter 11, a debtor is authorized to reorganize for the benefit of itself and its creditors.
4 The principal objective of a Chapter 11 case is the confirmation and consummation of a Chapter 11 plan.
5 A plan sets forth the means for satisfying claims against a debtor. The Confirmation of a plan of
6 reorganization by a bankruptcy court binds the debtor, any issuer of securities under a plan of
7 reorganization, any person acquiring property under a plan of reorganization, any creditor of a debtor, and
8 any other person or entity as may be ordered by the bankruptcy court in accordance with the applicable
9 provisions of the Bankruptcy Code. Subject to certain limited exceptions, a confirmation order discharges
10 a debtor from any debt that arose before the confirmation of such plan and provides for the treatment of
11 such debt in accordance with the terms of the confirmed plan of reorganization. Certain creditors of a
12 debtor are permitted to vote to accept or reject the plan.

13 **B. Why is the Debtor sending me this Disclosure Statement?**

14 Before soliciting acceptances of a Chapter 11 plan, section 1125 of the Bankruptcy Code requires
15 the preparation of a disclosure statement containing adequate information of a kind, and in sufficient
16 detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance
17 of the Plan, and requires the debtor to share such disclosure statement with all creditors whose votes on
18 the plan are being solicited. On [____], 2025, the Bankruptcy Court entered an Order (the
19 “Disclosure Statement Order”), [Docket No. ____], that approves this Disclosure Statement as containing
20 adequate information within the meaning of section 1125 of the Bankruptcy Code and that establishes
21 certain dates, deadlines, and procedures in connection with the proposed Confirmation of the Plan.

22 **C. Am I entitled to vote on the Plan?**

23 Your ability to vote on the Plan depends on what type of Claim or Claims that you hold. Pursuant
24 to section 1122(a) of the Bankruptcy Code, each category of Claims has been classified in a given “Class,”
25 as set forth in Articles II – IV of the Plan. The following Classes of Claims are entitled to vote on the
26 Plan:

Class	Class Description	Status	Voting Rights
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 8	OPF Claim	Impaired	Eligible to vote

27 All other Classes of Claims are not entitled to vote and will not receive Ballots in connection with
28 solicitation.

D. What is meant by “Confirmation” and “Effective Date”?

“Confirmation” refers to the Bankruptcy Court’s approval of the Plan. Confirmation of the Plan
does not guarantee that you will receive the distribution indicated under the Plan. After Confirmation of
the Plan, there are conditions that need to be satisfied or waived so that the Plan can become effective.

1 Distributions to Holders of Allowed Claims will only be made on or after the date the Plan becomes
2 effective—the “Effective Date.”

3 **E. Does the Plan contain releases and permanent injunctions in favor of the Debtor and the**
4 **Churches?**

5 Yes. The Plan contains releases and permanent injunctions that relate to and affect the rights,
6 Claims, and/or Causes of Action that Holders of Claims, including Holders of Abuse Claims, may have
7 against the Debtor or Reorganized Debtor. Because the Churches are not separately incorporated legal
8 entities, as a matter of California law they are not separate from the Debtor, and they do not own or hold
9 a legal or equitable interest in property separate from the Debtor. Thus, the Churches are included in the
10 releases and permanent injunction in favor of the Debtor [and Reorganized Debtor, and the Churches are](#)
11 [not receiving a release or permanent injunction separate from or in addition to the Debtor and Reorganized](#)
12 [Debtor.](#)

13 Before you vote, you should review the entire Disclosure Statement and Plan, including, but not
14 limited to, its releases and injunctions.

15 **F. Does the Plan contain releases and permanent injunctions in favor of Third Parties?**

16 Yes. The Plan also contains releases and injunctions that relate to and affect the rights, Claims,
17 and/or Causes of Action that “Releasing Parties” may have against entities who are not the Debtor or the
18 Reorganized Debtor, as provided for in Article XIII of the Plan (the “[Third-Party Releases and Third-](#)
19 [Party Permanent Injunctions](#)”). As discussed below, Holders of Abuse Claims who vote to accept or reject
20 the Plan but do not affirmatively opt out of the releases provided by the Plan by checking the appropriate
21 box on the Ballot indicating that they opt not to grant the releases set forth in the Plan, are Releasing
22 Parties. Before you vote, you should review the entire Disclosure Statement, Plan, and any Plan
23 Supplement, including, but not limited to the provisions concerning the Third-Party Releases and Third-
24 Party Permanent Injunctions.

25 “Released Parties” as defined in the Plan includes: (a) the Debtor, (b) the Reorganized Debtor (i.e.,
26 the Debtor after confirmation of the Plan), (c) the Churches (as discussed above, [none of whom are](#)
27 [separately incorporated from the Debtor and whose releases under the Plan shall be one and the same as,](#)
28 [and not separate from or in addition to, the releases of the Debtor and Reorganized Debtor](#)), (d) the
29 Contributing Non-Debtor Catholic Entities, but each only as to the Abuse Claims for which it receives a
30 Release under Section 13.9 of the Plan. In order to effectuate this release of the foregoing, “Released
31 Parties” also includes each of their “current and former directors, managers, officers, employees,
32 predecessors, successors, assigns, managed accounts or funds, agents, advisory board members, financial
33 advisors, partners, attorneys, accountants, investment bankers, consultants, ~~representatives,~~ and other
34 professionals.” The Plan does not purport or attempt to release or grant permanent injunctions to any
35 other diocese, archdiocese, or religious organization that is not a Contributing Non-Debtor Catholic Entity.
36 Presently, RCWC and Adventus are the only Contributing Non-Debtor Catholic Entities under the Plan.
37 The Plan also expressly excludes from the release the perpetrators of abuse identified in Abuse Claims.

38 **G. As the Holder of an Abuse Claim, will I be bound by the Third-Party Releases and Third-**
39 **Party Permanent Injunctions?**

40 All Holders of Abuse Claims who vote to accept or reject the Plan, ~~or~~ [and](#) who do not affirmatively
41 opt out of the releases provided by the Plan by checking the appropriate box on the Ballot indicating that
42 they opt not to grant the releases set forth in the Plan and returning such form to Debtor’s claims and
43 noticing agent, will be bound by the Third-Party Releases and Third-Party Permanent Injunctions.
44
45
46
47
48

1 **H. As the Holder of any Claim other than an Abuse Claim, will I be bound by the Third-Party**
2 **Releases and Third-Party Permanent Injunctions?**

3 Holders of Claims other than Class 4 or Class 5 Claims are not subject to the Third-Party Releases
4 and Third-Party Permanent Injunctions. They will not be releasing claims against any non-debtors.

5 **I. What is required for the Unknown Abuse Claims Representative to Opt-Out of the Third-**
6 **Party Releases and Third-Party Permanent Injunctions?**

7 The Unknown Abuse Claims Representative shall cast a single Ballot with a single checkbox for
8 the opt-out on behalf of all Class 5 Claims. To the extent the Unknown Abuse Claims Representative
9 submits a Ballot (with the opt-out checkbox) on behalf of Class 5 Claims, they shall do so according to
10 the same procedures and deadlines as Holders of Class 4 Claims.

11 **J. Are there any Exculpation Provisions contained in the Plan?**

12 Yes. The Plan also contains provisions (the “Exculpation Clause,” as set forth and defined in the
13 Plan in Article 13.6) exculpating or limiting the liability of certain parties, including the Debtor, the
14 Reorganized Debtor, the Committee, and numerous other parties (the “Exculpated Parties,” as set forth
15 and defined in the Plan in Article 1.1.50). The Exculpation Clause may affect the rights, Claims, and/or
16 Causes of Action of Holders of Claims, including Holders of Abuse Claims, in relation to the Exculpated
17 Parties. [The Exculpated Parties shall receive the benefits of the Exculpation Clause to the extent permitted
18 under applicable Ninth Circuit law, including without limitation *Blixseth v. Credit Suisse*, 961 F.3d 1074
19 \(9th Cir. 2020\).](#)

20 **K. Does the Plan contain Provisions Designed to Foster the Protection of Children from**
21 **Sexual Abuse?**

22 Yes. The Plan’s Non-Monetary Commitment to Healing and Reconciliation reinforce and
23 continue the Debtor’s existing policies and procedures, as described herein, for the protection of children
24 and vulnerable adults.

25 **L. What is the Effect of the Plan on the Debtor’s Ongoing Religious and Charitable**
26 **Endeavors?**

27 The Debtor is reorganizing under Chapter 11 of the Bankruptcy Code. Following Confirmation,
28 the Plan will be consummated on the Effective Date. On and after the Effective Date, the Reorganized
Debtor will continue its charitable, non-profit operations and, except as otherwise provided by the Plan,
may use, acquire, or dispose of property and compromise or settle any Non-Abuse Litigation Claims
without supervision or approval by the Bankruptcy Court, free of any restrictions of the Bankruptcy Code
or Bankruptcy Rules. Additionally, upon the occurrence of the Effective Date, all actions contemplated
by the Plan will be deemed authorized and approved.

M. Is the Debtor Preserving Estate Causes of Action under the Plan?

Yes, except to the extent such rights, Claims, Estate Causes of Action, defenses, and counterclaims
are otherwise dealt with in the Plan or are expressly and specifically released in connection with the Plan,
the Confirmation Order, or any settlement agreement approved during the Chapter 11 Case, the Plan
provides that, as of the Effective Date, the Reorganized Debtor reserves any and all rights, Claims, Estate
Causes of Action, defenses, and counterclaims of or accruing to the Debtor or Reorganized Debtor,
whether or not litigation relating thereto is pending on the Effective Date.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ARTICLE IV

THE DEBTOR AND ITS OPERATIONS

A. Organization and Central Mission of the Roman Catholic Church

The Roman Catholic Church follows an episcopal governance structure led by bishops who preside over formal jurisdictions, or geographic areas, known as dioceses. The Pope, who serves as the Bishop of Rome, is the global, spiritual leader of the Roman Catholic Church whose jurisdiction is called the Holy See.

Each diocese is led by a bishop or archbishop who is responsible for reporting to the Holy See regarding the diocese’s religious and administrative functions. A diocese supports, serves, and provides administrative functions to, among others, local churches (commonly known as “parishes”) and various other Catholic entities.⁸⁷ Bishops perform their canonical duties in accord with the Code of Canon Law (“Canon Law”), which is the ecclesiastical law of the Roman Catholic Church.

Canon Law is the oldest continual legal system in the western world. Under Canon Law, a diocese is “a portion of the people of God which is entrusted to a bishop for him to shepherd with the cooperation of the presbyterium....” (Code of Canon Law, c. 369). As such, each diocese within the Roman Catholic Church is inherently *territorial*, comprised of a specific geographic area and the faithful within it. A diocese conducts its civil affairs for the practice of the Roman Catholic Church within that geographic area and for the faithful within the area.

Also under Canon Law, every diocese is divided into distinct parts, known as parishes, which are ecclesiastical entities consisting of communities of the faithful whose pastoral care is entrusted to a pastor (*i.e.*, a priest) whom the bishop appoints to serve the parish to which he is assigned. CIC, cc. 374 §1, 515 §1.

Each diocese, and each parish within a diocese, is a separate public juridic person. *Id.*, cc. 573, 515 §3. The administration of property belonging to a juridic person pertains to its administrator, such as the diocesan bishop over the property of a diocese, and the priest over the property of a parish. *Id.*, cc. 393, 532. Each such administrator is obligated to acquire, hold, administer, and/or alienate such property in accordance with Canon Law (*id.*, c. 1257), which requires that property held by any juridic person—diocese, parish, or otherwise—must be used for the purposes of the Roman Catholic Church. The bishop is responsible for administering the property belonging to the diocese, and each pastor is responsible for being the exclusive administrator of the property belonging to his parish. Similarly, the pastoral care of the faithful across the entire diocese is entrusted to the bishop, whereas the pastoral care of the faithful within each particular parish is entrusted to the pastor for the parish.

Clergy (or ordained clerics of the diocese) carry out the diocese’s spiritual mission through celebration of the sacraments, provision of pastoral services to the laity (the non-ordained faithful of the diocese), and performance of corporal and spiritual works of mercy for not only the laity but also for the larger public. There are three levels of clergy within the Roman Catholic Church: the episcopate,

⁸⁷ There is another type of organization within the Catholic community known as a religious order. Religious orders are largely autonomous and governed by the statutes and constitutions of the particular order. The priests, religious women and brothers of religious orders do not normally report directly to or take ultimate direction from diocesan bishops. The principal authority for supervising, reassigning or punishing members of religious orders are the superiors of those orders.

1 composed of bishops; the presbyterate, composed of priests ordained by bishops; and the diaconate,
2 composed of deacons who assist bishops and priests in a variety of ministerial roles.

3 The mission of the Roman Catholic Church is to share God’s love and mercy with all people. The
4 Roman Catholic Church does this through its charitable operations, as well as in the countless churches
5 where Catholics come together to worship across the world. The Roman Catholic Church also engages
6 diplomatic institutions like the United Nations in defense of human dignity for all people and in pursuit
7 of the common good.

8 **B. History of the Diocese of Oakland**

9 The Holy See established the Diocese of Oakland in 1962 from the eastern territory of the
10 Archdiocese of San Francisco. The territory of the Debtor spans roughly 1,467 square miles and
11 encompasses two counties, Alameda and Contra Costa. The Debtor is situated along the eastern shore of
12 the San Francisco Bay and the Debtor estimates it serves nearly 550,000 resident Catholics and assists
13 approximately 260,000 people through its ministry and charitable services.

14 On January 27, 1962, the Most Rev. Floyd Lawrence Begin, auxiliary bishop of the Debtor of
15 Cleveland, Ohio, was named the first Bishop of Oakland. His installation took place on April 28,
16 1962. The Debtor has had four other bishops, with its incumbent and fifth bishop, Most Reverend Michael
17 C. Barber, SJ (“Bishop Barber” or the “Bishop”) having been appointed on May 25, 2013.

18 The charitable history of the Debtor is born out of missionary origins. In 1772, Franciscan Friar
19 Juan Crespi celebrated Mass with Spanish explorers next to a swamp in what would become downtown
20 Oakland. Almost 25 years after that first Mass, Franciscan Fermín de Francisco Lasuén de Arasqueta
21 founded Mission San José. The mission was the only parish on the coast opposite San Francisco for the
22 next 64 years. In 1861, the now amalgamated parish of St. Mary of the Immaculate Conception opened.
23 In 1869, St. Paul’s parish in San Pablo was the second to open in the present diocese and was the first
24 parish in what is now Contra Costa County.

25 In 1840, the Holy See erected the “Diocese of the Two Californias” to recognize the growth of the
26 provinces of Alta and Baja California. In 1848, Alta California was ceded to the United States and the
27 Holy See split the Diocese of the Two Californias into American and Mexican sections, and the American
28 section was renamed the Diocese of Monterey.

In 1853, the Holy See established the Archdiocese of San Francisco from the northern territory of
the Diocese of Monterey. The territory that would eventually become the Diocese of Oakland was, at that
time, situated within the eastern part of the Archdiocese of San Francisco.

C. Governance, Mission-Service Activities, and Structure of the Diocese of Oakland

The Debtor is a corporation sole organized under the laws of the State of California. The Debtor
conducts its civil affairs under the laws of the State of California and the United States of America, and
in accordance with Canon Law.

None of the parish churches (the “Churches”) within the diocese are separately incorporated
entities under California law. To the extent ~~that~~ the Bishop holds goods belonging to a parish—including,
for example, real and personal property—he does so in trust for the benefit of the applicable Church.
However, because the Churches are not separately incorporated legal entities, as a matter of California
law they are not separate from the Debtor, and they do not own or hold a legal or equitable interest in
property separate from the Debtor.

Bishop Barber has led the Debtor since he was ordained to the episcopacy and installed as Bishop
of Oakland on May 25, 2013. Bishop Barber has been an ordained priest for almost 40 years and has

1 served as a missionary abroad, a professor of theology, a seminary spiritual director and, from 1991-2018,
2 as a chaplain and officer in the U.S. Navy.

3 Bishop Barber is assisted in the management of the Debtor by both clergy and lay administrators
4 and staff, including the Diocesan Chancellor, Vicar General and Chief Financial Officer. As of the
5 Petition Date, the Debtor employed approximately 30 full-time and 42 part-time employees at the Debtor's
6 central services office, which is also known as the "Chancery." The Chancery is located in downtown
7 Oakland.

8 The diocese has 80 parishes and missions and is home to 159 diocesan priests, 160 religious priests,
9 35 extern priests, and 118 permanent deacons.

10 The Churches play a central role in the lives of Catholics living within the Debtor by administering
11 key aspects of the Catholic Faith, including: baptism, education, communion, Mass, confirmation,
12 marriage, and bereavement, including last rites, funeral services and grief support. In this way, the
13 Churches provide the critical connection between the Debtor and the faithful from the beginning of life to
14 the end.

15 The Debtor serves one of the most ethnically diverse areas in the nation, where approximately 70%
16 of residents of Alameda County and approximately 59% of residents of Contra Costa County identify as
17 non-White. Alameda County, in particular, is home to more Asian residents than any other race or
18 ethnicity. The Debtor runs ethnic pastoral centers that serve communities from Brazil, China, Eritrea,
19 Ethiopia, Fiji, India, Indonesia, Kenya, Korea, Laos, Nigeria, Poland, Tonga and Vietnam. For some new
20 arrivals in Alameda and Contra Costa counties, the Roman Catholic Church is their community focal
21 point, a place they can find support and oftentimes necessary resources to begin their lives in the United
22 States.

23 Sunday celebrations within the Churches are celebrated in approximately 17 languages, with the
24 most common being English, Spanish, and Vietnamese. A number of Churches celebrate Mass using
25 multiple languages.

26 The Debtor provides resources, programming, spiritual leadership, and other key services and
27 support to local Catholics and the East Bay community at large, including substantial support for the poor
28 and for minority communities. The ministry of the Debtor is therefore critical to not only the faithful
within the diocese, but also to the public-at-large, including non-Catholics.

Most of the Churches in the diocese provide some sort of lay outreach to the poor in their local
community, e.g., St. Vincent de Paul, food pantries, temporary shelters and ministry to the sick. Lay
associations have also formed to engage on issues of immigrant rights, economic development, peace
building, and restorative justice.

Over one third of the Churches in the diocese are involved in some sort of grassroots faith-based
community organizing. This collaboration is most evident in the Debtor's work for affordable and
emergency housing and community organizing. In Contra Costa, eight Churches actively participate with
the Interfaith Council of Contra Costa ("I4C"), which is an interfaith coalition of congregations joining
together to promote social justice in their community. I4C member congregations also provide shelter
and social services to homeless families on a rotating basis. For instance, Christ the King in Pleasant Hill
provides shelter, food, and volunteer counselors to homeless families every winter. West Contra Costa
County and South Alameda County have similar interfaith coalitions that involve many Churches.

Chaplains serve five hospitals in the diocese. The remaining hospitals without assigned chaplains
are served by the Churches that include the hospitals within the geographic boundaries of their respective
parish. Most of those have established programs involving laity who visit Catholic patients daily and who

1 also visit shut-ins and individuals in convalescent facilities. There are 101 nursing homes and similarly
2 licensed care facilities that are served by the Debtor.

3 Each Church is encouraged to have a committee whose specific task is outreach to the sick and
4 housebound within the parish. Training for these individuals is provided at the parish level. Pastoral care
5 for doctors and nurses and other health care workers is ordinarily provided through the chaplains who
6 service the institutions where those individuals are working.

7 **D. The Debtor's Operations**

8 The Debtor's revenue streams include parish assessment revenue, which is dependent on donations
9 by parishioners through their respective Church; and the Bishop's Ministries Appeal ("BMA"), an annual
10 fundraising campaign that supports the Churches and diocesan ministries and programs. Funds raised
11 through the BMA are solicited specifically and restricted to fund the particular ministries and programs
12 that the BMA was designed to support and facilitate, including faith formation and evangelization,
13 Catholic Youth Organization sports, formation of priests to serve parishioners, care of the retired priests,
14 and meeting the unexpected needs of schools and Churches. In the ordinary course of business, the Debtor
15 also receives, among other revenue, rental revenue, events/programming revenue, revenue from the
16 Catholic Telemedia Network ("CTN,"⁸ management fees, and unrestricted gifts, grants, and bequests
17 (collectively, "Other Chancery Revenues").

18 The Debtor provides support to and sometimes administers, among others, local Churches and
19 parish schools and other charitable, educational, and religious-service affiliates critical to the ministry of
20 the Roman Catholic Church within the Debtor.

21 The Debtor has a December 31st year end. On an unaudited based, for fiscal year 2022, ended
22 December 31, 2022, the Debtor had total revenue of approximately \$21.1 million. Of this amount,
23 approximately \$5.5 million was from parish assessments, \$2.7 million was from the BMA and \$2.3 million
24 was from other gifts, grants and bequests. Other revenue totaled approximately \$10.6 million, consisting
25 of rental income, insurance revenue, program revenue and income and dividends, among other
26 sources. The Debtor had total operating expenses of \$20.0 million, resulting in income from operations
27 of \$1.1 million before other non-operating income and expenses.

28 On an unaudited based, for fiscal year 2023, ended December 31, 2023, the Debtor had total
revenue of approximately \$19.0 million. Of this amount, approximately \$6.5 million was from parish
assessments, \$2.4 million was from the BMA and \$2.5 million was from other gifts, grants and
bequests. Other revenue totaled approximately \$7.6 million, consisting of rental income, net insurance
revenue, program revenue and income and dividends, among other sources. The Debtor had total
operating expenses of \$35.2 million (including professional fees), resulting in losses from operations of
\$16.24 million before other non-operating income and expenses.

29 **E. Mission Alignment Process**

30 In November 2020, Bishop Barber called for the formulation of a task force to assess how to meet
31 the challenges of declining Mass attendance, underutilized parish facilities and the declining number of
32 priests serving in the Diocese of Oakland. In March 2021, the Debtor formed a task force called the

33 ⁸ Historically, the Debtor has received approximately \$2 million in voluntary grants from CTN. The Debtor does
34 not own an equity interest in CTN but has the right to designate 50% of the members of its board. As reflected in
35 the Financial Projections attached hereto, the Debtor anticipates continuing to receive approximately \$2 million
36 annually in grants from CTN on a go-forward basis, but there is no guarantee such grants will continue, and the
37 Debtor has no control over the making of such grants.

1 Mission Alignment Process (MAP) Commission (the “Commission”). The Commission is composed of
2 15 members representing laity and clergy of the Debtor.

3 The Commission began meeting in April 2021 to evaluate and guide the Debtor in a process of
4 self-reflection and renewal. Data from the Churches, parishioners, schools, priests, and diocesan
5 demographics was analyzed, and a presentation was developed for the presbyterate of the Debtor. This
6 data included facts about parish-by-parish Mass attendance, the historical decline in priests serving in
7 parish ministry, and projections of a decline in the number of future priests under 70 years old for parish
8 ministry. Over a period of 14 months, a series of additional meetings with clergy and parish and school
9 lay leadership at the regional and deanery level were held and input was sought for dealing with these
10 challenges and increasing focus on Bishop Barber’s three priorities – emphasizing the Sunday experience
11 of the Holy Eucharist, practicing the corporal and spiritual works of mercy, and forming missionary
12 disciples.

13 In November 2022 Bishop Barber arranged 14 meetings of priests to discuss the feedback from
14 the regional and deanery consultative meetings and to deliberate on a path forward for each deanery. This
15 path forward included consideration of clustering, merging, or closing of Churches. A cluster is where
16 two or more Churches remain separate and retain their names but share one or more priests and one
17 administration. A merger is where two or more parishes are combined to form one new parish while
18 consolidating membership, property and finances. Closures include selling, renting or using parish
19 properties for other purposes.

20 The work of the MAP Commission continues, and the Plan constitutes an extension of its work.
21 The information gained through the MAP has assisted the Debtor through its Chapter 11 Case in evaluating
22 resources to settle claims while ensuring that the Roman Catholic Church in the Diocese of Oakland can
23 emerge as an even more vibrant and faith-filled community.

24 **F. Affiliated Non-Debtor Catholic Entities**

25 Through common missions, the Debtor is affiliated with certain entities separately incorporated
26 under California law and which are not debtors in this Chapter 11 Case (each such affiliated incorporated
27 entity a “Non-Debtor Catholic Entity,” and collectively, the “Non-Debtor Catholic Entities”).

28 Analogous to a corporate headquarters, the Debtor provides certain administrative services to
optimize functional area expertise, staffing and centralized purchasing (e.g., in areas of background checks
and other human resource functions, accounting, and group purchasing of insurance) and programmatic
support services to certain Non-Debtor Catholic Entities in support of their religious, educational and
charitable missions. Each Non-Debtor Catholic Entity operates independently and accounts for its
operations separately.

1. The Roman Catholic Welfare Corporation of Oakland

RCWC is a nonprofit religious corporation that oversees 32 elementary schools and two high
schools. The Catholic schools fulfill the threefold mission of Catholic education to (1) proclaim the
Gospel, (2) build community, and (3) serve the faithful and non-believers alike. RCWC initiates,
administers, and supervises the educational program and evangelization goals in the Catholic schools
located in the Debtor for which it has oversight responsibility. RCWC also coordinates accreditation,
policy development, curriculum, testing, and training for the approximately 1,400 teachers serving in those
schools. All the RCWC schools’ real property is owned by RCWC. All schools are accredited by the
Western Association of Schools and Colleges, and Catholic schools generally have separate administration
from the Churches. Each school collects revenues, pays expenses, and conducts other operational and
financial matters of the school.

1 RCWC has its own board and has at all times maintained its own, separate bank accounts and had
2 its own financial statements. RCWC participates in the Debtor's benefits and insurance plans. RCWC
3 relies upon the Oakland Parochial Fund, Inc. to manage its investments.

3 **2. *Lumen Christi Academies of the Roman Catholic Diocese of Oakland***

4 Formally established in 2018 by Bishop Barber, the Lumen Christi Academies ("LCA") were
5 formed with the goal of creating an independent network of peer Catholic schools generally serving lower
6 income, urban students. It is LCA's charter to establish new governance models and pursue academic
7 innovation, efficient operations, and sustained investment in the professional development of teachers and
8 principals, all while delivering the highest quality Catholic education to its students. At present, LCA is
9 comprised of five culturally diverse elementary schools (*i.e.*, preschool through 8th grade) across the
10 Oakland and Contra Costa County area.

11 LCA participates in the Debtor's benefits and insurance plans. It has at all times maintained its
12 own board and separate bank accounts and had its own financial statements.

13 **3. *The Roman Catholic Cemeteries of the Diocese of Oakland***

14 The Roman Catholic Cemeteries of the Diocese of Oakland ("RCC"), a California corporation,
15 operates and administers all cemetery, mausoleum and mortuary services in the diocese. RCC operates
16 and administers six diocesan cemeteries, five diocesan mortuaries, two mausoleums and one crematory.
17 RCC owns no real property and all real property necessary to carry out its activities (burial, entombment,
18 and related services) is leased from the Debtor pursuant to ground leases or other appropriate lease forms.
19 RCC is obligated to provide for Catholic burial of the deceased, and to provide "perpetual care." This
20 obligation is central to the operating structure of the RCC cemeteries and is part of the contractual
21 arrangements for every interment.

22 Funds from every interment are set aside for a permanent maintenance fund to be held, invested,
23 and used to provide perpetual care. RCC has at all times segregated its funds from those of the Debtor
24 and has at all times maintained separate accounts. RCC holds and invests such segregated funds and also
25 bears the related obligation to provide perpetual care for the deceased.

26 RCC has its own board and audited financial statements. RCC participates in the Debtor's benefits
27 and insurance plans. RCC relies upon the Oakland Parochial Fund, Inc. to manage its investments.

28 **4. *The Oakland Parochial Fund, Inc.***

The Oakland Parochial Fund, Inc. ("OPF") is a separately incorporated, non-regulated investment
fund organized for the purpose of offering the Churches and certain Affiliated Non-Debtor Catholic
Entities some administration and accounting functions and the opportunity, but not the obligation, to
professionally invest their funds. OPF serves as a non-profit fund manager for investments of the
Churches and RCWC (through its component schools, the "Schools"), to the extent they choose to
participate. OPF has its own board and audited financial statements. It has at all times maintained its
own, separate investment accounts, and has its own bank account. OPF relies on the Debtor for finance
and accounting services related to the closing of books and maintaining its accounting records.

The services provided by OPF are a continuation of deposit and investment management services
(the "Diocesan Investment Management Services") previously provided by the Debtor. Before April 2023,
the Debtor managed certain deposits and investments of participating Churches and RCWC through the
Diocesan Investment Management Services, which consisted of two programs: (1) The Deposit and Loan
Fund program (the "DLF"), which held cash, investments, of participating Churches and Schools and
provided loans to participated Churches and Schools, and (2) the Investment/Endowment Pool (the

1 “Endowment Pool”) in which Churches and the Schools could separately invest funds with long-term
2 investment horizons in marketable securities.

3 Prior to 2023, the DLF was maintained in two accounts: a deposit bank account that held cash for
4 short-term liquidity needs of the Debtor, the Churches and RCWC Schools, and an investment account at
5 the Principal Financial Group (“Principal”) for funds beyond short-term cash needs. The Endowment
6 Pool was also maintained at, and accounted for by, Principal. As part of the DLF, the Debtor periodically
7 loaned Funds held in the DLF to individual Churches or Schools in connection with capital improvement
8 projects (the “Loan Program”).

9 The Debtor kept detailed book entry records of the funds held in the DLF for itself, the Churches,
10 and RCWC Schools, and provided quarterly statements to each participating Church and school. The
11 RCWC funds that the Debtor managed through the Diocesan Investment Management Services were
12 property of RCWC (*i.e.*, not property of the Debtor), and were held by the Debtor solely for the RCWC
13 and the Schools’ benefit. While the Debtor separately accounted for Church funds pursuant to Canon
14 Law, as a matter of Civil law the Churches are not separate from the Debtor.

15 In April 2023, the Debtor transitioned the Diocesan Investment Management Services to
16 OPF. While the transition of these services occurred shortly before the Petition Date, it was neither the
17 intent nor the result to move assets out of the reach of creditors that otherwise would have been available
18 to satisfy the liabilities of the Debtor.

19 To that end, in furtherance of the transition, the Debtor transferred the DLF and Endowment Fund
20 assets held for the benefit of the Churches and RCWC to OPF. While the total DLF and Endowment Fund
21 assets transferred to OPF were approximately \$106 million, \$14 million was in the form of Loan Program
22 receivables from Churches or Schools. Additionally, \$35 million from Church funds in the DLF was
23 loaned by OPF to the Debtor to fund this Chapter 11 Case. The net cash and investments transferred to
24 OPF pre-petition were therefore approximately \$57 million, of which approximately \$31 million was
25 School funds belonging to RCWC, and the remaining approximately \$26 million was Church funds. The
26 \$31 million in School funds remains property of RCWC, as it was when previously held in trust for RCWC
27 by the Debtor through the Diocesan Investment Management Services.

28 As of November 30, 2024, total DLF cash and investments held by OPF for Churches were
approximately \$5.6 million, and total Church Endowment Pool investments were approximately \$15.7
million. Substantially all of these funds are subject to donor restrictions, and therefore not available for
payment of claims. As reflected in the Liquidation Analysis attached hereto, Church funds not subject to
donor restrictions are treated as property of the Debtor for purposes of the Plan, regardless of where held.

Functionally, OPF acts as a deposit and investment manager for the Churches and RCWC,
providing for efficient, professionally managed investment of Church and RCWC school assets. The
funds deposited with OPF and the investments it manages are held by OPF for the benefit of the depositing
Churches and RCWC schools.

The Debtor’s obligation is treated under the Plan as the OPF Claim, as defined in the Plan and
classified in Class 8 under the Plan. As further described in the treatment of Class 8 detailed below in
Section IV.B.9., the OPF Claim is subordinated to other creditor claims, and all payments thereunder are
deferred for up to ten (10) years after the Effective Date of the Plan.

5. ***The Catholic Cathedral Corporation of the East Bay***

The Catholic Cathedral Corporation of the East Bay (“CCCEB”) was formed, along with Christ
the Light Cathedral Corporation (“CLCC”), to conduct activities related to replacing the prior diocesan
cathedral, which was rendered seismically unsound by the 1989 Loma Prieta earthquake and ultimately
demolished. CLCC’s purpose was to raise funds necessary for the costs of construction of a cathedral

1 center and land acquisition in connection therewith. All monies and properties gifted to CLCC were and
2 are restricted by the donors for use only in connection with the cathedral center. These monies and
3 properties are to be used only for this purpose by either CLCC or CCCEB. CCCEB has at all times
4 maintained its own, separate bank accounts and had its own financial statements.

5 Construction of the new cathedral, known as Cathedral of Christ the Light (the "Cathedral")
6 commenced in May 2005. The Cathedral project included a mausoleum, a chancery to serve
7 administrative offices, rectory, other administrative and services offices, conference facilities, and an open
8 plaza (collectively, with the Cathedral, the "Cathedral Center").

9 CCCEB currently holds legal title to the land and improvements constituting the Cathedral Center
10 and operates and maintains the Cathedral Center. The Debtor pays user fees to CCCEB for use of the
11 chancery administrative offices and rectory and provides finance and accounting services and support for
12 CCCEB. Other agreements between CCCEB and users of the Cathedral Center property include: (i) that
13 certain License and Services Agreement dated as of January 1, 2020, with RCC regarding the mausoleum
14 on the Cathedral Property; (ii) that certain Commercial Office Lease Agreement with RCC dated as of
15 April 3, 2024; (iii) that certain Lease Agreement with the Order of Malta Clinic of Northern California
16 dated January 25, 2008, and amended February 10, 2023; and (iv) agreements for use of Cathedral
17 Property space with RCWC, and the Cathedral of Christ the Light parish Church (the foregoing,
18 collectively, the "User Agreements").

19 In addition to donations and gifts, construction of the Cathedral Center was funded, in part, through
20 funds loaned to CCCEB by the Debtor. As of the Petition Date, CCCEB owed the Debtor \$41,856,598.19
21 (the "CCCEB Note") on account of funds loaned to it, which amount remains outstanding. The Plan
22 contemplates a settlement of CCCEB's outstanding obligations on the CCCEB Note through a settlement
23 (the "CCCEB Settlement") through which the Debtor will receive fee simple title to the Cathedral Center,
24 together with all improvements thereon and all tangible personal property owned by CCCEB and located
25 on or used in connection with the operation of the Cathedral Center, in full and complete satisfaction of
26 all obligations under the CCCEB Note. The terms of and basis for the CCCEB Settlement are discussed
27 in more detail in Section X.C., below.

28 **6. *The Oakland Society for the Propagation of the Faith***

The Oakland Society for the Propagation of the Faith ("SPOF") provides support for Catholic
missionaries. SPOF is one of the four Pontifical Mission Societies, known in some countries as Missio.
This group of Catholic missionary societies is under the canonical jurisdiction of the Congregation for the
Evangelization of Peoples (Rome, Italy) and the Bishop of Rome (the Pope). Since 1922, the Pontifical
Mission Societies has been the Roman Catholic Church's official support organization for overseas
mission. SPOF seeks to foster an even deeper spirit of universal mission. It strives to inform Catholics
of the life and the needs of the Roman Catholic Church in the missions and to encourage prayer and
financial help for those mission churches.

Through the offerings from Catholics worldwide, the SPOF provides ongoing support for the
pastoral and evangelizing programs of the Roman Catholic Church in Africa, Asia, the Pacific Islands and
remote regions of Latin America. This includes aid for religious communities in education,
evangelization, seminarians and catechist formation, catechetical work and the construction of churches
and chapels. Support is also provided for health care, social services, communication and transportation
needs for disaster and emergency relief when necessary.

SPOF relies on the Debtor for finance and accounting services related to the closing of books and
maintaining its accounting records. SPOF has at all times maintained its own, separate bank accounts and
had its own financial statements.

7. *Catholic Charities of the Diocese of Oakland, Inc.*

SECOND AMENDED DISCLOSURE STATEMENT FOR SECOND AMENDED PLAN OF REORGANIZATION

1 Catholic Charities of the Diocese of Oakland, Inc., dba Catholic Charities of the East Bay
2 (“CCEB”) is a California not-for-profit corporation. CCEB is the social service arm of the Debtor. CCEB
3 helps vulnerable communities within Alameda and Contra Costa Counties by supporting children, youth,
4 families, and seniors and immigrants from crisis to stability to well-being.

5 Founded in 1935, CCEB provides hope and healing to vulnerable children, youth and families in
6 Alameda and Contra Costa Counties through compassionate services that transform lives and foster self-
7 sufficiency. CCEB works to address the root causes of poverty and issues of social justice. CCEB heeds
8 the call of the Pope to serve the vulnerable and services people in need regardless of religious belief, race,
9 national origin, gender or sexual orientation.

10 As the social service arm of the Debtor, CCEB is a ~~nationally-recognized~~nationally recognized
11 leader in healing trauma and providing evidence-based mental health services and restorative practices.
12 CCEB is also nationally accredited through the New York-based Council on Accreditation, demonstrating
13 the implementation of best practice standards in the field of human services in all aspects of CCEB’s
14 programs, services, management and administration.

15 CCEB has at all times maintained its own, separate bank accounts and had its own financial
16 statements.

17 **8. Catholic Church Support Services (dba Catholic Management Services)**

18 Catholic Church Support Services (“CCSS”), established January 1, 2014, is a California nonprofit
19 religious corporation that operates under the trade name of Catholic Management Services. CCSS
20 provides management services to Catholic dioceses throughout the United States, including Puerto Rico,
21 generally regarding their funeral and cemetery enterprises. CCSS provides general managerial
22 administration of the day-to-day operations of cemeteries, including marketing and branding support,
23 business development, and process and systems reviews under management services agreements.

24 CCSS has its own board and audited financial statements and has at all times maintained its own,
25 separate bank accounts. CCSS participates in the Debtor’s benefits and insurance plans.

26 **9. Furrer Properties Inc.**

27 Furrer Properties Inc. (“Furrer”), a California corporation and wholly-owned subsidiary of the
28 Debtor, is used by the Debtor to hold title in its real estate. Furrer holds select real estate assets that derive
rental property income from cemeteries, a four-unit rental property, and parking lot in Oakland. Its
financials are consolidated in the audited financials of the Debtor. Furrer maintains a separate bank
account administered by its agent, a property management company.

10. Adventus

Adventus, a California nonprofit public benefit corporation, is used by the Debtor to hold title in
some limited real estate. Adventus’ financials are consolidated into the audited financials of the Debtor.
Adventus has always maintained a separate bank account. As noted above, Adventus is contributing the
Livermore Property, real property having a street a street address of 3658 Las Colinas Road, Livermore,
California, with the legal description set forth in the applicable exhibit to the Plan, to the Survivors’ Trust
Assets.

11. Catholic Foundation for the Diocese of Oakland

Catholic Foundation for the Diocese of Oakland (“Foundation”) was formed in 2014 for the
purpose of fundraising for the Debtor’s one and only diocesan-wide capital campaign initiated that year.

1 It is currently in the process of being wound down as the campaign concluded and funds raised and
2 collected have nearly all been distributed.

3 **G. The Debtor’s Mission to Effect Reconciliation and Compensation**

4 The needs of survivors of clergy sexual abuse (the “Abuse Survivors”) and the protection of
5 children have long been priorities of the Debtor. Since the 1990s, the Debtor has provided counseling,
6 therapy, support and outreach to Abuse Survivors.

7 More than a decade before the U.S. Conference of Catholic Bishops adopted in the Spring of 2002
8 the *Charter for the Protection of Children and Young People* (the “USCCB Charter”), the Debtor
9 established a “Sensitive Issues Committee” to assist the bishop in reviewing and handling allegations of
10 sexual abuse by persons acting in the name of the Roman Catholic Church. During that time, the Sensitive
11 Issues Committee assisted in the evaluation of the credibility of claims and made recommendations to the
12 bishop regarding assistance to Abuse Survivors, including monetary assistance, counseling and pastoral
13 care.

14 Following the USCCB Charter’s adoption, the Sensitive Issues Committee was renamed the
15 Diocesan Review Board in 2003 and again updated to the Minor Diocesan Review Board in 2022 (the
16 “MDRB”). The MDRB actively functions today. Its five lay members (including an Abuse Survivor and
17 business consultant, a former district attorney, a social worker, a retired educational administrator, and a
18 lay pastoral associate) and three clergy members meet at least quarterly to assess allegations and make
19 recommendations on the handling of those allegations of sexual abuse of children and vulnerable adults
20 by clergy. This consultative body is critical to the work of the Debtor to address crimes against children
21 and vulnerable adults. As with the Sensitive Issues Committee, the MDRB works with Bishop Barber to
22 analyze and properly respond to claims so credibility can be determined and acted upon in the best interest
23 of the Abuse Survivor.

24 In line with the Charter and the mission and teachings of the Roman Catholic Church, the Debtor
25 offers (i) counseling, treatment, and programming for those who both claim to have been and have been
26 credibly found to be survivors of abuse by members of the clergy along with (ii) safe environment
27 scanning training and classes for prevention. These programs (collectively, the “Abuse Survivors’
28 Assistance and Safe Environment Programs”) are important and necessary to the Debtor’s ongoing
obligations and to its moral and ethical responsibility to support Abuse Survivors.

In 2004, the Debtor began developing specific training and background check programs that
provide a safe environment for parishioners and visitors to diocesan facilities (“Safe Environment”).
Through its Safe Environment programs, the Debtor ensures and requires the training of all adults –
whether volunteer or employed – who serve in the Debtor. The Debtor gives rigorous attention to training
materials and teaches adult parish and school leaders to facilitate the training program. Processes are also
in place to refer anyone with claims regarding clergy sexual abuse to law enforcement and Debtor
representatives for assistance.

All volunteers and employees over age 18 in any parish, school, or other diocesan site, regardless
of ministry, must be trained every three years in safe environment. All children in Catholic school or
parish faith formation programs must also be trained annually to recognize and report abuse. As part of
this process, the Office of Safe Environment conducts annual statistical audits of each location in the
diocese and trains the coordinators annually to ensure the policies are met and followed.

The Office of Safe Environment has continually improved the content of its trainings and, as online
platforms became available, former Bishop Cummins approved their use. In 2016, Bishop Barber moved
the training program to an online synchronous platform provided by The National Catholic Risk Retention
Group known as “Virtus,” an international leader in abuse awareness training. The Debtor now has local
safe environment coordinators in every parish and school.

1 The Debtor also operates an Office for Victims Assistance (“OVA”) and employs a Victims
2 Assistance Coordinator (“VAC”) to directly address the needs of Abuse Survivors and coordinate support
3 services for them. The goals of the OVA, as administered by the VAC, are to support Abuse Survivors
4 and their families through counseling, spiritual direction, and support groups. The OVA also arms Church
5 leaders with the tools to develop support, promote healing, and empower Abuse Survivors in the diocesan
6 community.

7 Through the OVA, and the hotline established by the Debtor, counseling and spiritual direction
8 are offered to Abuse Survivors of clergy abuse and their families and the Debtor is committed to reporting,
9 investigating, and responding to such claims. The Debtor also pays for Abuse Survivors to receive
10 psychological counseling and related medical treatment, including medications where appropriate
11 (“Abuse Survivors’ Assistance”).

12 Abuse Survivors’ Assistance is available for any requesting individual who makes an allegation
13 of abuse by clergy or non-clergy affiliated with the Debtor. In some cases, the Debtor makes these
14 programs available to family members who have been affected by the abuse of a loved one.

15 Abuse Survivors’ Assistance is administered by psychologists, psychiatrists, licensed clinical
16 social workers, and licensed marriage and family therapists selected by the recipient (each a “Counselor”).
17 Before engaging a Counselor, the Debtor requires the Counselor to provide evidence that he or she is a
18 state-licensed mental health professional with at least a master’s degree in a relevant field. The Debtor
19 recommends Counselors who have a background in trauma therapy but does not require that background.
20 The Counselors are not employed by or otherwise affiliated with the Debtor.

21 Education on the issue of clergy sexual abuse is also a cornerstone of the Debtor’s mission to
22 address and eradicate this problem. The Debtor actively educates clergy, Church employees and the
23 community around the realities of clergy sexual abuse through workshops and presentations aimed at
24 bringing awareness to the problem. This forum also provides opportunities for Abuse Survivors to tell
25 their stories to help effect change regarding clergy sexual abuse. The Debtor’s ministry also includes
26 Abuse Survivors working together with priests and deacons regarding what it means to be sexually abused
27 by a member of the clergy.

28 Ultimately, the Debtor understands that in order to address the problem of clergy sexual abuse, it
must amplify the voice of Abuse Survivors and provide necessary resources to the public to understand
when and how to report incidents of abuse. The Debtor’s website (www.oakdiocese.org) has five main
sections: Debtor, Bishop, Ministries, Giving and Survivors. The Survivors section contains five pages
full of resources, information and links to policies and procedures to further the cause of identifying,
addressing, reporting and responding to clergy sexual abuse. The website contains, among other things:

- a. Contact information for the VAC, Chancellor and the number/email for the dedicated Survivor Advocacy Hotline;
- b. Information regarding the Debtor’s Minor Diocesan Review Board and steps for reporting abuse;
- c. A parish infographic detailing the steps the Debtor will take to respond to and investigate a claim of clergy sexual abuse;
- d. Access to the Virtus registration and login in both English and Spanish, as well as retraining instructions, so that safe environment training can be easily accomplished;
- e. Policies related to *Background Screening and Training, Sexual Misconduct, and Minors Volunteering or Working with Younger Children*;

- 1 f. Links to the *Code of Conduct Involving Interactions with Minors and Vulnerable Adults*
2 (in both Spanish and English), *Live Scan Requests* (for both employees and volunteers),
3 *Approved Safe Environment Curriculum for Children and Youth*, the forms for both schools
4 and churches regarding their *Safe Environment Reporting*, the *USCCB Charter for the*
5 *Protection of Children and Young People* and the *On Site Safe Environment Training*
6 *Schedule*; and
- 7 g. The “Credibly Accused List” of diocesan priests, religious order priests, deacons and
8 brothers (as well as some priests from other dioceses who had worked in the Debtor) who
9 have been credibly accused of the sexual abuse of minors.

10 The Debtor, through its programs, offices, coordinators and trainings, is committed to serving
11 those affected by historical clergy sexual abuse and to prevent future abuse from occurring. The Debtor is
12 bound by the USCCB Charter, a comprehensive set of procedures originally established by the United
13 States Conference of Catholic Bishops in June 2002, and modified in 2005, 2011, and most recently in
14 2018. The purpose of the USCCB Charter is to address allegations of sexual abuse of minors by Catholic
15 clergy. The USCCB Charter also includes guidelines for reconciliation, healing, accountability, and
16 prevention of future acts of abuse.

17 Finally, the Debtor continues to support the No More Secrets Ministry (“NMSM”), which was
18 formed by survivors of clergy sexual abuse in 2000 with the mission to provide an opportunity for personal
19 sharing, prayerful reflection, and spiritual renewal. NMSM has joined forces with the VAC and Licensed
20 Clinical Social Workers, to further support survivors. to launch a new initiative called “**Lifting Survivors’**
21 **Voices at the Oakland Diocese.**” Its work has been ongoing for nearly a quarter of a century.

22 **The Plan provides that the Debtor shall continue these efforts as part of its Non-Monetary**
23 **Commitment to Healing and Reconciliation.**

24 ARTICLE V

25 THE CHAPTER 11 CASE

26 A. Events Leading to the Chapter 11 Case

27 In the State of California, there have been two “open window” periods allowing individuals under
28 civil law to bring claims for childhood sexual abuse which otherwise were barred due to the expiration of
the statute of limitations (prescription). In 2002, the California Legislature permitted certain expired
claims of childhood sexual abuse not only against the perpetrators but also against third-party defendants
(like the Churches) for a one-year period starting January 1, 2003 (the “First Legislation”). The Debtor
paid approximately \$56,000,000 to 52 plaintiffs in settlement of claims brought as part of the First
Legislation.

On October 13, 2019, Governor Gavin Newsom signed into law California Assembly Bill No. 218
 (“AB 218”). AB 218 revived the statute of limitations for individuals to file civil lawsuits for childhood
sexual abuse. The passage of AB 218 allowed certain individuals to bring what had been time-barred
claims against individuals and entities for such claims through and including December 31, 2022. As of
May 4, 2023, there were approximately 332 separate, active lawsuits or mediation demands pending
against the Debtor filed by plaintiffs alleging sexual abuse by clergy or others associated with the Debtor
(the “State Court Actions”).

The Debtor had neither the financial means nor the practical ability to litigate all of the abuse
claims in state court. The Debtor commenced this Chapter 11 Case to allow all of the abuse claims to be

SECOND AMENDED DISCLOSURE STATEMENT FOR SECOND AMENDED PLAN OF REORGANIZATION

1 asserted and addressed in a single forum – the Bankruptcy Court – and to ensure that all meritorious abuse
2 claims be paid on a fair and equitable basis pursuant to an approved chapter 11 plan.

3 The Plan propounded by the Debtor will fairly and equitably compensate abuse survivors and will
4 also enable the Debtor to continue its mission to serve the needs of the faithful within the Diocese of
5 Oakland, and to continue to provide social services to numerous underserved people and groups in the
6 East Bay, regardless of their religious faith.⁹

7 **B. Voluntary Petition**

8 On May 8, 2023 (the “Petition Date”), the Debtor filed a voluntary petition for chapter 11
9 bankruptcy relief under the Bankruptcy Code [Docket No. 1]. An immediate effect of the filing of the
10 Chapter 11 Case was the imposition of the automatic stay under section 362 of the Bankruptcy Code,
11 which, with limited exceptions, enjoined the commencement or continuation of: (1) all collection efforts
12 by creditors; (2) enforcement of liens against any assets of the Debtor; and (3) all litigation against the
13 Debtor.

14 The Debtor continues to operate its ministry and manage its properties as a debtor-in-possession
15 under sections 1107(a) and 1108 of the Bankruptcy Code. No trustee has been appointed in this Chapter
16 11 Case.

17 **C. First Day Relief**

18 On the Petition Date, the Debtor filed a number of motions and other pleadings (the “First Day
19 Motions”), the most significant of which are described below. The First Day Motions were proposed to
20 ensure the Debtor’s orderly transition into this Chapter 11 Case, to allow the Debtor to work with other
21 stakeholders to achieve a plan of reorganization that will fairly and equitably compensate abuse survivors
22 and will also enable the Debtor to continue its mission to serve the needs of the faithful within the diocese;
23 preserving the confidentiality of abuse survivors through special noticing procedures; continuing the
24 ministry of the Roman Catholic Church to the nearly 550,000 Catholics in the diocese; maintaining
25 employee compensation; maintaining the good will and morale of the priests, lay employees and others
26 who work on the programs and services provided by the Debtor; preserving and maximizing the Debtor’s
27 insurance assets to help provide fair and equitable compensation to abuse survivors; and maintaining
28 services for those Catholics and non-Catholics alike who benefit from the many critical services provided
by the charitable, educational and other service organizations affiliated with the Debtor.

The First Day Motions included:

- *Motion for an Order Authorizing and Approving Special Noticing and Confidentiality Procedures* [Docket No. 6];
- *Motion for Interim and Final Orders Authorizing the Debtor to (I) Pay Certain Prepetition Invoices for Abuse Survivors’ Assistance and Safe Environment Programs, and (II) Continue its Prepetition Practice of Paying for Abuse Survivors’ Assistance and Safe Environment Programs* [Docket No. 8];
- *Motion for Interim and Final Orders Authorizing the Debtor to (I) Pay Prepetition Employee Wages, Salaries, Benefits and Other Related Items; (II) Reimburse Prepetition Employee Business Expenses; (III) Continue Employee Benefit Programs; and (IV) Pay*

⁹ As discussed in the Committee Letter, the Committee disagrees with this assertion.

1 *All Costs and Expenses Incident to the Foregoing* [Docket No. 13];

- 2 • *Motion for an Order Establishing Adequate Assurance Procedures with Respect to*
3 *Debtor's Utility Providers* [Docket No. 14];
- 4 • *Motion for Interim and Final Orders Authorizing the Debtor to (I) Continue Existing*
5 *Insurance Coverage and Satisfy Obligations Related Thereto, and (II) Renew, Amend,*
6 *Supplement, Extend or Purchase Insurance Policies in the Ordinary Course of Business*
7 [Docket No. 15]; and
- 8 • *Motion for Interim and Final Orders Authorizing the Debtor to (I)(A) Continue Existing*
9 *Cash Management System, (B) Honor Certain Prepetition Obligations Related to the Use*
10 *Thereof, (C) Continue Intercompany Arrangements, (D) Maintain Existing Bank Accounts*
11 *and Business Forms, and (E) Continue Use of Existing Credit Card Accounts; and (II)*
12 *Waive Certain Requirements of 11 U.S.C. 345(b)* [Docket No. 16].

13 The First Day Motions were granted, with certain adjustments or modifications to accommodate
14 points identified by the Bankruptcy Court, United States Trustee for Region 17 (the "U.S. Trustee") and
15 other parties in interest.

16 **D. Retention of Advisors for the Debtor**

17 Soon after the commencement of the Chapter 11 Case, the Debtor obtained Bankruptcy Court
18 approval of the retention of:

- 19 (1) Foley & Lardner LLP as the Debtor's general bankruptcy counsel (*see* [Docket No. 145]);
- 20 (2) Alvarez & Marsal North America, LLC as the Debtor's restructuring advisor and expert
21 consultants regarding Abuse Claims (*see* [Docket No. 191]);
- 22 (3) Kurtzman Carson Consultants LLC as the Debtor's claims and noticing agent (*see* [Docket
23 No. 40]) and administrative advisor (*see* [Docket No. 146]); and
- 24 (4) Breall & Breall LLP as the Debtor's special insurance counsel (*see* [Docket No. 434]).

25 Subsequently, the Debtor also obtained Bankruptcy Court approval of the retention of VeraCruz
26 Advisory, LLC as financial consultant to the Debtor (*see* [Docket No. 1167]). The Debtor has also retained
27 ordinary course professionals pursuant to the *Order (I) Authorizing the Retention and Payment, Effective*
28 *as of the Petition Date, of Professionals Utilized by the Diocese in the Ordinary Course of Business and*
29 *(II) Granting Related Relief* [Docket No. 263].

30 **E. The Committee**

31 On May 23, 2023, the U.S. Trustee appointed the Committee in this Chapter 11 Case pursuant to
32 section 1102 of the Bankruptcy Code.

33 The Committee consists of the following members: (1) John-Norman Kalama Houo Ka Ikaika
34 Cobb; (2) Scott Brian Drescher; (3) Jason Jaye; (4) Jenna McCarthy; (5) Kelly O'Lague; (6) David
35 Sheltraw; (7) Judy Roberts; (8) Sherry Waterworth; and (9) Steven Woodall.

36 Since its appointment, the Committee has been actively involved with the Debtor in overseeing
37 the administration of the Chapter 11 Case as a fiduciary for all unsecured creditors of the Debtor in this
38 Chapter 11 Case, and has consulted with the Debtor on various matters relevant to the Chapter 11 Case.
39 The Debtor has also discussed its business operations with the Committee and their advisors and has

1 negotiated with the Committee regarding actions and transactions outside of the ordinary course of
2 business. The Committee has participated actively in reviewing the Debtor’s business operations,
operating performance and business plan.

3 The Committee has obtained Bankruptcy Court approval of the retention of:

- 4 (1) Lowenstein Sandler LLP as lead counsel to the Committee (*see* [Docket No. 205]);
- 5 (2) Keller Benvenuti Kim LLP as local counsel to the Committee (*see* [Docket No. 204]);
- 6 (3) Berkeley Research Group, LLC for the Committee (*see* [Docket No. 330]);
- 7 (4) Burns Bair LLP as special insurance counsel to the Committee (*see* [Docket No. 372]);
- 8 (5) Stout Risius Ross, LLC as expert consultant on valuation of Abuse Claims (*see* [Docket
9 No. 510]); and
- 10 (6) Douglas Wilson Companies as real estate consultant to the Committee (*see* [Docket No.
11 1332]).

11 **F. Further Motions in the Chapter 11 Case**

12 1. **Exclusivity**

13 During the first 120 days of a chapter 11 reorganization, a debtor retains the exclusive right to
14 submit a plan of reorganization and solicit votes for the plan. The exclusive period may be extended by
the bankruptcy court for periods not to exceed eighteen months in total. The Debtor has sought and been
15 granted four such extensions [Docket Nos. 388, 702, 1088 and 1306]. The last such extension extended
the period during which the Debtor had the exclusive right to file a chapter 11 plan, as provided in 11
16 U.S.C. § 1121(b) and (c)(2), through and including November 8, 2024, and the period during which the
Debtor has the exclusive right to solicit acceptance of a chapter 11 plan, as provided in 11 U.S.C. §
17 1121(c)(3), through and including January 8, 2025 (the “Exclusive Solicitation Period”). During the
Exclusive Solicitation Period, no competing plan may be filed.

18 2. **Removal**

19 On August 1, 2023, the Debtor filed *Debtor’s Motion for Entry of an Order, Pursuant to*
Bankruptcy Rules 9006 and 9027, Enlarging the Period Within Which the Debtor May Remove Actions
20 *Pursuant to 28 U.S.C. § 1452* [Docket No. 318] (the “First Motion”). Section 1452 permits the removal
of civil action claims that are related to a bankruptcy case and Rule 9027 creates the time period within
21 which notices of removal must be filed. The Debtor requested an extension of this period to provide it
with additional time to determine whether to remove certain pending civil actions related to this Chapter
22 11 Case. The Bankruptcy Court entered an order approving the Debtor’s requested extension on August
22, 2023 [Docket No. 387], and entered orders approving the Debtor’s subsequent requested extensions
23 on February 2, 2024 [Docket No. 840] and August 23, 2024 [Docket No. 1305]. Presently, the removal
period during which the Debtor may file notices of removal of claims or causes of action in a civil
24 proceeding—including the State Court Actions—is extended through and including February 3, 2025.

25 3. **Unexpired Leases of Nonresidential Real Property**

26 A debtor must assume or reject unexpired leases of nonresidential real property by the earlier of
27 (a) 120 days from the date of the petition, or (b) the date on which the bankruptcy court confirms the plan
of reorganization, at which time a debtor will be considered to have rejected the leases. A debtor, upon a
showing of cause, may request that the bankruptcy court extend the time period in which the debtor must
28

1 make the decision by a period of 90 days. 11 U.S.C. § 365(d)(4)(B). In this Chapter 11 Case, the Debtor
2 has sought and been granted four such extensions with respect to certain leases, including the unexpired
3 lease for the Debtor’s use of the Cathedral Center. (See Docket Nos. 367, 421, 640, 703, 883, 925, 1011,
4 1328, and 1345.) Presently, the time period within which the Debtor may assume or reject the Cathedral
5 Lease is extended through and including April 1, 2025, in accordance with section 365(d)(4) of the
6 Bankruptcy Code.

7
8 **G. Mediation**

9 On December 19, 2023, the Debtor and the Committee jointly filed the *Joint Motion for Entry of*
10 *an Order Referring Parties to Mediation, Appointing Mediators and Granting Related Relief* [Docket No.
11 705] (the “Mediation Motion”). On January 22, 2024, the Court entered an order referring the parties to
12 mediation, appointing the mediators agreed by the parties, and identifying the matters for mediation, both
13 as between the Debtor and the Committee, and between the Debtor and its insurers [Docket No. 810] (the
14 “Mediation Order”). The matters for mediation and the specifics of the mediation process are more fully
15 set forth in the Mediation Order.

16 The Committee and the Debtor each met individually with mediators Judge Christopher Sontchi
17 and Jeff Krivis, exchanged initial proposals, and participated in the first round of mediation on March 18
18 and 19, 2024. Additional in-person mediation sessions were held on April 15-16, May 13-14, and June
19 18-19. Counsel for the Debtor and Committee held virtual one-hour meetings approximately each week
20 in July. Further in-person mediation sessions with the Committee were held on August 13, September 10-
21 11 and 30, October 1 and 16-17, 2024. These sessions resulted in multiple proposals from each side
22 culminating in multiple written term sheets and/or proposals submitted by the Debtor and responses from
23 the Committee.

24 The Debtor commenced mediation with the Insurers in June 2024. Debtor’s counsel met
25 independently with mediators Judge Randall Newsome and Tim Gallagher in March to prepare for the
26 mediation related to the Insurance Coverage Litigation (as defined below). Mediation sessions with both
27 the Committee and insurers were held in-person on June 18-19 and October 22. A virtual mediation was
28 held on October 31. The Debtor and the Insurers held a virtual mediation session on November 6. All
Insurers were represented at each mediation session. Throughout this process, the parties have expressed
their respective positions and expectations and have submitted information and mediation statements to
the insurance mediators.

Following the conclusion of the virtual mediation session on November 6, and immediately prior
to the filing of the Original Plan, the Debtor and Insurers reached agreement on the terms of the Insurance
Assignment, the creation of the Survivors’ Trust, and the Litigation Option, all as embodied in the Plan.
This agreement was no small feat. The Debtor and Insurers have been adversaries throughout this Chapter
11 Case on numerous important issues. As set forth in the Committee Letter, the Committee did not join
in that agreement. The Debtor has not reached agreement with the Committee on any Plan terms, although
multiple aspects of the Plan align with the Committee’s stated requests.

H. Bar Dates and Claims Process

1. **Bar Dates**

On May 22, 2023, the Debtor filed its schedules of assets and liabilities, identifying the assets and
liabilities of its Estate [Docket No. 54] (as amended, restated or modified from time to time, the
“Schedules”), and also a statement of financial affairs [Docket No. 54] (as amended, restated or modified
from time to time, the “Statement”). The Debtor updated the Schedules with amendments on June 8, 2023
[Docket No. 102], June 21, 2023 [Docket No. 161] and December 22, 2023 [Docket No. 720]. The Debtor
updated the Statement with amendments on June 8, 2023 [Docket No. 103] and December 14, 2023
[Docket No. 693].

1 In addition, pursuant to an order dated July 25, 2023 [Docket No. 293] (the “Bar Date Order”), the
2 Bankruptcy Court established the following bar dates for the filing of Proofs of Claim in this Chapter 11
Case:

- 3 i. the general bar date (the “General Bar Date”) for all Claims, except as noted below,
4 of September 11, 2023, at 5:00 p.m. (prevailing Pacific Time);
- 5 ii. a governmental bar date (the “Governmental Bar Date”) for all Governmental Units
6 (as defined in section 101(27) of the Bankruptcy Code) of November 6, 2023, at
7 5:00 p.m. (prevailing Pacific Time);
- 8 iii. a bar date for Claims amended or supplemented by the Debtor’s amended
9 Schedules of on or before the later of (a) the General Bar Date or the Governmental
10 Bar Date (as applicable); and (b) 5:00 p.m. (prevailing Pacific Time) on the date
11 that is thirty (30) days after the date on which the Debtor provides notice of
12 previously unfiled schedules or an amendment or supplement to the schedules (the
13 “Amended Schedules Bar Date”); and
- 14 iv. a bar date for any Claims arising from or relating to the rejection of executory
15 contracts or unexpired leases (the “Rejection Damages Bar Date” and, together with
16 the General Bar Date, Governmental Bar Date, and Amended Schedules Bar Date,
17 the Bar Dates”) of on or before the later of (a) the General Bar Date or the
18 Governmental Bar Date (as applicable) and (b) 5:00 PM (prevailing Pacific Time)
19 on the date that is thirty (30) days after the entry of the order authorizing the
20 rejection of such executory contract or unexpired lease.

21 The Debtor provided notice of the Bar Dates as required by the Bar Date Order as reflected in
22 various Certificates and Supplemental Certificates of Service, *see, e.g.* Docket Nos. 333, 360, 385, and
23 419, and the *Certificate of Counsel Regarding Compliance with Certain Provisions in the Bar Date Order*
24 [Docket No. 334].

25 The Bar Date Order contemplated the submission by Claimants asserting Abuse Claims of an
26 optional supplement providing additional facts and background information regarding their abuse,
27 including the alleged perpetrator, location, frequency, and other circumstances. Claimants were also asked
28 to submit any filed state-court pleadings, if any. All of the information submitted in any proofs of claim
alleging an Abuse Claim or the optional supplement attached thereto was (and remains) subject to strict
confidentiality procedures and protections. The Debtor has taken every step within its power to protect
this information.

2. The Claims Review Process

The vast majority of non-duplicate Abuse Claims (approximately 91%) included the optional
supplement in one form or another alongside the proof of claim form itself. As part of the Chapter 11
Case, the Debtors, with the assistance of its advisors, conducted a thorough review of the Abuse Claims
and optional supplements filed by Claimants asserting such claims. This review included the identification
of duplicate claims (most of which were either filed by multiple sets of counsel for a given claimant and
are identical or amend a previously filed claim to provide the optional supplement); claims that predate
the formation of the Debtor in 1962; claims that assert liability of a third party, such a religious order;
claims that lack sufficient information for the Debtor to ascertain its own liability; claims that were
previously settled, such as in connection with the First Legislation; or claims that did not correspond to a
filed state-court complaint. The Debtor’s review was intended to identify objective facts or circumstances
asserted in the Abuse Claims, as well as any gaps in same, and allowed the Debtor, in many cases, to use
its own records to fill those gaps.

1 As of October 11, 2024, 422 Abuse Claims were filed pursuant to the Bar Date Order. Of that
2 number, 31 filed Abuse Claims are duplicative of other, timely filed claims. An additional 5 Abuse Claims
3 were filed after the Bar Date, no motion to deem such claims as timely has been filed, and accordingly,
4 such claims are untimely. After accounting for duplicative, untimely claims, 386 “unique” (non-
5 duplicative, timely) claims remain. Of these 386 unique claims, the Debtor believes, based on various
6 factors identified in its review of the Abuse Claims, approximately 345 Abuse Claims exist that may
7 ultimately be entitled to distributions from the Survivors’ Trust. However, the Debtor has not filed any
8 objections to claims as of the filing of the Plan and understands that the provisions of the Survivors’ Trust
9 Distribution Plan will ultimately control which Claimants receive distributions and in what amount.
10 Nothing in the Plan or this Disclosure Statement attempts to disallow any Allowed Claims or seeks a
11 determination regarding allowance.

12 Many of the Abuse Claims are asserted to be of six-figure or seven-figure amounts, and many are
13 listed as having an unknown amount. The Abuse Claims present unique complexities of confidentiality,
14 valuation, procedure, and appropriate and equitable treatment of Claims. After the Debtor’s careful
15 evaluation of all filed Claims with the assistance of the Debtor’s advisors, the Debtor is confident that the
16 Plan establishes protocols to ensure that Allowed Abuse Claims are compensated through an expedited,
17 uniform claims process.

18 **I. Litigation Regarding Insurance Coverage for Abuse Claims**

19 The portfolio of insurance policies providing coverage for sexual abuse claims, maintained by the
20 Debtor over a period of several decades, is an essential asset of the Estate. This insurance coverage is a
21 critical part of the Debtor’s Plan. Prior to the Petition Date, the Debtor tendered through its broker both
22 the Debtor’s defense and indemnity of the claims asserted against the Debtor under the applicable
23 insurance policies to the associated carriers that issued those policies (the “Defendant Carriers”).

24 Those Defendant Carriers that issued primary insurance policies received tender on behalf of the
25 Debtor and have agreed to provide a defense to the claims falling within the coverage period of each
26 primary insurance Defendant Carrier’s insurance policy. However, the primary insurance Defendant
27 Carriers have failed to confirm they have any obligation to indemnify the Debtor for these claims. Those
28 Defendant Carriers that issued excess or umbrella policies received the tender on behalf of the Debtor
but improperly denied or failed to confirm coverage (including, without limitation, failure to provide both
defense and/or indemnity), or otherwise reserved rights to deny coverage based on various defenses and
exclusions, including by failing to recognize the exhaustion or substantial likelihood of exhaustion of
underlying insurance through payment, liquidation or other means and thereby requiring the excess
insurance to drop down and provide defense and/or indemnity to the Debtor.

As of the filing of this Chapter 11 Case, despite the Debtor’s continuing efforts to obtain coverage
from the Defendant Carriers, the Defendant Carriers have reserved their rights to deny coverage and have
not agreed to indemnify the Debtor for any liability determinations. Some of the Defendant Carriers
agreed to reimburse the Debtor’s defense costs for claims falling within the coverage periods of those
Defendant Carriers’ insurance policies, but have not confirmed, and have reserved rights regarding, any
an indemnity obligation for those claims.

Because the Debtor and the Defendant Carriers were unable to reach a resolution regarding
coverage, on June 22, 2023, the Debtor initiated an adversary proceeding, captioned *The Roman Catholic
Bishop of Oakland v. Pacific Indemnity, et al.*, Adv. Pro. 23-04028 (the “Pacific Adversary”), and filed a
complaint for declaratory relief and breach of contract, seeking to liquidate the Debtor’s claims against
numerous of its historical insurers [Docket No. 2]. On August 30, 2023, the Debtor initiated an additional
adversary proceeding, captioned *The Roman Catholic Bishop of Oakland v. Am. Home Assurance Co., et
al.*, Adv. Pro. 23-04037, and filed a complaint seeking declaratory relief and alleging breach of contract
against two additional insurers [Docket No. 1] (the “American Home Adversary” and, together with the
Pacific Adversary, the “Insurance Coverage Litigation”).

1 Following an initial round of motions to dismiss in the Pacific Adversary, the Debtor filed its
2 second amended complaint in the Pacific Adversary on December 18, 2023 (Adv. Pro. 23-04028, [Docket
3 No. 161]), and its first amended complaint in the American Home Adversary on December 19, 2023 (Adv.
4 Pro. 23-04037, [Docket No. 13]). On January 12, 2024, the Debtor filed its third amended complaint in
5 Adv. Pro. 23-04028 [Docket No. 163] (the "Third Amended Complaint"). In response to the Third
6 Amended Complaint, the defendant insurers variously filed two motions to dismiss [Adv. Pro. 23-04028,
7 Docket Nos. 173, 175], a motion to dismiss and/or for more definite statement [*id.*, Docket No. 171]
8 (collectively, the "Motions to Dismiss"), and two answers [*id.*, Docket Nos. 164, 165].

9 The defendant insurers filed motions to withdraw the reference as to the Pacific Adversary on
10 February 2, 2024 (Adv. Pro. 23-04028 [Docket Nos. 188, 189]) and the American Home Adversary on
11 March 21, 2024 (Adv. Pro. 23-04037 [Docket No. 26]). The two adversary proceedings are now
12 consolidated before Judge Corley in the District Court, under District Court Case No. 3:24-cv-00709-JSC
13 (the "Insurance Coverage Litigation").

14 The Motions to Dismiss were heard by the District Court on July 11, 2024. The District Court
15 granted the Motions to Dismiss with leave to amend, but in doing so made it clear that the action would
16 move forward. In fact, the District Court ordered that discovery in the cases continue even while the
17 Debtor prepared the amendment directed by the District Court, emphasizing that "discovery is open now."
18 Insurance Coverage Litigation, Transcript of July 11, 2024, Hearing [Docket No. 103], at 36:22.) In
19 response to a request from certain insurer defendants that discovery not go forward pending an amended
20 complaint, the District Court stated: "You know what your reservation of rights are, what your potential
21 defenses are, so you know what discovery you need to do. I don't -- we're not slowing this down for the
22 pleading. Not going to do that." *Id.*, at 37:17 – 38:8.

23 The Debtor filed further amended complaints on September 12, 2024 (*id.*, [Docket Nos. 111, 112])
24 and October 7, 2024 (*id.*, [Docket No. 125]) (Insurance Coverage Litigation Docket Nos. 111 and 125,
25 collectively, the "Current Amended Complaints") following a court-ordered meet and confer regarding
26 the sufficiency of allegations. A further case management conference in the District Court occurred on
27 November 14, 2024.

28 Written discovery proceeded while the Motions to Dismiss the Third Amended Complaint were
pending~~ing~~ and is ongoing. The Debtor issued written discovery requests to the insurer defendants on May
24, 2024. Thereafter, the Debtor met and conferred with the Defendant Carriers and exchanged letters
regarding the Debtor's written discovery and the Defendant Carriers' responses and objections thereto.
Some Defendant Carriers claim to have produced all responsive documents, while the Debtor still awaits
document productions from some Defendant Carriers. The Debtor continues to review these responses
and pursue documents. The Debtor has also responded to written discovery requests served by certain
Defendant Carriers and is working to respond to written discovery requests from other Defendant Carriers.

On May 29, 2024, the Debtor sent separate supplemental tender letters to the insurer defendants in
the Insurance Coverage Litigation, demanding they provide a defense for certain additional claims covered
by various policies issued to RCBO. Additionally, on May 30, 2024, the Debtor served separate policy
limits demand letters on behalf of RCBO to all the insurer defendants (except the California Insurance
Guarantee Association ("CIGA"). These letters demanded that each insurer indemnify RCBO in the
amount of the policy limits for each applicable insurance policy, and that each Insurer respond within 30
days confirming it would do so. The Debtor has received responses, although none included agreement
to indemnify the Debtor as requested and as required by the insurance policies.

The Debtor believes there is substantial value in the insurance policies that it purchased over many
decades. These assets are an important resource to further the Debtor's goals of compensating Holders of
Abuse Claims. Any pre-Confirmation proceeds the Debtor wins in judgments in the Insurance Coverage
Litigation, or obtains through a negotiated resolution, will infuse the Estate with unrestricted cash assets,
which can be used to, among other things, contribute to Survivors' Trust Assets. If the Insurance Coverage

1 Litigation is unresolved upon confirmation of the Plan, the Insurance Coverage Litigation will be
2 transferred to the Survivors' Trust as part of the Assigned Insurance Interests. Subsequently, Trust
3 Claimants will have the right to pursue the Litigation Option, if they so elect, further augmenting their
4 own individual recoveries.

5 In light of the terms of the Plan and in order to conserve the resources of all parties involved, on
6 November 19, 2024, the Debtor filed a motion in the District Court requesting that the Insurance Coverage
7 Litigation be held in abeyance until such time as the Plan is confirmed or confirmation is denied.
8 Insurance Coverage Litigation [Docket No. 146] (the "Abeyance Motion"). ~~The Abeyance Motion is set~~
9 ~~for~~ Following a hearing in the District Court on January 16, 2025-, the District Court granted the Abeyance
10 Motion, and ordered that the Insurance Coverage action is stayed, except as to discovery, pending further
11 order of the District Court [Docket No. 166] (the "Abeyance Order"). Pursuant to the Abeyance Order,
12 the parties are to file a joint update regarding the status of discovery and of the Chapter 11 Case on March
13 3, 2025.

14 **J. Original Debtor Plan and Disclosure Statement**

15 On November 8, 2024, the Debtor filed *Debtor's Plan of Reorganization* [Docket No. 1444] (the
16 "Original Plan") and accompanying *Disclosure Statement for the Debtor's Plan of Reorganization*
17 [Docket No. 1445] (the "Original Disclosure Statement").

18 On November 13, 2024, the Debtor filed *Motion for Order (I) Approving Disclosure Statement;*
19 *and (II) Establishing Procedures for Plan Solicitation, Notice, and Balloting* [Docket No. 1453] (the
20 "Approval Motion"). The Committee objected to approval of the Disclosure Statement on various bases,
21 arguing that Survivors (and other creditors) should not even get the chance to express their opinion by
22 voting. Among other things, the Committee also requested that, should the Court ultimately approve the
23 Disclosure Statement, the confirmation hearing in this case be delayed significantly to allow certain
24 alternatives that the Committee prefers to proceed.

25 On December 18, 2024, the Court conducted an initial hearing on the Approval Motion and related
26 matters, ~~which has been and~~ continued ~~to~~ hearings on January 16, 21, and 30, 2025. Following the hearing
27 on January 30, 2025, the Court, at the Debtor's request, set a further hearing for March 3, 2025, and
28 directed the Debtor to file a further amended Plan and Disclosure Statement not later than February 18,
2025.

29 **K. The Committee's Alternate Vision of Case Resolution**

30 Following the filing of the Original Disclosure Statement, on November 14, 2024, the Committee
31 sent a "Demand Letter" to the Debtor's professionals, notifying the Debtor that the Committee intended
32 to pursue certain avoidance action claims against OPF and the Churches if the Debtor declined to do so.
33 In an effort to discern the Committee's intent, the Debtor's counsel called Committee's counsel to confer
34 on the Demand Letter and the purported claims alleged therein. However, after one conference call, and
35 without receiving the Debtor's refusal to pursue any derivative claims, the Committee filed its first
36 derivative standing motion on November 20, 2024, seeking standing to pursue avoidance actions against
37 OPF and the Churches (the "First Standing Motion").

38 The First Standing Motion was just the first of a bevy of filings by the Committee has made in an
39 attempt to derail the Debtor's Plan and bend the Debtor to its will. Also on November 20, the Committee
40 filed its first adversary proceeding complaint against the Debtor, OPF, and various Churches seeking (~~for~~
41 ~~now~~)-(i) declaratory relief that the real property Churches and funds are property of the estate and (ii)
42 substantive consolidation of the Debtor and the named Church defendants [Adv. No. 24-04051] (the "First
43 Adversary Proceeding"). The Committee ~~represents~~ represented that if the First Standing Motion ~~is~~ was
44 granted, it ~~will~~ would amend the complaint in the First Adversary Proceeding to add additional claims
45 described in its First Standing Motion.

SECOND AMENDED DISCLOSURE STATEMENT FOR SECOND AMENDED PLAN OF REORGANIZATION

1 That same day, the Committee filed a motion to lift the automatic stay [Docket No. 1460] (the
2 “Lift Stay Motion”) to allow six unspecified state court actions to proceed to trial or individual settlements
3 and (c) allow claims against non-debtors named as defendants in the state court actions to proceed.

4 Moreover, less than a week before the initial hearing on the Original Disclosure Statement hearing,
5 on December 11, the Committee filed a second adversary proceeding against the Debtor, Adventus,
6 RCWC, and RCC seeking (i) declaratory relief that all property of Adventus, RCWC, and RCC is property
7 of the estate and (ii) substantive consolidation of Adventus, RCWC, and RCC into the Debtor’s Chapter
8 11 bankruptcy [Adv. No. 24-04053] (the “Second Adversary Proceeding,” together with the First
9 Adversary Proceeding, the “Adversary Proceedings”).

10 Finally, on the eve of the hearing on the Original Disclosure Statement hearing, the Committee
11 filed a third motion, seeking (a) authority to pursue all claims the Debtor holds against its Insurers in the
12 Insurance Coverage Litigation that the Debtor filed and has been prosecuting for more than eighteen
13 months, (b) authorization to substitute the Committee as plaintiff in the already pending Insurance
14 Coverage Litigation, and (c) (in a footnote) to be given full control of the Debtor’s attorney-client and
15 attorney work product privilege related to the Insurance Coverage Litigation and coverage issues (the
16 “Second Standing Motion”). The Demand Letter did not make any demand that the Debtor pursue, and
17 did not otherwise address, the claims in the Insurance Coverage Litigation that ~~are~~were the subject of the
18 Second Standing Motion.

19 On December 30, 2024, the Debtor filed objections and/or responses to the First Standing Motion,
20 Lift Stay Motion, and Second Standing Motions [Docket Nos. 1586, 1581, and 1580, respectively] and
21 supporting declarations and evidence. Generally, the Debtor argued:

- 22 • The First Standing Motion should be denied because: 1) the alleged claims against the
23 Churches are moot—the Debtor has acknowledged that Church real property is property of
24 the Debtor’s estate—and 2) the alleged fraudulent-transfer claims against OPF and the
25 Churches are not colorable. The Debtor did not fraudulently transfer any assets, and all
26 property that would have been available to satisfy creditor claims prior to the transfers
27 remains equally available now. Specifically, OPF merely acts as a deposit and investment
28 manager, and all funds deposited with OPF by the Churches are fully accounted for and
remain equally as much a part of the bankruptcy estate as if they had been directly deposited
with a bank or other investment manager. In other words, transfer of funds to OPF was not
intended to, and did not, take any assets out of the reach of creditors that otherwise would
have been available to pay claims.
- The Lift-Stay Motion should be denied because: 1) stay relief is unnecessary in light of the
Litigation Option that, as described herein, will provide Survivors the chance to have their
day in court, should they elect to pursue it, 2) the Committee failed to present a *prima facie*
case supporting stay relief, instead relying on rank speculation and unsupported theories
about future behavior, and 3) the few diocesan cases cited by the Committee where stay
relief was granted are factually and legally distinguishable. Further, it is inequitable to
allow a select few cases to proceed to trial while asking the remaining claimants and the
Debtor to simply wait, potentially for years, until these select few cases complete trial or
are settled. Allowing stay relief will only result in delay and will not result in a better
outcome for claimants, with the possible exception of the select few whose cases are
allowed to proceed in advance of the rest. No requirement for stay relief exists to
successfully conclude this Chapter 11 Case pursuant to a confirmed plan of
reorganization—*this* Plan.

- 1
- The Second Standing Motion should be denied because: 1) it seeks relief completely unsupported by the law in terms of the Committee asking for derivative standing for a lawsuit the Debtor has already brought, 2) the Abeyance Motion does not constitute an unjustified refusal to prosecute the Insurance Coverage Litigation; rather, it is the most appropriate course of action to reduce litigation costs for a limited period of time while the Plan is pending, and 3) the request to be granted control of the Debtor’s attorney-client privilege is wildly inappropriate. Also, again, the individualized Litigation Option resolves the Insurance Coverage Litigation for the benefit of Trust Claimants.

2

3

4

5

6 ~~[NOTE: THE MOTIONS DESCRIBED ABOVE ARE SET FOR HEARING ON JANUARY 8, 2024, PRIOR TO THE HEARING ON THIS AMENDED DISCLOSURE STATEMENT. THE DEBTOR WILL PROVIDE FURTHER DISCLOSURE REGARDING THE RESULTS OF THE HEARING ON THE MOTIONS PRIOR TO THIS DISCLOSURE STATEMENT BEING FINALIZED.]~~

7

8 For the reasons stated on the record at hearings held on January 15, 16, and 21, 2025, the Court denied without prejudice both the First Standing Motion and the Second Standing Motion. The Court’s orders denying the First Standing Motion and Second Standing Motion were entered on February 1, 2025 [Docket Nos. 1700 and 1701].

9

10

11 Likewise, for the reasons stated on the record at the hearings held on January 15, 16, and 21, 2025, the Court denied the Lift Stay Motion without prejudice as to the request to allow six state court actions to proceed against the Debtor. The Court found that the automatic stay of actions against the Debtor does not bar actions against non-debtors named as co-defendants with the debtor in state court actions, and therefore the state court plaintiffs may proceed against such non-debtor parties. This relief was not opposed by the Debtor and was without prejudice to the right of any party to seek to extend or enforce the stay as to any particular case or cases. The Court’s order on the Lift Stay Motion was entered on February [], 2025 [Docket No. []].

12

13

14

15 Because the relief requested in the First Standing Motion, Second Standing Motion, and Lift Stay Motion was denied without prejudice, the Committee may seek to renew its requests for the same relief in the future, if circumstances change. The Debtor continues to believe that any such attempt would be unfounded and a waste of estate resources, for the reasons set forth in its oppositions to the motions and as summarized above.

16

17

18 The Debtor ~~will answer~~ filed motions to dismiss the Adversary Proceedings ~~in the coming weeks on~~ January 24, 2025, and strongly disputes the factual and legal contentions contained therein. The non-debtor defendants in each of the Adversary Proceedings also filed motions to dismiss on the same date (together with the motions filed by the Debtor, the “Motions to Dismiss”).

19

20

21 The First Adversary Proceeding asks for relief that is almost entirely meaningless and cannot achieve any real benefit for creditors. The Committee’s causes of action to consolidate Churches into the Debtor’s bankruptcy estate, or for declaratory relief holding that Church property is property of the bankruptcy estate are meaningless, because, as the Debtor acknowledges, the Churches are not separate from the debtor as a matter of applicable civil law, and property of the Churches is already property of the bankruptcy estate, subject to certain funds being held in trust based on donor restrictions. While it is the Debtor’s position, as set forth herein, that Church real property cannot be involuntarily liquidated, the First Adversary Proceeding has no bearing on that issue.

22

23

24

25 That Second Adversary Proceeding, seeking similar relief as to Adventus, RCWC, and RCC is likewise meritless and will not result in any benefit to creditors. The Plan already proposes to contribute the Livermore Property, which is the primary asset of Adventus, directly to the Survivors’ Trust. As set forth above, RCWC, and RCC are separately incorporated non-profit organizations under California law, that respectively operate the Schools and cemeteries within the diocese. As a legal matter, the Committee’s claims that they are indistinguishable from the Debtor are extremely unlikely to succeed.

26

27

28 SECOND AMENDED DISCLOSURE STATEMENT FOR SECOND AMENDED PLAN OF REORGANIZATION

1 Further, as a practical matter the Plan provides for a contribution of up to \$14.25 million to the Survivors’
2 Trust by RCWC (depending on the extent of releases received), and a loan of \$55 million from RCC that
3 will be used to fund the Survivors’ Trust. Even in the unlikely event the Committee were successful on
4 its legal claims against these entities, it is unlikely that the result would be more than the up to \$69.25
5 million they are already contributing under the Plan. In sum, it is the Debtor’s believe that the Adversary
6 Proceedings would accomplish nothing other than delay and wasting estate resources on attorneys’ fees.

~~The Debtor is continuing to prepare its responses to the Adversary Proceedings, and the foregoing
is just a brief summary of the reasons why the Adversary Proceedings are unlikely to succeed and are a
waste of estate resources.~~

The Motions to Dismiss are set for hearing on March 4, 2024.

[THE DEBTOR WILL UPDATE THIS DISCLOSURE STATEMENT AS APPROPRIATE TO
REFLECT THE RESULTS OF THE HEARING ON THE MOTIONS TO DISMISS].

As set forth in the Committee Letter, the Committee disputes the Debtor’s position regarding
the merits of the motions and Adversary Proceedings described above.

ARTICLE VI

SUMMARY OF THE PLAN

13 The Debtor submits that the treatment of creditors under the Plan is more favorable than the
14 treatment creditors would receive if the Chapter 11 Case were converted to a case under chapter 7 of the
15 Bankruptcy Code. Therefore, the Debtor submits that the Plan is in the best interests of all creditors and
16 the Debtor recommends acceptance of the Plan by Holders of Claims in Class 3 (General Unsecured
17 Claims), Class 4 (Abuse Claims), Class 5 (Unknown Abuse Claims), Class 6 (Non-Abuse Litigation
18 Claims) and Class 8 (OPF Claim).

17 The summary of significant elements of the Plan below is provided for the convenience of all
18 parties. The summary does not describe every element of the Plan and is not intended as a substitute for
19 a thorough and complete review of the Plan. This summary is subject to, and is qualified in its entirety
20 by reference to, the full text of the Plan. All creditors are encouraged to review the Plan and this Disclosure
21 Statement, including Exhibits, in their entirety for a more complete understanding of the Plan’s provisions
22 and impact upon creditors. To the extent any term or provision in this Disclosure Statement is inconsistent
23 with a term or provision of the Plan, the term or provision of the Plan shall control.

A. Classification of Claims Generally

22 Section 1123 of the Bankruptcy Code provides that a plan of reorganization shall designate classes
23 of Claims against a debtor. Section 1122 of the Bankruptcy Code further requires that each class of Claims
24 contain only claims that are “substantially similar” to each other. The Debtor believes that it has classified
25 all Claims in compliance with the requirements of Section 1122 and 1123. However, it is possible that
26 the Holder of a Claim may challenge such classification and that the Bankruptcy Court may find that a
27 different classification is required for the Plan to be confirmed. In such event, the Debtor would, to the
28 extent permitted by the Bankruptcy Court, modify the classifications in the Plan as required and use the
acceptances received in this solicitation for the purpose of obtaining the approval of a Class or Classes of
which the accepting Holder is ultimately deemed to be a member. Any such reclassification could
adversely affect the Class of which such Holder was initially a member, or any other Class under the Plan,
by changing the composition of such Class and the vote required of that Class for approval of the Plan.
Furthermore, a reclassification of Claims may necessitate a re-solicitation.

SECOND AMENDED DISCLOSURE STATEMENT FOR SECOND AMENDED PLAN OF REORGANIZATION

1 **B. Classification and Treatment of Claims**

2 All classified Claims have been placed into one of eight separate Classes. The Plan affirmatively
3 states whether each Class of Claims is Impaired or Unimpaired and whether such Class is entitled to vote.
4 Additionally, some Claims are left unclassified. The separate Classes are described in detail within this
Disclosure Statement and in the Plan.

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	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	Contribution and Indemnification Claims Related to Class 4 Claims	No recovery	Non-voting Deemed to reject
Class 7B	Contribution and Indemnification Claims Related to Class 5 Claims	No recovery	Non-voting Deemed to reject
Class 8	OPF Claim	Impaired	Eligible to vote

17
18 1. **Class 1 – Secured Claim of RCC**

19 Classification: Class 1 shall consist of the Allowed Secured Claim of RCC.

20 Treatment: Except to the extent RCC agrees to less favorable treatment of its Claim, in full
21 and final satisfaction, settlement, release, and discharge of and in exchange for its Allowed Secured Claim,
RCC shall receive reinstatement under § 1124 of the Bankruptcy Code.

22 Voting: Class 1 is Unimpaired under the Plan. Each Holder of a Class 1 Claim is
23 conclusively presumed to have accepted the Plan under § 1126(f) of the Bankruptcy Code and is not
entitled to vote on the Plan.

24 2. **Class 2 – Priority Unsecured Claims**

25 Classification: Class 2 shall consist of all Allowed Priority Unsecured Claims, other than
non-classified claims set forth in Article III of the Plan and described in Section V.C below.

26 Treatment: Except to the extent a Holder of an Allowed Priority Unsecured Claim agrees
27 to less favorable treatment of such Claim, in full and final satisfaction, settlement, release, and discharge
of and in exchange for such Allowed Priority Unsecured Claim, each such Holder shall receive payment
28 in Cash in an amount equal to such Allowed Priority Unsecured Claim, payable on or as soon as reasonably

1 practicable after the later of (a) the Effective Date, (b) the date when such Priority Unsecured Claim
2 becomes an Allowed Priority Unsecured Claim, or (c) the date on which the Holder of such Priority
Unsecured Claim and the Debtor or Reorganized Debtor, as applicable, shall otherwise agree in writing.

3 Voting: Class 2 is Unimpaired under the Plan. Each Holder of a Class 2 Claim is
4 conclusively presumed to have accepted the Plan under § 1126(f) of the Bankruptcy Code and is not
entitled to vote on the Plan.

5 3. **Class 3 – General Unsecured Claims**

6 Classification: Class 3 shall consist of all Allowed General Unsecured Claims. Class 3 does
7 not include Abuse Claims.

8 Treatment: Except to the extent a Holder of an Allowed General Unsecured Claim
9 (including an Allowed Rejection Claim) agrees to less favorable treatment, in full and final satisfaction,
10 settlement, release, and discharge of and in exchange for each Allowed General Unsecured Claim, each
11 such Holder shall receive payment in Cash from the general operating revenues of the Reorganized Debtor
in an amount equal to such Allowed General Unsecured Claim, payable no later than the later of (a) the
12 date that is one year after the Effective Date, (b) the date that is 21 days after the date when such General
Unsecured Claim becomes an Allowed General Unsecured Claim, or (c) the date on which the Holder of
13 such General Unsecured Claim and the Reorganized Debtor shall otherwise agree in writing.

14 Voting: Class 3 is Impaired under the Plan. Each Holder of a Class 3 Claim is entitled to
15 vote to accept or reject the Plan.

16 4. **Class 4 – Abuse Claims**

17 **Classification:** Class 4 shall consist of all Allowed Abuse Claims, other than Unknown
18 Abuse Claims. As stated above, approximately 386 non-duplicative, timely Abuse Claims have been
19 asserted against the Debtor and the Contributing Non-Debtor Catholic Entities through proofs of claim
20 filed in the Chapter 11 Case.

21 **Treatment:** The Plan creates the Survivors' Trust to fund payments to Holders of Allowed
22 Abuse Claims entitled to such payments under the Plan and the Survivors' Trust Documents. Except to
23 the extent a Holder of an Allowed Abuse Claim agrees to less favorable treatment of such Claim, in full
24 and final satisfaction, settlement, release, and discharge of and in exchange for such Allowed Abuse
25 Claim, each such Holder shall receive their allocable share of the Survivors' Trust Assets at the time and
in the manner set forth in Articles VIII and IX of the Plan and the Survivors' Trust Documents. It is
26 intended that any payment on an Allowed Abuse Claim will constitute payment for damages on account
27 of personal physical injuries or sickness arising from an occurrence, within the meaning of Section
28 104(a)(2) of the Tax Code.

The Plan provides for the establishment of the Survivors' Trust to fund distributions to
29 Holders of Class 4 and Class 5 Claims. The Survivors' Trust shall be funded as provided in Article IX of
30 the Plan. Distributions from the Survivors' Trust shall be made to Holders of Class 4 and Class 5 Claims
31 on a fair and equitable basis, pursuant to and in accordance the Survivors' Trust Agreement and other
Survivors' Trust Documents, including the Survivors' Trust Distribution Plan. Holders of Class 4 and
32 Class 5 Claims may recover their Claims from the Survivors' Trust and/or through the Litigation Option
as described in Article VII herein and in Article IX of the Plan.

33 **Voting:** Class 4 Claims are Impaired under the Plan. Each Holder of a Class 4 Claim is
34 entitled to vote to accept or reject the Plan.

35 5. **Class 5 - Unknown Abuse Claims**

SECOND AMENDED DISCLOSURE STATEMENT FOR **SECOND** AMENDED PLAN OF REORGANIZATION

1 **Classification:** Class 5 shall consist of all Allowed Unknown Abuse Claims.

2 **Treatment:** The Unknown Abuse Claims Reserve shall be established on the Effective
3 Date pursuant to the Survivors' Trust Documents. Except to the extent a Holder of an Allowed Unknown
4 Abuse Claim agrees to less favorable treatment of such Claim, in full and final satisfaction, settlement,
5 release, and discharge of and in exchange for such Allowed Abuse Claim, each such Holder shall receive
6 their allocable share of the Unknown Abuse Claims Reserve at the time and in the manner set forth in
7 Articles VIII and IX of the Plan and the Survivors' Trust Documents. It is intended that any payment on
8 an Allowed Unknown Abuse Claim will constitute payment for damages on account of personal physical
9 injuries or sickness arising from an occurrence, within the meaning of section 104(a)(2) of the Tax Code.

10 **Voting:** Class 5 Claims are Impaired under the Plan. The Unknown Abuse Claims
11 Representative is entitled to vote to accept or reject the Plan on behalf of all Holders of Class 5 Claims
12 and shall submit a single Ballot on behalf of all such Holders.

13 6. **Class 6 – Non-Abuse Litigation Claims**

14 **Classification:** Class 6 shall consist of all Allowed Non-Abuse Litigation Claims.

15 **Treatment:** The Plan creates the Non-Abuse Litigation Reserve to fund payments to
16 Holders of Allowed Non-Abuse Litigation Claims in accordance with Section 12.7 of the Plan. Except to
17 the extent a Holder of an Allowed Non-Abuse Litigation Claim agrees to less favorable treatment of such
18 Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for such Allowed
19 Non-Abuse Litigation Claim, each such Holder shall receive their allocable share of the Non-Abuse
20 Litigation Reserve.

21 **Voting:** Class 6 Claims are Impaired under the Plan. Each Holder of a Class 6 Claim is
22 entitled to vote to accept or reject the Plan.

23 7. **Class 7A – Abuse Related Contribution Claims Related to Class 4 Claims**

24 **Classification:** Class 7A shall consist of all Abuse Related Contribution Claims against
25 the Debtor arising out of a Class 4 Claim.

26 **Treatment:** Any Holder of a Class 7A Claim who is also a Contributing Non-Debtor
27 Catholic Entity shall be deemed to have waived its Class 7A Claim against the Debtor, Reorganized
28 Debtor, the Estate, the Survivors' Trust, and any Settling Insurer in exchange for the Release and
Exculpation provided by the Plan. Any Holder of a Class 7A Claim who is not a Contributing Non-Debtor
Catholic Entity shall have its Class 7A Claim Disallowed.

Voting: Class 7A Claims are Impaired under the Plan. Holders of Class 7A Claims shall
not receive a distribution under the Plan and are therefore deemed to reject the Plan.

 8. **Class 7B – Abuse Related Contribution Claims Related to Class 5 Claims**

Classification: Class 7B shall consist of all Abuse Related Contribution Claims against the
Debtor arising out of a Class 5 Claim.

Treatment: Any Holder of a Class 7B Claim who is also a Contributing Non-Debtor
Catholic Entity shall be deemed to have waived its Class 7B Claim against the Debtor, Reorganized
Debtor, the Estate, the Survivors' Trust, and any Settling Insurer in exchange for the Release and
Exculpation provided by the Plan. Any Holder of a Class 7B Claim who is not a Contributing Non-Debtor
Catholic Entity shall have its Class 7B Claim Disallowed.

1 **Voting:** Class 7B Claims are Impaired under the Plan. Holders of Class 7B Claims shall
2 not receive a distribution under the Plan and are therefore deemed to reject the Plan.

3 9. **Class 8 – OPF Claims**

4 **Classification:** Class 8 shall consist of the Allowed OPF Claim.

5 **Treatment:** Except to the extent OPF agrees to less favorable treatment, in full and final
6 satisfaction, settlement, release, and discharge of and in exchange for the Allowed OPF Claim, the
7 Reorganized Debtor shall pay the Allowed Class 8 Claim in full and in Cash, without interest. Payment
8 on the Allowed OPF Claim shall commence on or before the date that is ten (10) years after the Effective
9 Date. Payments shall be made on a schedule and on such terms as may be agreed by the Reorganized
10 Debtor and OPF, provided, however, the Allowed OPF Claim shall be paid in full no later than the date
11 that is thirty (30) years after the Effective Date.

12 **Voting:** Class 8 Claims are Impaired under the Plan. Each holder of a Class 8 Claim is
13 entitled to vote to accept or reject the Plan.

14 C. **Unclassified Claims.**

15 The following Claims shall not be classified under the Plan but shall be entitled to the treatment
16 set forth in Article III of the Plan.

17 1. **Administrative Claims**

18 a. *Administrative Expense Claims.* Administrative Expense Claims are Claims for
19 costs or expenses incurred in the administration of the Debtor’s Chapter 11 Case, which are Allowed under
20 section 503(b) of the Bankruptcy Code. In accordance with section 1123(a)(1) of the Bankruptcy Code,
21 Administrative Expense Claims have not been classified and are treated as described in Section 3.1 of the
22 Plan.

23 (i) **Treatment.** Except to the extent that a Holder of an Allowed
24 Administrative Expense Claim agrees to less favorable treatment with respect to such Allowed
25 Administrative Expense Claim, each Holder of an Allowed Administrative Expense Claim shall
26 receive, on account of and in full and complete settlement, release and discharge of, and in
27 exchange for, such Claim, payment of cash in an amount equal to such Allowed Administrative
28 Expense Claim on or as soon as reasonably practicable after the later of: (a) the Effective Date; (b)
the first Business Day after the date that is thirty (30) calendar days after the date such
Administrative Expense Claim becomes an Allowed Administrative Expense Claim; (c) such other
date(s) as such holder and the Debtor or the Reorganized Debtor shall have agreed; or (d) such
other date ordered by the Bankruptcy Court; provided, however, Allowed Administrative Expense
Claims arising in the ordinary course of the Debtor’s operations during the Chapter 11 Case may
be paid by the Debtor or the Reorganized Debtor (as applicable) in the ordinary course of business
and in accordance with the terms and conditions of the particular agreements governing such
obligations, course of dealing, course of operations, or customary practice.

 (ii) **Administrative Expense Claims Bar Date.** Except as provided for in the
Plan or in any order of the Bankruptcy Court, and subject to Section 503(b)(1)(D) of the
Bankruptcy Code, Holders of Administrative Expense Claims, other than a Fee Claim or a Claim
for U.S. Trustee Fees, accruing on or before the Confirmation Date must file and serve on the
Debtor requests for the payment of such Claims not previously Allowed by a Final Order in
accordance with the procedures specified in the Confirmation Order, on or before the
Administrative Expense Claims Bar Date, or such Claims shall be automatically Disallowed,
forever barred from assertion, and unenforceable against the Debtor or the Reorganized Debtor,

1 the Estate, or their property without the need for any objection or further notice to, or action, order,
2 or approval of the Bankruptcy Court, and any such Claims shall be deemed fully satisfied, released,
3 and discharged. Administrative Expense Claims representing obligations incurred by the Debtor
4 or Reorganized Debtor (as applicable) after the date and time of the entry of the Confirmation
Order shall not be subject to application to the Bankruptcy Court and may be paid by the Debtor
or Reorganized Debtor (as applicable) in the ordinary course of business and without Bankruptcy
Court approval.

5 b. *Priority Tax Claims.* Priority Tax Claims are Claims of a Governmental Unit for
6 certain types of taxes, duties, or penalties set forth in Section 507(a)(8) of the Bankruptcy Code. In
7 accordance with section 1123(a)(1) of the Bankruptcy Code, Priority Tax Claims have not been classified
and are treated as described in Section 3.2 of the Plan.

8 (i) The Debtor does not anticipate any Priority Tax Claims will exist as of the
Effective Date. To the extent any do exist, the legal and equitable rights of the Holders of Priority
9 Tax Claims are Unimpaired under the Plan.

10 (ii) The legal and equitable rights of Holders of Priority Tax Claims are
Unimpaired under the Plan. Except to the extent a Holder of an Allowed Priority Tax Claim agrees
11 to less favorable treatment, each Holder of an Allowed Priority Tax Claim shall receive on account
of and in full and complete settlement, release and discharge of, and in exchange for, such Allowed
12 Priority Tax Claim, cash in an amount equal to such Allowed Priority Tax Claim on, or as soon
thereafter as is reasonably practicable, the later of: (a) the Effective Date, to the extent such Claim
13 is an Allowed Priority Tax Claim on the Effective Date; (b) the first Business Day after the date
that is 30 days after the date such Priority Tax Claim becomes an Allowed Priority Tax Claim; and
14 (c) the date such Allowed Priority Tax Claim is due and payable in the ordinary course as such
obligation becomes due; provided, however, that the Debtor and Reorganized Debtor each reserves
15 the right to prepay all or a portion of any such amounts at any time under this option without
penalty or premium.

16 c. *Fee Claims.* Fee Claims are Claims under sections 328, 330, 331, 503, or 1103 of
17 the Bankruptcy Code for compensation of a Professional or other Entity for services provided to the Debtor
or Committee, or expenses incurred in the course of providing services to the Estate, during the Chapter
18 11 Case. In accordance with section 1123(a)(1) of the Bankruptcy Code, Fee Claims have not been
classified and are treated as described in Section 3.3 of the Plan.

19 (i) All Professionals or other Entities requesting the final allowance and
20 payment of a Fee Claim for services rendered during the period from the Petition Date to and
including the Effective Date shall File final applications for allowance and payment of such Fee
21 Claims no later than the first Business Day that is 45 days after the Effective Date.

22 (ii) Objections to any Fee Claim must be filed and served on the Reorganized
Debtor and the applicable Professional no later than the first Business Day that is 30 days after the
23 filing of the final fee application that relates to the Fee Claim (unless otherwise agreed by the
Debtor or the Reorganized Debtor, as applicable, and the Professional requesting allowance and
24 payment of a Fee Claim).

25 (iii) An Allowed Fee Claim, including any amounts previously held back by
Order of the Bankruptcy Court, shall be paid in full, in cash, in such amounts as are Allowed by
26 the Bankruptcy Court no later than the first Business Day that is 21 calendar days after the entry
of a Final Order Allowing the Fee Claim. The Reorganized Debtor can pay compensation for
27 services rendered or reimbursement of expenses incurred by its own Professionals after the
Effective Date in the ordinary course and without the need for Bankruptcy Court approval.

1 (iv) Unless otherwise directed by the Bankruptcy Court, all Professionals filing
2 final fee applications are required to comply with the *Order Appointing Fee Examiner and*
3 *Establishing Procedures for Review of Interim and Final Fee Applications Filed by Estate*
4 *Professionals* [Docket No. 1122] entered in the Chapter 11 Case, including any subsequent
5 amendments.

6 d. *Cure Claims.* Cure Claims are monetary Claims arising out of the Debtor's
7 default(s) under any Executory Contract or Unexpired Lease that the Debtor has assumed under section
8 365 of the Bankruptcy Code. Cure Claims shall be paid in full in accordance with, and at such times as
9 are set forth in, Section 7.2.2 of the Plan.

10 e. *U.S. Trustee Fees.* U.S. Trustee Fees include all fees and charges assessed against
11 the Debtor under 28 U.S.C. § 1930, together with interest, if any, under 31 U.S.C. § 3717.

12 (i) To the extent any U.S. Trustee Fees have become due before the Effective
13 Date and have not previously been paid, then such fees shall be paid pursuant to 11 U.S.C. §
14 1129(a)(12) and 28 U.S.C. § 1930. Any U.S. Trustee Fees relating to the period from and after
15 the Effective Date shall be paid as provided in Section 12.8.4 of the Plan.

16 (ii) The requirement to pay U.S. Trustee Fees is subject to any amendments to
17 28 U.S.C. § 1930(a)(6) that Congress makes retroactively applicable to confirmed chapter 11
18 cases. The Reorganized Debtor shall have the exclusive right to pursue any cause of action, right
19 to reimbursement for overpayment, or similar interest of the Debtor in amounts paid pursuant to
20 28 U.S.C. § 1930.

21 ARTICLE VII

22 SURVIVORS' TRUST

23 A. Survivors' Trust Liability for Abuse Claims.

24 As provided in Section 9.1 of the Plan, on the Effective Date, the Survivors' Trust shall be
25 established in accordance with the Survivors' Trust Documents. The Survivors' Trust will, upon its
26 creation, and without limitation: (1) assume liability for all Abuse Claims, including without limitation
27 Unknown Abuse Claims, of the Debtor, Contributing Non-Debtor Catholic Entities, and any Settling
28 Insurers; and (2) receive, hold, administer, liquidate, and distribute the Survivors' Trust Assets in
accordance with the Plan and the Survivors' Trust Documents.

29 B. Role of the Survivors' Trust

30 The Survivors' Trust shall administer, process, settle, resolve, liquidate, satisfy, and make Trust
31 Distributions in such a way that Holders of Abuse Claims are treated equitably and in a substantially similar
32 manner, subject to the applicable terms of the Plan Documents and the Survivors' Trust Documents. From
33 and after the Effective Date, (i) the Abuse Claims and Unknown Abuse Claims against the Debtor and (ii)
34 Claims against any Settling Insurer for or relating to insurance coverage in connection with such Claims
35 shall be channeled to the Survivors' Trust pursuant to the Channeling Injunction set forth in Section 13.12
36 of the Plan and may be asserted only and exclusively against the Survivors' Trust.

37 The Survivors' Trust shall have no liability for Non-Abuse Litigation Claims. Holders of Non-
38 Abuse Litigation Claims shall have no recourse to the Survivors' Trust with respect to such Claims.

1 C. **Appointment and Powers of the Survivors' Trustee**

2 On the Confirmation Date, the Bankruptcy Court shall appoint the Survivors' Trustee to serve in
3 accordance with, and who shall have the functions and rights provided in, the Survivors' Trust Documents.
4 Any successor Survivors' Trustee shall be appointed in accordance with the terms of the Survivors' Trust
5 Documents. For purposes of the Survivors' Trustee performing his or her duties and fulfilling his or her
6 obligations under the Survivors' Trust and the Plan, the Survivors' Trust and the Survivors' Trustee shall be
7 deemed to be "parties in interest" within the meaning of Section 1109(b) of the Bankruptcy Code.

8 The Survivors' Trustee shall have such powers and duties as are set forth in the Survivors' Trust
9 Documents, including without limitation the following:

10 1. Survivors' Trustee as Fiduciary. The Survivors' Trustee shall be deemed to be a fiduciary
11 of the Survivors' Trust under the terms of the Survivors' Trust Agreement and shall have all rights,
12 powers, authority, responsibilities, and benefits under California law specified in the Plan and as reflected
13 in the Survivors' Trust Agreement, including commencing, prosecuting or settling causes of action,
14 enforcing contracts, and asserting Claims, defenses, offsets and privileges. If there is any inconsistency or
15 ambiguity between the Confirmation Order and the Survivors' Trust Agreement with respect to Trustee's
16 authority to act, the provisions of the Survivors' Trust Agreement shall control.

17 2. Liquidation of Survivors' Trust Assets. The Survivors' Trustee shall liquidate and convert
18 to Cash the Survivors' Trust Assets, make timely distributions, and not unduly prolong the duration of the
19 Survivors' Trust. The Survivors' Trustee may also abandon any property which the Survivors' Trustee
20 determines in the Survivors' Trustee's reasonable discretion to be of *de minimus* value or of more
21 burden than the value of the Survivors' Trust.

22 3. Protection of Survivors' Trust Assets. The Survivors' Trustee shall protect and enforce the
23 rights in and to the Survivors' Trust Assets under the Survivors' Trust Documents.

24 4. Bank Accounts of the Survivors' Trust. The Survivors' Trustee may open and maintain
25 bank accounts on behalf of the Survivors' Trust to deposit funds in and draw checks on the bank accounts
26 as appropriate under the Survivors' Trust Documents. Notwithstanding anything herein to the contrary,
27 the Survivors' Trustee may open and maintain bank accounts on behalf of the Survivors' Trust after
28 Confirmation but before the Effective Date.

1. Insurance. The Survivors' Trustee shall obtain all reasonably available insurance coverage
with respect to any property that is, or may in the future become, a Survivors' Trust Asset.

6. Taxes. The Survivors' Trustee may request an expedited determination of taxes of the
Survivors' Trust under Section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the
Survivors' Trust for all taxable periods through the dissolution of the Survivors' Trust.

7. Settlements With Non-Settling Insurers. The Survivors' Trustee shall be authorized to enter
into consensual settlements with one or more Non-Settling Insurers on and after the Effective Date,
covering some or all of the Abuse Claims insured thereby, provided that such settlements shall not impair
the rights of any other Non-Settling Insurers, including those rights set forth herein. Approval
requirements, if any, for such settlements shall be as specified in the Survivors' Trust Agreement. No
settlement (whether in the Plan or otherwise) as among any of the Debtor, its Estate, the Survivors' Trust,
and Holder of an Abuse Claim, and the Settling Insurers, including payment obligations, shall bind a Non-
Settling Insurer in any way without its consent.

1 **D. Survivors' Trust Advisory Committee**

2 As set forth in the Survivors' Trust Documents, there shall be established the Survivors' Trust
3 Advisory Committee, which shall be initially comprised of five (5) members selected by the Committee
4 and formed as of the Effective Date. Except with respect to Insurance Settlement Agreements entered
5 into by the Survivors' Trust post-Effective Date and certain other matters, the Survivors' Trust Advisory
6 Committee is intended to be consultative in nature and assist the Survivors' Trustee in the independent
7 exercise of his or her duties.

8 **E. Property and Funding of the Survivors' Trust**

9 As stated in the Executive Summary (Article I above), the Survivors' Trust shall be funded with
10 (i) aggregate Cash contributions from the Debtor and Reorganized Debtor (as applicable) of \$103 million,
11 (ii) any Cash contributions from a Contributing Non-Debtor Catholic Entity pursuant to Section 9.3.2 of
12 the Plan, (iii) title to the Livermore Property, on an as-is, where-is basis, (iv) any proceeds held by the
13 Debtor or the Reorganized Debtor on account of Insurance Settlement Agreements as set forth in and subject
14 to the Plan, and (v) the Assigned Insurance Interests. These are the Survivors' Trust Assets. Each is detailed
15 below.

16 The Survivors' Trust Assets may be supplemented from time to time from: (a) any payment by a
17 Settling Insurer pursuant to an Insurance Settlement Agreement; (b) any Assigned Insurance Interest
18 Proceeds; (c) proceeds of Litigation Awards; (d) proceeds of Outbound Contribution Claims; and (e) any
19 other proceeds which the Survivors' Trust may obtain pursuant to the terms of the Plan.

20 On the Effective Date, all Survivors' Trust Assets shall vest in the Survivors' Trust, and the Debtor,
21 Reorganized Debtor, Contributing Non-Debtor Catholic Entities, and Settling Insurers shall be deemed for
22 all purposes to have transferred all of their respective interests in the Survivors' Trust Assets to the
23 Survivors' Trust. On the Effective Date, or as soon as practicable thereafter, the Reorganized Debtor, any
24 other Released Party, and Settling Insurers, as applicable, shall take all actions reasonably necessary to
25 transfer any Survivors' Trust Assets to the Survivors' Trust. Upon the transfer of control of Survivors' Trust
26 Assets in accordance with this paragraph, the Debtor, Reorganized Debtor, Contributing Non-Debtor
27 Catholic Entities, and the Settling Insurers shall have no further interest in the Survivors' Trust Assets except
28 as otherwise explicitly provided in the Plan.

29 The transfer to, vesting in and assumption by the Survivors' Trust of the Survivors' Trust Assets as
30 contemplated by the Plan shall, as of the Effective Date, discharge all obligations and liabilities of and bar
31 any recovery or action against the Released Parties for or in respect of all Abuse Claims (including Unknown
32 Abuse Claims). The Confirmation Order shall provide for such discharge. Subject to Article VIII hereof
33 and the rights of ~~Holders of Abuse Claims who elect the~~ Litigation ~~Option~~ Claimants, the Survivors' Trust
34 shall, as of the Effective Date, assume sole and exclusive responsibility and liability for all Abuse Claims
35 against the Released Parties, and such Claims shall be paid by the Survivors' Trust from the Survivors' Trust
36 Assets or as otherwise directed in the Survivors' Trust Documents and Articles VIII and IX of the Plan.
37 From and after the Effective Date, all Abuse Claims against the Released Parties or any Settling Insurer
38 shall be considered Channeled Claims subject to the Channeling Injunction under Section 105(a) of the
39 Bankruptcy Code and the provisions of the Plan and the Confirmation Order, except for (a) an Abuse
40 Claim against any Person who personally committed an act or acts of Abuse resulting in a Claim against
41 the Debtor or Contributing Non-Debtor Catholic Entity, or (b) any Claim (including any Abuse Claim)
42 held by a Non-Settling Insurer against any Released Party other than the Debtor or the Reorganized
43 Debtor. Subject to the foregoing, from and after the Effective Date, the Released Parties shall not have
44 any obligation with respect to any liability of any nature or description arising out of, relating to, or in
45 connection with any Abuse Claims.

46 The Debtor Cash Contribution and any Non-Debtor Catholic Entity Contributions are not, and shall
47 not be construed as, a discharge and/or release of any Abuse Claim (including any Unknown Abuse Claim)

1 covered or alleged to be covered under any of the Non-Settling Insurer Policies. Notwithstanding the
2 foregoing, the Debtor and any Contributing Non-Debtor Catholic Entity shall have no further financial
3 obligations under the Plan or the Plan Documents to Holders of Allowed Abuse Claims (except, in the case
4 of any Contributing Non-Debtor Catholic Entity, with respect to Holders of Opt-Out Abuse Claims as set
5 forth in Section 6.2 hereof), including Allowed Unknown Abuse Claims, other than the obligations
6 required to be paid to the Survivors' Trust in Section 9.3 of the Plan.

7 1. Debtor Cash Contribution. On the Effective Date of the Plan, the Debtor shall transfer \$63
8 million in good and available funds to the Survivors' Trust using wiring instructions provided by the
9 Survivors' Trustee (the "Initial Debtor Contribution"). The Initial Debtor Contribution will consist of (i)
10 approximately ~~\$63~~^{\$53} million in Cash received through the Exit Facility (See Exhibit D), and (ii)
11 approximately \$10 million in non-restricted Cash held by the Debtor. The Survivors' Trust shall also
12 receive Cash from the Debtor as set forth below (collectively, the "Additional Debtor Contributions" and
13 together with the Initial Debtor Contribution, the "Debtor Cash Contribution"):

- 14 a. On the date that is one year after the Effective Date, the Debtor shall transfer \$10
15 million in good and available funds to the Survivors' Trust using wiring instructions
16 provided by the Survivors' Trustee.
- 17 b. On the date that is one year after the Effective Date, the Debtor shall transfer \$10
18 million in good and available funds to the Survivors' Trust using wiring instructions
19 provided by the Survivors' Trustee.
- 20 c. On the date that is three years after the Effective Date, the Debtor shall transfer \$10
21 million in good and available funds to the Survivors' Trust using wiring instructions
22 provided by the Survivors' Trustee.
- 23 d. On the date that is four years after the Effective Date, the Debtor shall transfer \$10
24 million in good and available funds to the Survivors' Trust using wiring instructions
25 provided by the Survivors' Trustee.

26 2. Contributions from Non-Debtor Catholic Entities. Any Non-Debtor Catholic Entity
27 against whom the Holder of a Class 4 Claim has asserted liability in connection with an Abuse Claim may
28 become a Contributing Non-Debtor Catholic Entity by contributing Cash or other assets to the Survivors'
Trust in exchange for Releases by such Holders of Class 4 Claims.

- 19 a. **Roman Catholic Welfare Corporation of Oakland.** RCWC shall contribute
20 Cash to the Survivors' Trust in an aggregate amount that is contingent on the
21 number of Releases it secures from those Holders of Class 4 Claims and Class 5
22 Claims who have asserted liability against RCWC in connection with an Abuse
23 Claim ("RCWC Claimants"). RCWC shall transfer a total of \$14,250,000.00 (the
24 "RCWC Cash Contribution") to the Survivors' Trust, as follows: \$2,000,000.00 on
25 the Effective Date, \$3,000,000.00 on the date that is one year after the Effective
26 Date, \$3,000,000.00 on the date that is two years after the Effective Date,
27 \$3,000,000.00 on the date that is three years after the Effective Date, and
28 \$3,250,000.00 on the date that is four years after the Effective Date; provided,
however, if less than 100% of all RCWC Claimants grant RCWC a release pursuant
to Section 13.9 of the Plan, then the RCWC Cash Contribution, and each of its
installments set forth in this Section 9.3.2.2, shall be reduced by a percentage
proportional to the percentage of RCWC Claimants who opt out of granting RCWC
such release. To illustrate, if 80% of RCWC Claimants grant RCWC a release
pursuant to Section 13.9 of the Plan, RCWC shall only contribute 80% of the
aggregate RCWC Cash Contribution, or \$11,400,000.00, to the Survivors' Trust,
in installments of \$1,600,000.00 on the Effective Date, \$2,400,000.00 on the first,

second, and third anniversaries of the Effective Date, and \$2,600,000.00 on the fourth anniversary of the Effective Date. See **Exhibit E**, RCWC Currier Letter.

b. **Other Contributing Non-Debtor Catholic Entities.** Should any other Non-Debtor Catholic Entity become a Contributing Non-Debtor Catholic Entity between the filing of the Plan and the date of the filing of the Plan Supplement, the Plan Supplement shall set forth the amount of Cash contributed by any such Non-Debtor Catholic Entity (or, if the Contribution is not in Cash, the nature and approximate Cash-value of the contribution by any such Non-Debtor Catholic Entity) and shall set forth the extent to which such Non-Debtor Catholic Entity's contribution is conditioned on the number of Releases it receives from Holders of Class 4 and Class 5 Claims asserting liability against such Non-Debtor Catholic Entity in connection with an Abuse Claim.

c. **Release by Holders of Class 5 Claims.** For purposes of calculating the percentage of Releases under Section 13.9 of the Plan received by a Non-Debtor Catholic Entity, the Unknown Abuse Claims Representative shall count as a single Holder, and each Holder of a Class 4 Claim shall count as a single Holder.

3. **Separate Contributions.** Any contribution to the Survivors' Trust by a Contributing Non-Debtor Catholic Entity shall be in addition to and separate from the Debtor Cash Contribution

4. **Livermore Property.** The Debtor, through its affiliate Adventus, shall transfer ownership of the Livermore Property to the Survivors' Trust on the Effective Date. Adventus shall be treated as a Contributing Non-Debtor Catholic Entity under the Plan.

5. **Insurance Settlement Agreements.** In addition to the Debtor Cash Contribution, any Cash received by the Debtor on or before the Effective Date in connection with an Insurance Settlement Agreement shall be transferred to the Survivors' Trust on the Effective Date and shall be part of the Survivors' Trust Assets. After the Effective Date, see below at Article VII.G.6.

6. **Assignment of Assigned Insurance Interests.** On the Effective Date, the Insurance Assignment described in Article VIII of the Plan shall become effective. The Assigned Insurance Interests means all rights, claims, interests, benefits, responsibilities, and obligations of the Debtor in the Non-Settling Insurer Policies, subject to the terms of the Plan including without limitation Articles VIII and IX of the Plan and the provisions of the Plan concerning the Litigation Option.

7. **Use of Survivors' Trust Assets.** The Survivors' Trust Assets shall be used in accordance with and for the purposes set forth in the Survivors' Trust Documents, including without limitation to pay Abuse Claims and reasonable expenses of the Survivors' Trust, and to [pursue and execute Insurance Settlement Agreements \(i.e. negotiate and effectuate potential settlements with Non-Settling Insurers\)](#). Notwithstanding anything herein to the contrary, no monies and/or assets comprising the Survivors' Trust Assets that are transferred, granted, assigned, or otherwise delivered to the Survivors' Trust shall be used for any purpose other than in accordance with the Plan and the Survivors' Trust Documents.

8. **No Insurer Reimbursement Obligation.** The Non-Settling Insurers shall not be liable for or obligated to reimburse any contribution to the Plan made by the Debtor and its Estate, nor shall the Survivors' Trust be authorized to seek such recovery.

F. **Unknown Abuse Claims Reserve**

The Unknown Abuse Claims Reserve is a Cash reserve maintained by Survivors' Trust established on the Effective Date pursuant to the Survivors' Trust Documents for the benefit of Holders of Class 5 Claims, or Unknown Abuse Claims.

1 Upon the Effective Date, the Survivors' Trust shall segregate \$5,000,000.00 (Five Million Dollars
2 and Zero Cents) of the Initial Debtor Contribution into the Unknown Abuse Claims Reserve. The
3 Unknown Abuse Claims Reserve shall be maintained for the greater of (i) four years after the Effective
4 Date, and (ii) resolution of all Unknown Abuse Claims submitted to the Survivors' Trustee within four
5 years after the Effective Date. On that date, the remaining funds in the Unknown Abuse Claims Reserve
6 will be de-segregated and returned to the Survivors' Trust's general accounts, and neither the Debtor,
7 Reorganized Debtor, Survivors' Trust, nor any Settling Insurer shall have any more liability for any
8 Unknown Abuse Claim.

9 **G. Treatment of Abuse Claims.**

10 1. Immediate Payment Election.

11 Abuse Claimants may elect to receive the Immediate Payment from the Survivors' Trust by
12 checking the appropriate box on their respective Ballots. Only Holders of Abuse Claims who return a
13 Ballot and who affirmatively check the box on their Ballot indicating they wish to receive the Immediate
14 Payment shall be entitled to receive the Immediate Payment. If a Holder of an Abuse Claim elects to
15 receive the Immediate Payment, the payment will be made within thirty (30) days after the Effective Date.
16 After receipt of the Immediate Payment, the Holder of an Abuse Claim shall not be entitled to any further
17 distributions from the Survivors' Trust and shall not be entitled to pursue any Abuse Claim against the
18 Non-Settling Insurers or any other party. If a Person submitted, or is the Holder of, more than one Abuse
19 Claim and such Holder elects to receive the Immediate Payment, such Holder shall only be entitled to one
20 Immediate Payment on account of all of their Abuse Claims, shall not be entitled to any further
21 distributions from the Survivors' Trust, and shall not be entitled to pursue any Abuse Claim against the
22 Non-Settling Insurers or any other party.

23 2. Review and Scoring of Claims.

24 After the Effective Date, every Trust Claim held by an Abuse Claimant shall be reviewed and
25 allocated a percentage of the recovery pool based on numerical scaling factors (but not based on alleged
26 dollar value of the Claim) by the Abuse Claims Reviewer in order to determine the distribution to each
27 such Holder in accordance with the terms of the Survivors' Trust Documents.

28 The scoring process works as follows:

- First, the Abuse Claims Reviewer applies Initial Criteria to determine whether any incurable defects exist with respect to a Trust Claim;
- Second, the Abuse Claims Reviewer applies General Criteria intended to determine whether the Trust Claim adequately describes the alleged abuse, alleged perpetrator, location of abuse, and legal liability of the Debtor or another party; and,
- Third, the Abuse Claims Reviewer applies Evaluation Factors to actually score the claim on a scale from 1-100. The Evaluation Factors include the nature of the abuse (in terms of duration, frequency, level of severity and degree of intrusiveness, etc.), the impact of the abuse (in terms of mental and physical health, spiritual well-being, interpersonal relationships, etc.); prior recoveries, if any, from other parties; and the claimant's involvement in bringing the abuse to light for the benefit of all Trust Claimants.

After scoring each Trust Claim, the Abuse Claims Reviewer will calculate the value of an individual "point." The point value will be determined by dividing (a) the total dollars available for distribution to Trust Claims by (b) the total of points among the individual Trust Claims. For example:

- 1 • Assume there are ~~250~~345 claimants holding Trust Claims with an average score of 50 points per claim.
- 2 • 50 points per claim multiplied by ~~250~~345 claims yields ~~12,500~~17,250 total points.
- 3 • Assuming a total distributable amount of \$~~150~~198.25 million (the projected “high” value set forth in the chart above for all contributions), each point would be valued at \$~~12,000~~11,493 (~~150~~198.25 million divided by ~~12,500~~17,250, rounded to the nearest dollar).

4 Accordingly, Trust Claims assigned 25, 50, and 75 points would receive projected recoveries of \$~~300,000~~287,325, \$~~600,000~~574,650, and \$~~900,000~~861,975 from the Survivor’s Trust, respectively.

5
6
7 3. Initial Determination.

8 a. Based on the percentage allocation determined by the Abuse Claims Reviewer, the Survivors’ Trustee shall provide a determination of the distribution to which each Holder of each Trust Claim is entitled (the “Initial Determination”), in accordance with the terms of the Survivors’ Trust Documents. Each Holder of a Trust Claim will receive a notice containing the Initial Determination, including a projected recovery based on the anticipated available assets of the Survivors’ Trust at the time of the Initial Determination.

9 b. Within thirty (30) days of receipt of the notice of the Initial Determination, each Holder of a Trust Claim shall have the right to request an ~~appeal~~additional review of the Initial Determination ~~to a neutral decisionmaker (the “Neutral”), who~~by the Abuse Claims Reviewer and shall be allowed to submit additional documentation or information that such Claimant believes should be considered. The Abuse Claims Reviewer shall provide a subsequent determination (the “Neutral Review Determination”), as provided for in the Survivors’ Trust Documents.

10 c. If requested, the ~~Neutral~~Neutral Review Determination shall be the “Final Determination” for purposes of such Holder’s distributions from the Survivors’ Trust. If the ~~Neutral~~Neutral Review Determination is not requested, the outcome of the Initial Determination shall be the Final Determination.

11 d. For the avoidance of doubt, no determination will be made in the Chapter 11 Case concerning the alleged dollar value of an Abuse Claim for purposes of unsettled Insurance. Neither the Abuse Claims Reviewer’s or Survivors’ Trustee’s review of an Abuse Claim and determination of qualification, nor the Survivors’ Trust’s estimation of Claims or payment of distributions, shall constitute a trial, an adjudication on the merits, or evidence of liability or damages in any litigation with the Non-Settling Insurer or any other Person.

12
13
14
15 4. Distributions to Trust Claimants from the Survivors’ Trust.

16 Subject to the Survivors’ Trust Documents, the Plan provides that the following procedures will govern distributions to Trust Claimants from the Survivors’ Trust:

17 a. Within 30 days of the ~~Neutral’s~~Abuse Claims Reviewer’s completion of all ~~Neutral~~Neutral Review Determinations, the Survivors’ Trustee shall make a projection of anticipated distributions to each Holder of a Trust Claim. This amount may differ from the Initial Determination after accounting for ~~Neutral~~Neutral Review Determinations.

18 b. The Survivors’ Trustee will make an initial distribution (the “Initial Distribution”) to each Trust Claimant, except for those Trust Claimants who elect the Litigation Option (defined below and in Section 9.8.4 of the Plan). The Initial Distribution shall be comprised of each such Trust Claimants’ *pro rata* share of the Survivors’ Trust Assets existing on that date, less reasonable reserves for the

Survivors' Trust, to be determined by the Survivors' Trustee in accordance with the Survivors' Trust Documents (the "Initial Reserve"). The Survivors' Trustee may, but need not, wait until the liquidation of the Livermore Property to make the Initial Distribution.

c. Upon the receipt of additional contributions into the Survivors' Trust, including from sales of real property owned by the Survivors' Trust, the Survivors' Trustee shall make further distributions (the "Additional Distributions") to ~~the Trust Distribution~~ Claimants ~~who elected (or who are deemed to have elected) the Distribution Option~~ in accordance with this Section of the Plan and the Survivors' Trust Documents, less such appropriate reserves (the "Additional Reserves").

d. After (i) the final resolution of all Trust Claims, including with respect to ~~the Trust Claimants who selected the~~ Litigation ~~Option~~ Claimants, and (ii) all Survivors' Trust Assets are monetized, the Survivors' Trustee shall make a final distribution to ~~the Trust Distribution~~ Claimants ~~who elected (or who are deemed to have elected) the Distribution Option~~ (the "Final Distribution"), which shall include previously withheld reserves and any reallocated funds. If, after 180 days from the date of the Final Distribution, there are any funds which are not claimed by the Holder of a Trust Claim, such unclaimed funds shall be returned to the Reorganized Debtor.

5. Election of Distribution Option vs. Litigation Option.

Irrespective of whether a Trust Claimant has requested an ~~appeal~~ additional review of the Initial Determination ~~to by the Neutral Abuse Claims Reviewer~~, within 90 days of receiving the notice of the Initial Determination of a Trust Claim, the Holder may, instead of receiving an Initial Distribution, elect to pursue litigation against the Non-Settling Insurers and/or other parties (excluding the Debtor or Reorganized Debtor as appropriate) (the "Abuse Claim Litigation" and, the election of the Abuse Claim Litigation, the "Litigation Option") by filing the notice described in Section 8.2.2 of the Plan. **The Holder of an Abuse Claim who elects the Distribution Option shall not be entitled to pursue the Litigation Option, meaning they shall not be entitled to pursue any additional recovery from the Non-Settling Insurers.** If no election to pursue the Litigation Option is timely made, the Trust Claimant shall be deemed to have chosen the Distribution Option.

a. In the event a Trust Claimant elects the Litigation Option, the Reserved Amount to be held by the Survivor's Trustee on account of such Trust Claimant shall be the amount of such Trust Claimant's Final Determination. As the Survivors' Trust receives additional Cash (including, without limitation, on account of the Debtor Cash Contributions, RCWC Cash Contributions, Insurance Settlement Agreements, other contributions of Cash, or proceeds from the liquidation of any of the Survivors' Trust Assets), the Survivors' Trustee shall increase the Reserved Amount on account of such Trust Claimant commensurately.

b. The liability, if any, of the Survivors' Trust to a ~~Trust~~ Litigation Claimant ~~who elects the Litigation Option~~ shall be limited to the Reserved Amount for such Trust Claimant, even if the Trust Claimant obtains a judgment by a Final Order through the Abuse Claim Litigation (the "Litigation Judgment") that is higher than the Reserved Amount.

c. In the case of a Trust Claimant who obtains a Litigation Judgment that is lower than the Reserved Amount for such Trust Claimant, the distribution from the Survivors' Trust to such Trust Claimant shall be capped at the amount of the Litigation Judgment; provided, however, that such distribution from the Survivors' Trust shall be further reduced by the amount of any liability for the Litigation Judgment that is apportioned to (i) one or more defendants in the Abuse Claim Litigation other than any of the Released Parties, and/or (ii) any Non-Settling Insurer on account of such Non-Settling Insurer's coverage obligations under an Abuse Insurance Policy, if any, subject to such Non-Settling Insurer's rights to Contribution and other rights under this Plan and the applicable Abuse Insurance Policy(ies). The difference between a Trust Claimant's Reserved Amount and the reduced distribution to such Trust Claimant from the Survivors' Trust shall be reallocated for distribution to Trust Claimants ~~who~~

1 ~~elected the Distribution Option~~ in their *pro rata* share.

2 d. In the case of a Trust Claimant who obtains a Litigation Judgment that is higher
3 than the Reserved Amount for such Trust Claimant, the distribution from the Survivors' Trust to such
4 Trust Claimant shall be the lower of: (a) the Reserved Amount or (b) the amount of such Litigation
5 Judgment less any liability for the Litigation Judgment apportioned to (i) any defendants in the Abuse
6 Claim Litigation other than any of the Released Parties and/or (ii) any Non-Settling Insurer on account of
7 such Non-Settling Insurer's coverage obligations under an Abuse Insurance Policy, if any, subject to such
8 Non-Settling Insurer's rights to Contribution and other rights under this Plan and the applicable Abuse
9 Insurance Policy(ies). The difference between a Trust Litigation Claimant's Reserved Amount and the
10 reduced distribution to such Trust Litigation Claimant from the Survivors' Trust shall be reallocated ~~for~~
11 ~~distribution to Trust~~ Distribution Claimants ~~who elected the Distribution Option~~ in their *pro rata* share.

12 e. If a Trust Claimant obtains a Litigation Judgment for which all liability is assigned
13 in the aggregate to (i) defendants in the Abuse Claim Litigation other than the Released Parties and/or (ii)
14 one or more Non-Settling Insurers, any party found liable for payment to such Trust Claimant shall pay
15 that judgment directly to such Trust Claimant. The Trust Claimant shall have no further claims against
16 the Survivors' Trust. The Survivors' Trustee shall reallocate the Reserved Amount on account of such
17 Trust Claimant's Trust Claim ~~for distribution to Trust~~ Distribution Claimants ~~who elected the~~
18 ~~Distribution Option~~ in their *pro rata* share.

19 f. If, pursuant to ~~this~~ Section 9.8.4, a Trust Claimant who received a Litigation
20 Judgment is entitled to a distribution from the Survivors' Trust, the Survivors' Trustee shall make any
21 such distribution from the Survivors' Trust Assets to such Trust Claimant not later than thirty (30) days
22 after the Survivors' Trustee receives notice of entry of the Trust Claimant's Litigation Judgment in the
23 Abuse Claim Litigation. If the Survivors' Trust is not a formal notice party in the Abuse Claim Litigation
24 filed by such Trust Claimant, it shall be the burden of the Trust Claimant to serve the Survivors' Trustee
25 with notice of entry of the Trust Claimant's Litigation Judgment in the Abuse Claim Litigation.

26 g. Upon written notice to the Survivors' Trustee, subject to the Survivors' Trustee's
27 sole and absolute discretion, a Trust Litigation Claimant ~~who selected the Litigation Option~~
28 ~~may rescind that election in favor of the Distribution Option~~ (and become, for all purposes, a Distribution Claimant).
Notwithstanding the foregoing, the Survivors' Trustee shall consent to such rescission if such written
notice of rescission is given prior to entry of an order of dismissal or a final judgment by a Final Order in
the Abuse Claim Litigation in favor of a Released Party.

h. Following final resolution of the last Abuse Claim Litigation, the Survivors'
Trustee will make his Final Distribution to Trust Distribution Claimants ~~that elected the Distribution~~
~~Option~~ as set forth in Section 9.8.3.4 of the Plan.

The Survivors' Trustee shall report to the Reorganized Debtor, on a quarterly basis, or upon
reasonable request, (i) the date on which each Holder of an Abuse Claim is notified of their award under
the Survivors' Trust Distribution Plan, (ii) whether each Holder of an Abuse Claim has elected the
Immediate Payment, the Distribution Option, or the Litigation Option, and (iii) any modification made
by any Holder of an Abuse Claim to their treatment status.

6. *Post-Effective Date Insurance Settlement Agreements.*

To the extent the Survivors' Trust enters into an Insurance Settlement Agreement that covers the
Abuse Claim of a Trust Litigation Claimant ~~who elected the Litigation Option and that~~ commenced an
Abuse Claim Litigation (a "Settling Trust Claimant"), (i) such Abuse Claim Litigation shall be promptly
dismissed to the extent the Settling Trust Claimant is seeking a determination of, and the availability of
Insurance Recoveries for, the liability of a Released Party on account of the Settling Trust Claimant's
Abuse Claim, (ii) within thirty (30) days of receipt of the Cash consideration of such Insurance Settlement

1 Agreement, the Survivors' Trust shall pay the Settling Trust Claimant an amount equivalent to 50% of the
2 Settling Trust Claimant's then-existing Reserved Amount, calculated based on the value of the Survivors'
3 Trust Assets immediately before receipt of such Cash consideration from the Insurance Settlement
4 Agreement, (iii) the Settling Trust Claimant shall be deemed to have rescinded their election of the
5 Litigation Option in favor of the Distribution Option and the Survivors' Trustee shall be deemed to have
6 consented to such rescission, each in accordance with Section 9.8.4.7 of the Plan, and (iv) the remaining
7 Cash realized by the Survivors' Trust on account of the Insurance Settlement Agreement shall be added
8 to the Survivors' Trust Assets. Thereafter, Settling Trust Claimants shall: 1) be treated as Distribution
9 Claimants in all respects, and 2) be entitled to receive *pro rata* distributions from the Survivors' Trust
10 Assets in accordance with the terms of this Plan and the Survivors' Trust Documents.

11
12 **H. Compensation and Reimbursement of Expenses to Survivors' Trustee and Survivors'**
13 **Trust Professionals.**

14 The Survivors' Trustee shall be entitled to compensation as provided for in the Survivors' Trust
15 Documents. The Survivors' Trustee may retain and reasonably compensate, without Bankruptcy Court
16 approval and without the consent of the Reorganized Debtor, counsel and other Professionals as
17 reasonably necessary to assist in the duties of the Survivors' Trustee subject to the terms of the Survivors'
18 Trust Documents. All fees and expenses incurred in connection with the foregoing shall be payable from
19 the Survivors' Trust, as provided for in the Survivors' Trust Documents.

20 **I. Excess Survivors' Trust Assets.**

21 After the payment of all Abuse Claims that are entitled to a distribution from the Survivors' Trust
22 and all expenses of the Survivors' Trust, all remaining Assets in the Survivors' Trust shall be transferred
23 to the Reorganized Debtor concurrent with the termination of the Survivors' Trust pursuant to the
24 Survivors' Trust Documents.

25 **J. Indemnification of Debtor, Reorganized Debtor, and Contributing Non-Debtor Catholic**
26 **Entities.**

27 The Survivors' Trust shall indemnify and hold harmless the Debtor, Reorganized Debtor, and the
28 Contributing Non-Debtor Catholic Entities from and against any and all Abuse Claims, as well as
indemnify and reimburse such parties for all fees, costs and expenses related to Abuse Claims (including
such fees, costs and expenses incurred in connection with discovery), to the extent set forth in the Plan
and the Survivors' Trust Documents. The Survivors' Trust shall not have any obligation to indemnify any
Person accused of committing a physical act of Abuse against a Holder of an Abuse Claim or such
Holder's predecessor(s)-in-interest.

K. Modification of Survivors' Trust Documents.

The Survivors' Trust Documents may not be amended or modified without the consent of the
Reorganized Debtor. The Reorganized Debtor shall also have consent rights with respect to the
appointment of any successor Survivors' Trustee and Survivors' Trust Advisory Committee members,
which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the indemnification
obligations of the Survivors' Trust described in the Plan as to any Released Party may not be amended or
modified without the consent of such Released Party and no such amendment shall affect the rights of any
remaining Non-Settling Insurers.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ARTICLE VIII

SETTLING INSURERS

A. No Insurance Settlement Agreements to Date

As of the date of the filing of this Disclosure Statement, there are no Settling Insurers and no Insurance Settlement Agreements executed. Any discussion of a Settling Insurer or Insurance Settlement Agreement herein refers to the identification of Settling Insurers under future Insurance Settlement Agreements.

B. Insurance Settlement Agreements

If, before Confirmation, an Insurer enters into an Insurance Settlement Agreement with the Debtor under which the Insurer would become a Settling Insurer under the Plan upon entry of the Confirmation Order, the Debtor shall file with the Plan Supplement providing for any provisions required by the proposed Settling Insurer, and agreed to by the Debtor, to be made a part of the Plan. Any such provisions set forth in the Plan Supplement shall be deemed incorporated into this Section as part of the Plan. Any Insurer that becomes a Settling Insurer shall receive the treatment as may be provided in any Insurer Settlement Agreement approved by a Final Order.

Each Insurance Settlement Agreement is effective and binding upon all Persons who have notice, and any of their successors and assigns, upon the entry of a Final Order approving the Insurance Settlement Agreement and satisfaction of all conditions precedent, provided such settlement shall not affect the rights of any remaining Non-Settling Insurers. Payments by each Settling Insurer to the Survivors' Trust, and the releases by the Debtor and/or the Contributing Non-Debtor Catholic Entities of each Settling Insurer, pursuant to the Insurance Settlement Agreements shall occur and/or be effective according to the terms of each such agreement.

C. Sale Free and Clear of Interests of Settling Insurer Policies

Each Settling Insurer Policy shall be sold to the issuing Settling Insurer, pursuant to sections 105, 363, and 1123 of the Bankruptcy Code, free and clear of all liens and Claims of all Persons, to the extent provided for in each applicable Insurance Settlement Agreement, provided such sale shall not affect the rights of any remaining Non-Settling Insurers.

D. Rights Under Insurance Settlement Agreements

The Insurance Settlement Agreements shall survive the confirmation, effectiveness, and consummation of the Plan. The rights of the parties under any Insurance Settlement Agreement shall be determined exclusively under the applicable Insurance Settlement Agreement, the Final Order approving such Insurance Settlement Agreement, the Plan, and the Confirmation Order.

E. Contribution Claims of Settling Insurers

Each Settling Insurer agrees that it will not pursue any Abuse Related Contribution Claim that it might have against any other Insurer (a) whose Contribution Claim against Settling Insurers is satisfied and extinguished entirely; or (b) that does not make an Abuse Related Contribution Claim against the Settling Insurers, or any of them. If, in the future, a Non-Settling Insurer releases its Abuse Related Contribution Claims, if any such exist, that it may have against the Settling Insurers, then such released Settling Insurer shall release its Abuse Related Contribution Claims against such releasing Insurer.

1 If any Non-Settling Insurer asserts a Claim directly against the Survivors' Trust arising from or
2 concerning the one or more Settling Insurers' Abuse Insurance Policies, any Abuse Related Contribution
3 Claim of the Settling Insurers shall be transferred to the Survivors' Trust, and the Survivors' Trust shall
4 be authorized to assert the Contribution Claims of such Settling Insurer against such Non-Settling Insurer.

5 **F. Timing**

6 The injunctions, releases, and discharges to which any Settling Insurer is entitled pursuant to such
7 Insurance Settlement Agreement, the Plan, the Confirmation Order, the Final Order approving the
8 Insurance Settlement Agreement, and the Bankruptcy Code shall become effective pursuant to the terms
9 of such Insurance Settlement Agreement.

10 **ARTICLE IX**

11 **MATTERS RELATING TO NON-SETTLING INSURERS**

12 **A. Insurance Coverage for Abuse Claims**

13 Holder of an Abuse Claim who do not elect to receive an Immediate Payment may seek to have
14 their claim satisfied by electing either (i) the Distribution Option, or (ii) for the purpose of recovering from
15 one or more Non-Settling Insurers under their respective Insurance Policies, the Litigation Option. Absent
16 agreement of the applicable Non-Settling Insurer(s), the Holder of an Abuse Claim may only litigate
17 coverage of such Holder's Abuse Claim under the Non-Settling Insurer's Abuse Insurance Policy(ies) by
18 electing the Litigation Option. Only the applicable Holder of an Abuse Claim may seek recovery for such
19 Abuse Claim against a Non-Settling Insurer pursuant to an Abuse Insurance Policy issued by such Non-
20 Settling Insurer. The Insurance Assignment is subject to the exclusive rights of such Holders.

21 After Confirmation, any Litigation Claimant shall be granted leave to pursue such Claim by filing
22 in the Chapter 11 Case a written statement of intent to do so by electing the Litigation Option (which may
23 be filed under a pseudonym if the claimant's name has not been previously publicly identified, provided
24 that (i) the notice otherwise adequately identifies the relevant Claim including the case number for the
25 pending litigation and (ii) the claimant or his or her counsel notifies the Non-Settling Insurers of the
26 claimant's actual name). After the expiration of ninety (90) days following the filing of such written
27 statement, such Holder of an Abuse Claim may continue to pursue such Claim in a separate action filed
28 in a non-bankruptcy court of competent jurisdiction as determined by applicable law, solely to seek a
recovery from Abuse Insurance Policies. Affected Non-Settling Insurers shall have the right (and the
obligation, to the extent so provided under their respective Abuse Insurance Policy(ies)), to defend such
Claim, consistent with the terms of their Abuse Insurance Policies and applicable non-bankruptcy law.
Such affected Non-Settling Insurers are also granted leave to defend against Abuse Claims and take other
actions authorized in their respective Abuse Insurance Policies in response to Abuse Claims, including
paying settlements to which the affected Non-Settling Insurers agree or any judgments.

The Debtor (including the estate and the Reorganized Debtor) and the Survivors' Trust will
cooperate in the defense of any such claim to the extent provided under the applicable Abuse Insurance
Policy or Policies and as requested by an affected Non-Settling Insurer.

Nothing in Section 8.2.2 of the Plan or in this Article IX.A shall diminish or alter the rights of a
Holder of an Abuse Claim who elects the Litigation Option to receive a distribution from the Survivors'
Trust pursuant to Section 9.8.4 herein.

If the Holder of an Abuse Claim elects the Litigation Option then, among other things, (1) the
rights of affected Non-Settling Insurers to defend or associate in the defense of such Abuse Claims shall
be fully preserved so that a Non-Settling Insurer who has offered to, or has an obligation to, defend may

1 do so, and (2) the rights of affected Non-Settling Insurers to assert all coverage defenses and issues in any
2 insurance recovery action (under Cal. Ins. Code § 11580 or otherwise) shall also be fully preserved. In
3 any such insurance recovery action (under Cal. Ins. Code § 11580 or otherwise), Holders of Abuse Claims
4 shall have no greater or lesser rights than the Debtor, including as to any findings of fact, conclusions of
5 law, or rulings issued in connection with the Coverage Action or any other coverage litigation between
6 the Debtor or the Survivors' Trust and any of the Insurers. To the extent any applicable Non-Settling
7 Insurer elects not to defend an Abuse Claim in the non-bankruptcy court system after receiving proper
8 notice and opportunity to do so, the Holder of an Abuse Claim shall be entitled to seek a default judgment
9 against the Debtor as nominal party only, solely to allow such Holder of an Abuse Claim to then pursue
10 insurance rights under Cal. Ins. Code § 11580 in accordance with the provisions in the Plan.

11 If a Holder of an Abuse Claim elects the Litigation Option, liquidates its Claim, and obtains a final
12 judgment by a Final Order against a Non-Settling Insurer, such Non-Settling Insurer shall pay the amount
13 of the judgment directly to the Holder of such Claim in accordance with, and subject to, the provisions of
14 the Plan. The Holder of an Abuse Claim shall have the exclusive right to liquidate such Holder's Abuse
15 Claim under the Litigation Option and pursue Coverage Claims against a Non-Settling Insurer.

16 **B. ~~A.~~ Preservation of the Rights of Non-Settling Insurers**

17 The Plan is intended to ensure preservation of the rights of Insurers and Holders of Abuse Claims
18 who wish to pursue recovery from applicable, available insurance coverage, and of the obligations of the
19 parties to each of the Abuse Insurance Policies. The Plan seeks to achieve this “insurance neutral” result
20 through the following terms, among others.

21 With respect to Non-Settling Insurers, nothing in the Plan, the Plan Documents, the Confirmation
22 Order, or the Survivors' Trust Documents, including any provision that purports to be preemptory or
23 supervening, shall in any way operate to, or have the effect of, impairing, altering, supplementing,
24 changing, expanding, decreasing, or modifying (i) the terms and conditions of any Abuse Insurance
25 Policy, (ii) the rights and obligations of the Debtor (or its Estate) and any Non-Settling Insurers (and third-
26 party claims administrators) under any of the Abuse Insurance Policies, or (iii) the coverage or benefits
27 provided under the Abuse Insurance Policies; provided, however, that because the Non-Settling Insurers
28 would solely be potentially financially responsible for payment of Abuse Claims (and the Debtor would
have no such potential financial responsibility), the provisions of Cal. Civil Code § 2860 entitling an
insured to appointment of independent counsel in certain circumstances shall not apply to any claims
pursued by Holders of Abuse Claims against the Debtor (as a nominal party only) or the Survivors' Trust
in the non-bankruptcy court system for the purpose of recovering from Non-Settling Insurers.

With respect to the Non-Settling Insurers, notwithstanding any provision in the Plan, the Plan
Documents, the Confirmation Order, or the Survivors' Trust Documents, nothing contained in any such
documents or in this paragraph shall impose, or shall be deemed or construed to impose, any obligation
on any Non-Settling Insurer to provide a defense for, settle, or pay any judgment with respect to, any
Abuse Claim. Rather, a Non-Settling Insurer's obligations, if any, with respect to an Abuse Claim shall
be determined solely by and in accordance with the applicable Abuse Insurance Policy or Abuse Insurance
Policies issued by that Non-Settling Insurer subject to applicable non-bankruptcy law. Nothing in the Plan,
the Plan Documents, the Confirmation Order, or the Survivors' Trust Documents shall diminish or impair,
or be deemed to diminish or impair, the rights of any Non-Settling Insurer to defend any Abuse Claim or
to assert any claim, defense, right, or counterclaim in connection with any Abuse Claim or Abuse
Insurance Policy in accordance with applicable law; provided, however, that any claim or counterclaim
for Contribution (as defined in Section 8.4 of the Plan) against a Settling Insurer shall be addressed as
provided herein.

For all issues relating to insurance coverage concerning Non-Settling Insurers, the provisions,
terms, conditions, and limitations of the applicable Abuse Insurance Policies shall control, subject to
applicable non-bankruptcy law.

1 A Non-Settling Insurer's obligation, if any, with respect to an Abuse Claim shall be determined
2 solely by and in accordance with the applicable Abuse Insurance Policy or Abuse Insurance Policies issued
3 by that Non-Settling Insurer subject to applicable non-bankruptcy law. Liability with respect to any Abuse
4 Claim for purposes of any recovery against an Abuse Insurance Policy will be determined pursuant to
5 applicable non-bankruptcy law.

6 With respect to the Non-Settling Insurers, for purposes of establishing the value of any Abuse
7 Claim for purposes of recovery from, or coverage under, any Abuse Insurance Policy issued by a Non-
8 Settling Insurer, no determination made in the Chapter 11 Case, nor any determinations made by the Abuse
9 Claims Reviewer or Survivors' Trustee concerning any Abuse Claim at any time, shall be binding on or
10 against a Non-Settling Insurer, nor shall any party (including any Holder of an Abuse Claim against the
11 Debtor) offer into evidence, or seek to admit into evidence, any such alleged determination in any tort
12 actions pursued by Holders of Abuse Claims against the Debtor (as a nominal party only) or the Survivors'
13 Trust in the non-bankruptcy court system for the purpose of recovering from Non-Settling Insurers, except
14 for the limited purpose of establishing the amount of any credit to which Debtor (as a nominal party) may
15 be entitled to offset any verdict in favor of a holder of an Abuse Claim.

16 The determination of, qualification and estimation of Claims, and the payment of Survivors' Trust
17 distributions is not an admission of liability by the Debtor or Reorganized Debtor (as applicable), any
18 Non-Settling Insurer, the Survivors' Trust, or any other Person with respect to any Abuse Claims and has
19 no *res judicata* or collateral estoppel effect on any Non-Settling Insurer, the Debtor, the Survivors' Trust,
20 or any other Person, except that such determination may be introduced for the limited purpose of
21 establishing the amount of any credit to which the Debtor (as a nominal party) or the Survivors' Trust may
22 be entitled to offset any verdict in favor of a Holder of an Abuse Claim.

23 Neither the Abuse Claims Reviewer's nor Survivors' Trustee's review of an Abuse Claim and
24 determination of qualification, nor anything in the Survivors' Trust Documents (including any action or
25 decision pursuant to the Survivors' Trust Documents, including any estimation of claims or payment of
26 distributions), shall constitute a trial or an adjudication on the merits, or evidence of liability or damages,
27 in any litigation with the Non-Settling Insurer or any other Person.

28 With respect to Non-Settling Insurers, nothing in the Plan, the Plan Documents, the Confirmation
Order, or the Survivors' Trust Documents shall, under any theory, (a) constitute a trial, a judgment, an
adjudication on the merits, or evidence establishing the liability (in the aggregate or otherwise) or
obligation of the Debtor or the Survivors' Trust with respect to any Abuse Claim, (b) constitute a trial, a
judgment, an adjudication on the merits, or evidence (or be introduced as evidence) establishing the
liability of any Non-Settling Insurer in current or subsequent litigation for any Claim, including, without
limitation, any Abuse Claim, or under any Abuse Insurance Policy, (c) constitute, or be deemed to
constitute (or be introduced to support a determination) of the reasonableness of the amount of any Claim,
including any Abuse Claim, either individually or in the aggregate with other Claims, (d) be deemed to
grant to any Person or Entity any right to sue any Non-Settling Insurer directly, in connection with a
Claim, including any Abuse Claim, or any Abuse Insurance Policy, that such Person or Entity did not
otherwise have under applicable non-bankruptcy law, (e) constitute a finding or determination (or be
introduced to support a finding or determination) that the Debtor is a named insured, additional insured,
or insured in any other way under any Abuse Insurance Policy, (f) constitute a finding or determination
(or be introduced to support a finding or determination) that any Insurer in fact issued any alleged Abuse
Insurance Policy or that any alleged Abuse Insurance Policy has any particular terms or conditions, (g)
constitute a finding or determination (or be introduced to support a finding or determination) that any
Insurer has any defense or indemnity obligation with respect to any Claim or Abuse Claim, or (h)
constitute a finding or determination (or be introduced to support a finding or determination) on any matter
at issue or which may be raised as an issue in any action, including the Insurance Coverage Litigation. In
addition, no payment made in accordance with the Plan shall be, or be deemed to be, a waiver of any rights
of any Non-Settling Insurer under any Abuse Insurance Policy.

1 Other than with respect to the effectiveness of the Insurance Assignment contemplated by the Plan
2 (if necessary) and the findings necessary to confirm the Plan under Section 1129 of the Bankruptcy Code
3 for such purpose only, no Non-Settling Insurer shall be bound in any current or future litigation concerning
4 an Abuse Claim or an Abuse Insurance Policy by any factual findings or conclusions of law issued in
5 connection with Confirmation of the Plan, and no such findings of fact or conclusions of law shall have
6 any *res judicata* or collateral estoppel effect on any Claim, defense, right, offset, or counterclaim that has
7 been asserted or that may be asserted in any current or subsequent litigation concerning an Abuse Claim
8 or an Abuse Insurance Policy. Non-Settling Insurers shall retain, and be permitted to assert, (i) all of their
9 insurance coverage defenses subject to applicable non-bankruptcy law in connection with Abuse Claims
10 notwithstanding any provision of the Plan, the Plan Documents, or the Confirmation Order, provided,
11 however, no Non-Settling Insurer may assert the Insurance Assignment as a defense to any Coverage
12 Claim nor challenge the efficacy or validity of the Insurance Assignment, and (ii) all of the Debtor's
13 defenses to liability, both legal and equitable, in connection with any asserted Abuse Claim, and the Non-
14 Settling Insurers' rights to assert all such underlying defenses and insurance coverage defenses in
15 connection with Abuse Claims will not be impaired in any way by the Plan, the Plan Documents, the
16 Confirmation Order, or the Survivors' Trust Documents, but shall be subject to applicable non-bankruptcy
17 law.

18 Any disputes regarding a Non-Settling Insurer's liability for Abuse Claims and/or coverage
19 therefor under any Abuse Insurance Policy shall be resolved under applicable non-bankruptcy law in ~~the~~
20 ~~District Court overseeing the Insurance Coverage Litigation~~ a court of competent jurisdiction or such other
21 venue as the affected parties (including the Non-Settling Insurer(s)) may agree.

22 Nothing in the Plan shall limit the ability of any Non-Settling Insurer to agree to different terms or
23 treatment of its Abuse Insurance Policies as part of a consensual settlement with the Debtor, Survivors'
24 Trust, and/or Holders of Abuse Claims.

25 Any Non-Settling Insurer's legal, equitable, or contractual rights and obligations relating to the
26 Abuse Insurance Policies issued by such Non-Settling Insurer shall be determined under applicable non-
27 bankruptcy law. Nothing in the Plan shall be construed to impair or diminish the Debtor's or any Non-
28 Settling Insurer's legal, equitable, or contractual rights or obligations under any Abuse Insurance Policy
including, but not limited to, the ability to negotiate resolution of any dispute; provided, however, (a) that
because Non-Settling Insurers would solely be potentially financially responsible for payment of Abuse
Claims (and the Debtor would have no such potential financial responsibility), the provisions of Cal. Civil
Code § 2860 entitling an insured to appointment of independent counsel in certain circumstances shall not
apply to any claims pursued by Holders of Abuse Claims against the Debtor (as a nominal party only) in
the non-bankruptcy court system for the purpose of recovering from Debtor (as a nominal party) and (b)
neither the Debtor (including the Estate and the Reorganized Debtor) nor the Survivors' Trust shall have
the right to (i) direct or interfere with a Non-Settling Insurer's defense of a tort action asserting an Abuse
Claim, or (ii) settle an Abuse Claim without the consent of all affected Non-Settling Insurers; provided,
however, that at the Reorganized Debtor's election and at its sole expense, the Reorganized Debtor may
appoint its own counsel ("Reorganized Debtor Counsel") to represent the Bishop in the defense of any
action by a Holder of an Abuse Claim against the Debtor (as a nominal party only). Any such Reorganized
Debtor Counsel shall cooperate and coordinate with defense counsel appointed by the Non-Settling
Insurers to represent the Debtor in such action, and the Reorganized Debtor's election to appoint
Reorganized Debtor Counsel shall not constitute direction of or interference with a Non-Settling Insurer's
defense of a tort action asserting an Abuse Claim. The Non-Settling Insurers reserve all policy defenses
and claims, including without limitation all rights, claims, and defenses concerning cooperation, offsets,
recoupments, deductions, deductibles, self-insured retentions, and all rights, claims, and defenses provided
in their policies. For the avoidance of doubt, if the Holder of an Abuse Claim has elected the Immediate
Payment or the Distribution Option, nothing in Section 8.3.12 of the Plan shall restrict the Survivors' Trust
from resolving or making a distribution on account of such Abuse Claim without the consent of any Non-
Settling Insurer for purposes of the Immediate Payment or Distribution Option.

SECOND AMENDED DISCLOSURE STATEMENT FOR SECOND AMENDED PLAN OF REORGANIZATION

1 Except as expressly stated herein, any coverage issues involving the Non-Settling Insurers or the
2 Abuse Insurance Policies issued by the Non-Settling Insurers shall be determined in accordance with
3 applicable non-bankruptcy law. All positions and arguments with respect to available coverage under such
4 Abuse Insurance Policies shall be fully preserved for assertion by the Non-Settling Insurers and Abuse
5 Claimants in any litigation of coverage issues. Subject to the terms of the Plan, the Non-Settling Insurers
6 and Holders of Abuse Claims reserve their rights, if any, to (i) bring proceedings concerning the
7 application and interpretation of the terms of the Abuse Insurance Policies and rights thereunder, as well
8 as whether defense and/or indemnity are owed under the Abuse Insurance Policies, and (ii) oppose any
9 such proceeding commenced by any other person or entity in any court of appropriate jurisdiction as
10 determined under applicable non-bankruptcy law; provided, however, because the Debtor will have
11 received a discharge under the Plan, any effort to collect from Abuse Insurance Policies issued by the
12 Non-Settling Insurers to satisfy an Abuse Claim after Confirmation of the Plan shall be sought individually
13 by the applicable Holder of an Abuse Claim after such Holder's Claim has been liquidated as provided
14 herein. Any disputes regarding a Non-Settling Insurer's liability for Abuse Claims (after such Abuse
15 Claim has been liquidated under the provisions set forth above) and/or coverage therefor under Abuse
16 Insurance Policies shall be resolved under applicable non-bankruptcy law in ~~the District Court~~ a court of
17 competent jurisdiction or such other venue as the affected parties (including the Non-Settling Insurer(s))
18 may agree.

19 The limitations in Section 8.3 of the Plan are for the benefit of the Non-Settling Insurers to preserve
20 their ability to assert the Debtor's defenses to Abuse Claims as well as Non-Settling Insurers' own
21 coverage defenses. For the avoidance of doubt, the Debtor (and the Reorganized Debtor, as applicable)
22 reserves its right to enforce the Plan, including without limitation its discharge, and to the benefits of any
23 settlements reached with Settling Insurers, provided that the foregoing will not limit the protections
24 afforded to the Non-Settling Insurers herein. All parties in interest in this Chapter 11 Case shall retain the
25 right to enforce the Claims Bar Date Order (as amended) and all confidentiality orders issued in the
26 ~~Bankruptcy~~ Chapter 11 Case.

27 The provisions of Section 8.3 of the Plan shall be incorporated into the Confirmation Order.

28 C. ~~B.~~ Scope of Plan Injunctions With Respect to Non-Settling Insurers

The injunctions under the Plan and Confirmation Order shall not prohibit a Non-Settling Insurer
from asserting Claims against the Survivors' Trust for contribution, subrogation, indemnification,
reimbursement, or other similar Cause of Action (collectively, "Contribution") for any Settling Insurer's
alleged share or equitable share relating to the defense and/or indemnity obligation for any Abuse Claim,
or for any Cause of Action released in any Insurance Settlement Agreements.

If a Non-Settling Insurer asserts it has (a) Contribution Claims directly or indirectly arising out of
or in any way relating to such Non-Settling Insurer's payment of loss on behalf of the Debtor or defense
expenses incurred in any action that should have been paid by or are otherwise attributable to a Settling
Insurer related to any Abuse Claim or (b) rights to recover any self-insured retentions/obligations and/or
deductibles (collectively, "Payment Obligations") in connection with its payment of defense and/or
indemnity related to an Abuse Claim, then (i) such Contribution Claims or Payment Obligations may be
asserted as a setoff, defense, or counterclaim against any Abuse Claimant and/or the Survivors' Trust in
any insurance action or insurance recovery action (under Cal. Ins. Code § 11580 or otherwise) involving
such Non-Settling Insurer and (ii) to the extent such Contribution Claims or Payment Obligations are
determined to be valid, the liability (if any) of such Non-Settling Insurer to the holder of the Abuse Claim
or the Survivors' Trust shall be reduced by the amount of such Contribution Claims or Payment
Obligations, provided that if any such Contribution Claim exceeds the liability of such Non-Settling
Insurer to the Survivors' Trust, the Non-Settling Insurer does not waive any excess claim and may seek
affirmative recovery from the Survivors' Trust.

1 To the extent payment of a self-insured retention is a condition to a Non-Settling Insurer's
2 obligation to provide defense or indemnity under applicable non-bankruptcy law and the Non-Settling
3 Insurer's applicable insurance policies, the failure of the Survivors' Trust to pay such self-insured
4 retention to the Non-Settling Insurer shall result in the Non-Settling Insurer having the right to argue that
5 such failure of payment is a complete defense to any claim for coverage by the Non-Settling Insurer to, or
6 related to, any claim for recovery of insurance from the Non-Settling Insurer.

7 **D. ~~C.~~ Non-Settling Insurers' Contribution Claims Against Settling Insurers**

8 In any Action, including the Insurance Coverage Litigation, involving the Holder of an Abuse Claim
9 and one or more Non-Settling Insurers, where a Non-Settling Insurer has asserted, asserts, or could assert
10 any Contribution Claim against any of the Settling Insurers or the Survivors' Trust, and such Contribution
11 Claims are determined by the court presiding over such Claims to be valid, then any judgment or award
12 obtained against such Non-Settling Insurer by such Holder of an Abuse Claim shall be automatically
13 reduced by the amount, if any, that the Survivors' Trust or any of the Settling Insurers is liable to pay such
14 Non-Settling Insurer as a result of the Non-Settling Insurer's Contribution Claim, so that the Contribution
15 Claim is thereby satisfied and extinguished; provided, however, that, as against the Survivors' Trust (as
16 successor to the Debtor), a Non-Settling Insurer may only assert any such Contribution Claim for the
17 payment of deductible or self-insured retention. The Settling Insurers shall be required to cooperate in
18 good faith with the Debtor, the Reorganized Debtor, and/or the Survivors' Trust to take commercially
19 reasonable steps to defend against any Contribution Claim by a Non-Settling Insurer.

20 **E. ~~D.~~ Cooperation with Non-Settling Insurers**

21 The Survivors' Trust and the Debtor (including the Estate and the Reorganized Debtor) shall have
22 the obligation as provided in the Abuse Insurance Policies to cooperate with the Non-Settling Insurers
23 with respect to the investigation and defense of Abuse Claims pursuant to the terms of the Non-Settling
24 Insurers' respective Abuse Insurance Policies, including with respect to preserving any documents
25 relevant to liability or coverage disputes, making documents and witnesses available to the Non-Settling
26 Insurers concerning such disputes, and maintaining privilege with regard to the defense.

27 The Reorganized Debtor and its agents will not voluntarily waive any privilege under applicable
28 non-bankruptcy law applicable to documents or communications related to alleged Abuse Claims
(collectively, "Privileged Communications"). Without limiting the generality of the foregoing, neither the
Reorganized Debtor nor its agents shall provide the Survivors' Trust or any Holder of an Abuse Claim
with any Privileged Communications, absent the express consent of all affected Non-Settling Insurers or
a court order compelling such a production. The Reorganized Debtor shall provide prompt notice of any
requests and/or motions to compel disclosure of Privileged Communications and cooperate with affected
Insurers with respect to the same.

The Non-Settling Insurers shall reserve all coverage defenses with respect to any current or future
failure to cooperate. The Debtor and the Survivors' Trust reserve all rights under the applicable Abuse
Insurance Policies of the Non-Settling Insurers. The terms of the Plan (including Articles VIII and IX of
the Plan) constitute a voluntary agreement by the Non-Settling Insurers to the Insurance Assignment, and
such terms shall not be deemed to be an involuntary order to that effect.

F. ~~E.~~ Reductions In Non-Settling Insurers' Liability

No ~~Holder of an Abuse Claim who elects the~~ Litigation ~~Option~~ Claimant shall recover in the
aggregate from the Survivors' Trust and any Non-Settling Insurer an amount greater than the total amount
of the judgment entered by the applicable court of competent jurisdiction ~~in connection with~~ such
Holder's underlying Abuse Claim, subject to the terms of Section 5.14 of the Plan. A Non-Settling Insurer
shall have all rights available under non-bankruptcy law to assert, seek, and enforce any right to offset,
recoup, or otherwise reduce its liability ~~in connection with~~ any such entered judgment, including

1 without limitation all rights available under non-bankruptcy law to assert, seek, and recover on such claims
2 against the Survivors' Trust.

3 ARTICLE X

4 MEANS FOR IMPLEMENTATION OF THE PLAN

5 The Plan provides for means of implementation as set forth in Article XII thereof, and described
6 below.

7 A. Revesting.

8 The Plan provides that property of the bankruptcy estate will revest in the Reorganized Debtor on
the Effective Date, as follows:

- 9 a. *Revesting of Property in the Reorganized Debtor.* On the Effective Date, all
10 property of the Estate as defined in Section 541 of the Bankruptcy Code, including
11 any Causes of Action, shall revest in the Reorganized Debtor, free and clear of all
12 liens and encumbrances and all Claims, rights, interests, and entitlements.
Thereafter, the Reorganized Debtor may use, sell, transfer or exchange such
13 property in its discretion, subject to any restriction or limitation set forth in the Plan.
- 14 b. *Obtaining Credit.* At any time after the Effective Date the Reorganized Debtor may
15 obtain credit in its sole discretion without approval of the Bankruptcy Court.
- 16 c. *No Waiver.* No claim, right, Cause of Action, or other property of the Estate shall
17 be deemed waived or otherwise forfeited by the Debtor's failure to identify such
18 property in the Schedules or the Disclosure Statement accompanying the Plan.

19 B. Child Protection Measures.

20 In order to further promote healing and reconciliation, and in order to continue efforts to prevent
21 Abuse from occurring in the future, the Reorganized Debtor agrees that, as of the Effective Date (unless
22 a different date is provided in the Confirmation Order), it will use continue the non-monetary measures
23 outlined in Article IV(G) above entitled "Debtor's Mission to Effect Reconciliation and Compensation."

24 C. CCCEB Settlement

25 Through the CCCEB Settlement, the Plan contemplates that, in full and complete satisfaction of
26 all obligations under the CCCEB Note, on the Effective Date, CCCEB shall transfer fee simple title to the
27 Cathedral Center to the Reorganized Debtor, together with all improvements thereon and all tangible
28 personal property owned by CCCEB and located on or used in connection with operation of the Cathedral
Center.

In connection with the CCCEB Settlement:

- a. CCCEB shall assign to the Reorganized Debtor, and the Reorganized Debtor shall
assume all obligations of CCCEB under, all current contracts related to
maintenance and operation of the Cathedral Center, provided that the Reorganized
Debtor may decline to assume any such contract following reasonable diligence
review, and further provided that to the extent any such contracts are not assignable
under their terms or applicable law or assignment would constitute a breach under
the terms of such contract, Reorganized Debtor may instead, at its election, fund

1 CCCEB's obligations for payment under any such contracts.

- 2 b. Funds in deposit accounts in the name of or controlled by CCCEB for operation of
3 the Cathedral Center shall, at the Reorganized Debtor's election, be transferred to
4 the Reorganized Debtor, or otherwise used for operating expenses related to the
5 Cathedral Center or otherwise to pay the debts of CCCEB.
- 6 c. CCCEB shall assign to RCBO, and RCBO shall assume all obligations under the
7 existing User Agreements.
- 8 d. Following effectuation of the CCCEB Settlement as set forth in the Plan, CCCEB
9 shall have no further obligation or liability of any kind for the debt evidenced by
10 the CCCEB Note, or in connection with the CCCEB Note. The Plan provides that
11 the Debtor will reject the existing lease with CCCEB as it will no longer be
12 necessary.

9 The CCCEB Settlement provides a straightforward, practical resolution of CCCEB's unpaid debt
10 to the Debtor under the CCCEB Note. CCCEB has no material assets other than the Cathedral Center. It
11 also has no income other than lease payments and user fees paid by the Debtor and other users of the
12 Cathedral Center, substantially all of which are devoted to operation and maintenance of the Cathedral
13 Center. CCCEB is therefore unable to service the CCCEB Note and has no foreseeable means to repay
14 the principal balance thereunder. Based on appraisals obtained by the Debtor, the Cathedral Center has a
15 value in excess of the balance due under the CCCEB Note. Sale of the Cathedral Center in order to repay
16 the CCCEB Note is not a viable option for either CCCEB or the Debtor for reasons, including (i) the
17 Cathedral is essential to the Debtor's religious mission and serves as home to the Cathedral of Christ the
18 Light parish Church; (ii) the Debtor relies on use of the administrative offices and rectory in the Cathedral
19 Center; and (iii) the Cathedral Center includes a mausoleum licensed to RCC requiring maintenance in
20 perpetuity. The CCCEB Settlement therefore reflects a practical means for the Debtor to collect under the
21 CCCEB Note through transfer of CCCEB's sole material asset to the Debtor.

16 In evaluating settlements, bankruptcy courts in the Ninth Circuit consider the following factors:
17 (a) The probability of success in the litigation; (b) the difficulties, if any, to be encountered in the matter
18 of collection; (c) the complexity of the litigation involved, and the expense, inconvenience and delay
19 necessarily attending it; and (d) the paramount interest of the creditors. *See In re A & C Properties*, 784
20 F.2d 1377, 1381 (9th Cir. 1986). The obligation of CCCEB to the Debtor is clear, so there is a high
21 probability that the Debtor would prevail in litigation. Because CCCEB has no material assets other than
22 title to the Cathedral Center, the only avenue for collection would be through foreclosure of a judgment
23 lien on the Cathedral Center. If the Debtor were to seek collection of the CCCEB Note by obtaining and
24 executing on a judgment against CCCEB, the end result would be that the Debtor would obtain title to the
25 Cathedral Center real property through foreclosure on a judgment lien. While the litigation would not be
26 particularly complex, it would entail needless expense and delay. The CCCEB Settlement achieves the
27 same result without the need for the expense and delay of litigation. Considering the overall paramount
28 interests of creditors and the interests of the Debtor, the CCCEB Settlement is in the best interests of the
estate and creditors because it achieves the same results that would be achieved through litigation and
collection in a much more expedient, orderly, and less costly manner.

24 **D. Treatment of Actions and Causes of Action.**

25 On the Effective Date, all Causes of Action held by the Estate or the Debtor other than those
26 included in the Survivors' Trust Assets shall be deemed fully vested in the Reorganized Debtor. Pursuant
27 to Section 1123(b)(3) of the Bankruptcy Code, the Reorganized Debtor shall retain and have the exclusive
28 authority and standing to prosecute, enforce, pursue, sue on, settle or compromise any and all Causes of
Action (including Avoidance Actions), arising before the Effective Date, including all Causes of Action
of a trustee and debtor-in-possession under the Bankruptcy Code, but not including the Insurance

1 Coverage Litigation, Assigned Insurance Interests, and any other Causes of Action expressly released or
2 compromised as part of or pursuant to the Plan or by other order of the Bankruptcy Court entered prior to
3 the Effective Date. The Reorganized Debtor shall also retain and may prosecute and enforce all defenses,
4 counterclaims, and rights that have been asserted or could be asserted by the Debtor against or with respect
5 to all Claims asserted against the Debtor or property of the Estate. Failure to specifically identify potential
6 Causes of Action in the Plan shall not be deemed a waiver of any such Cause of Action by the Debtor,
7 Reorganized Debtor, or the Survivors' Trust.

8 **E. Continued Existence.**

9 From and after the Effective Date, the Debtor shall continue in existence as the Reorganized Debtor
10 in accordance with applicable law for all purposes, including, among other things, (a) enforcing and
11 prosecuting claims, interests, rights, and privileges of the Debtor including, without limitation, prosecuting
12 Causes of Action, (b) resolving Disputed Claims, (c) administering the Plan, (d) filing appropriate tax
13 returns and refund requests, and (e) performing all such other acts and conditions required by and
14 consistent with consummation of the Plan.

15 **F. The Survivors' Trust.**

16 On the Effective Date, the Survivors' Trust shall be created, as provided in Article IX of the Plan,
17 and described in Article VII of this Disclosure Statement.

18 **G. Post-Effective Date Prosecution of Non-Abuse Litigation Claims.**

19 Section 12.7 of the Plan includes the following provisions regarding litigation claims pending
20 against the Debtor that are not Abuse Claims:

- 21 a. *Relief from the Automatic Stay.* Effective upon the Effective Date, Holders of Class
22 6 Claim are granted relief from the automatic stay of Section 362 of the Bankruptcy
23 Code solely for the purpose of continuing to prosecute their Class 6 Claim in a court
24 of competent jurisdiction (each, a "Class 6 Action"), including but not limited to
25 litigating such action through entry of a judgment, prosecution of any appeals
26 and/or settlement of such action, subject to the terms and conditions set forth herein.
27 All Holders of Class 6 Claims shall be permitted, but not required, to liquidate their
28 Class 6 Action in a court of competent jurisdiction in accordance with 28 U.S.C. §
157(b)(2)(B).
- b. No less than sixty (60) days after the Effective Date, the Reorganized Debtor shall
establish the Non-Abuse Litigation Reserve and fund it with \$750,000.00.
- c. *Sources of Recovery for Non-Abuse Litigation Claims.* Notwithstanding any
provision to the contrary in the Plan Documents, Holders of Class 6 Claims shall
be entitled to prosecute and/or settle their respective Class 6 Action, provided that
each such Holder shall be limited to recovering from (i) the proceeds of any
applicable insurance policy which provides coverage, or could provide coverage,
with respect to such Class 6 Claim and (ii) its *pro rata* portion of the Non-Abuse
Litigation Reserve; provided, however, no Holder of a Class 6 Claim may recover
more than \$250,000.00 from the Non-Abuse Litigation Reserve. Effective upon
the Effective Date, Holders of Class 6 Claims shall be otherwise barred and
enjoined from seeking recovery on any judgment or settlement obtained in their
respective Class 6 Action from the assets of the Debtor, Reorganized Debtor,
Contributing Non-Debtor Catholic Entities, Survivors' Trust, and any other party
receiving a release under the Plan.

1 d. *Insurance Coverage for Non-Abuse Litigation Claims.* All parties, including, but
2 not limited to, any insurer under any insurance policy alleged to provide coverage
3 of a Class 6 Claim, reserve and expressly do not waive any of their rights, remedies
4 and/or defenses with respect to any Class 6 Claim. If any insurer denies and/or
5 disclaims coverage of a Class 6 Claim, the Debtor or Reorganized Debtor (as
6 applicable) shall reasonably cooperate at the sole cost of the Holder of such Class 6
7 Claim to assign to that Holder the right to pursue and receive the proceeds of any
8 applicable coverage under such Insurer's Abuse Insurance Policy or Abuse Insurance
9 Policies. Nothing contained herein shall be deemed a representation or warranty
10 concerning the availability, scope or interpretation of any insurance coverages
11 which may or may not exist for Class 6 Claims.

7 **H. Bankruptcy Procedure and Transition.**

8 *Notice Required Post-Confirmation.* Except as otherwise specifically provided in the Plan, notice
9 of Filings in the Bankruptcy Court after the Confirmation Date, including fee applications, shall be
10 required to be given only to Persons or Entities on the Post-Confirmation Notice List. Consistent with the
11 Local Rules of the Bankruptcy Court, no other form of service shall be required on parties receiving
12 service through ECF. The Post-Confirmation Notice List consists of: (a) the Reorganized Debtor; (b) the
13 Survivors' Trustee; (c) the Office of the United States Trustee; (d) Persons against whom relief is sought;
14 and (e) Persons who request notice of such matters through a written request that is filed with the
15 Bankruptcy Court and served on the Debtor not earlier than the Confirmation Date.

16 *Dissolution of the Committee.* On the Effective Date, the Committee shall be dissolved and the
17 Committee and its members, as of the Effective Date, shall be discharged of and from all further authority,
18 duties, responsibilities, and obligations related to, arising from and in connection with the Chapter 11
19 Case.

20 *Statutory Fees.* Section 12.8.4 of the Plan includes specific provisions regarding payment of
21 statutory fees to the United States Trustee as required by 28. U.S.C. § 1930(a)(6).

22 **I. Post-Petition Deposits.**

23 As of the Effective Date, the Reorganized Debtor shall be authorized to close the Adequate
24 Assurance Account, as defined in the *Final Order Establishing Adequate Assurance Procedures With
25 Respect to The Debtor's Utility Providers* [Docket No. 114], and retain all funds held therein. From and
26 after the Effective Date, the Reorganized Debtor may, at its election, demand the refund of any deposit
27 provided to a Person other than a utility after the Petition Date or may offset the amount of such deposit,
28 at the Reorganized Debtor's election, against either post-Effective Date billings or against distributions to
the holder of such deposit on account of its Allowed Claims, or otherwise take any actions permitted by
law to obtain recovery of such deposit; for the avoidance of any doubt, the foregoing supersedes any pre-
or post-petition agreement between the holder of such deposit and the Debtor.

29 **J. Cancellation of Liens**

30 Except as otherwise specifically provided herein, upon the payment of an Allowed Secured Claim
31 in accordance with the Plan, or upon any Secured Claim being Disallowed, any lien securing such Secured
32 Claim shall be deemed released, and the holder of such Secured Claim shall be authorized and directed to
33 release any collateral or other property of the Debtor held by such holder and to take such actions as may
34 be reasonably requested by the Reorganized Debtor, to evidence the release of such Lien, including the
35 execution, delivery, and filing or recording of such releases as may be requested by the Reorganized
36 Debtor at the sole cost and expense of the Reorganized Debtor. For clarity, this Section does not modify
37 the terms of assumed Executory Contracts or Unexpired Leases of real property.

1 **K. Other Actions.**

2 On and after the Effective Date, the Reorganized Debtor shall be authorized to take such actions
3 as are reasonably necessary to complete and effectuate the terms of the Plan, subject only to the specific
4 limitations contained in the Plan, the Bankruptcy Code or Bankruptcy Rules, and any order of the Court.

4 **L. General Settlement.**

5 Pursuant to Sections 105 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in
6 consideration for the classification, distributions, releases, and other benefits provided under the Plan, on
7 the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of
8 all Claims and controversies resolved pursuant to the Plan, including without limitation the CCCEB
9 Settlement. On or before the Effective Date, the Bankruptcy Court will have approved, by Final Order,
10 such compromises, and the Bankruptcy Court's findings will constitute its determination that such
11 compromises and settlements are in the best interests of the Debtor, the Estate, Holders of Abuse Claims
12 (including Unknown Abuse Claims), Holders of other Claims, and other parties in interest, and are fair,
13 equitable, and within the range of reasonableness. To the extent a separate Final Order is not entered on
14 or before the Confirmation Date, the entry of the Confirmation Order will constitute the Final Order
15 approving the compromises and settlements hereunder.

11 **M. Closing of the Case.**

12 As soon as reasonably practicable when the Reorganized Debtor deems appropriate, consistent
13 with the provisions of the Plan, the Bankruptcy Code including without limitation Section 350 of the
14 Bankruptcy Code, the Bankruptcy Rules including without limitation Bankruptcy Rule 3022, and the
15 Local Rules of the Bankruptcy Court, the Reorganized Debtor shall file and serve an application for entry
16 of a Final Decree closing the Chapter 11 Case, together with a proposed Final Decree. A Final Decree
17 may be entered before the Survivors' Trust is fully administered, and the expectation that the Survivors'
18 Trust will make further distributions shall not be a basis for delaying entry of a Final Decree. Entry of a
19 Final Decree closing the Chapter 11 Case shall, whether or not specified therein, be without prejudice to
20 the right of the Reorganized Debtor, the United States Trustee, the Survivors' Trustee, or any other party
21 in interest to reopen the Chapter 11 Case for any matter over which the Bankruptcy Court or the District
22 Court has retained jurisdiction under the Plan. Any Final Decree or order closing the Chapter 11 Case
23 will provide that the Bankruptcy Court or the District Court, as appropriate, will retain (a) jurisdiction to
24 enforce, by injunctive relief or otherwise, the Confirmation Order, any other orders entered in this Chapter
25 11 Case, and the obligations created by the Plan and the Plan Documents; and (b) all other jurisdiction
26 and authority granted to it under the Plan and the Plan Documents

20 **ARTICLE XI**

21 **DISPUTED CLAIMS AND CLAIMS DISTRIBUTIONS**

22 **A. Single Claim.**

23 Except as otherwise provided by the Plan, a Person that holds multiple Allowed Claims based on
24 the same indebtedness or obligation, shall be deemed to have only one Allowed Claim against the Estate
25 in an amount equal to the largest of similar Claims for the purposes of voting and distribution under the
26 Plan.

26 **B. Objections to Claims**

27 *Parties Permitted to Object to Claims*

1 Any party in interest may object to Claims to the extent permitted under Section 502(a) of the
2 Bankruptcy Code and the Holder of any Claim to which an objection is made is entitled to assert their
defenses to such objection.

3 *Time Limits for Objections*

4 The Reorganized Debtor and the Survivors' Trust may File an objection to any Claim at any time
through the closing of the Chapter 11 Case. For all other parties in interest except Non-Settling Insurers
5 who agree to defend against any ~~Abuse Claim Holder who elects the~~ Litigation ~~Option~~ Claimant as set
6 forth in Section 5.2.2, Article VIII, and Article IX of the Plan, objections to a Claim must be Filed on or
before the Claims Objection Deadline.

7 *Disputed Claims*

8 Upon the filing of an objection to a Claim, the Claim shall be a Disputed Claim.

9 **C. Treatment of Disputed Claims**

10 Until such time as an unliquidated Claim, contingent Claim, an unliquidated or contingent portion
of a Claim, or a Claim which has been objected to becomes Allowed or is Disallowed, such Claim will be
11 treated as a Disputed Claim for all purposes related to Plan Distributions. No distribution shall be made
on account of any Disputed Claim unless and until all objections to such Disputed Claim have been settled
12 or withdrawn or have been determined by a non-appealable order, and the Disputed Claim has become an
Allowed Claim. In the event that Disputed Claims in Class 2 or Class 3 are pending at the time of a
13 distribution under the Plan, the Reorganized Debtor shall maintain a reasonable reserve for such Disputed
Claims. No distribution of such reserved funds for a Disputed Claim shall be made until such Disputed
14 Claim has been resolved by order of the Court or compromise consistent with the terms of the Plan and
the Bankruptcy Code. Distributions for Disputed Claims in Class 4 or Class 5 shall be as provided in the
15 Survivors' Trust Distribution Plan and/or other Survivors' Trust Documents.

16 **D. Late Filed Claims.**

17 Claims ~~that~~ required to be submitted, but which are not ~~filed~~ submitted, on or before ~~the~~ their
18 applicable Claims Bar Date, unless or which are not otherwise deemed timely and/or Allowed by order of
the Court, shall receive no distribution under the Plan. Instead, they shall be deemed Disallowed Claims,
19 and expunged. The submission of a Ballot shall not constitute an amendable informal Proof of Claim or
an amendment to a previously filed Proof of Claim or scheduled Claim. Any amendment to an otherwise
20 timely filed Proof of Claim must be filed on or before the Confirmation Date, provided that the foregoing
shall not waive or modify the right of any party in interest to object to amendment of a Claim before the
Confirmation Date. The Unknown Abuse Claims Representative need not submit or File a Proof of Claim
21 on behalf of Holders of Class 5 Claims as a prerequisite to vote on the Plan or for any Class 5 Claims to
be deemed Allowed. If there are any Holders of Class 5 Claims, they shall submit their Claims in
22 accordance with the procedure for submitting Unknown Abuse Claims under the Trust Documents.

23 **E. Claims Estimation**

24 To effectuate distributions pursuant to the Plan and avoid undue delay in the administration of the
Plan, the Reorganized Debtor or the Survivors' Trustee, as applicable, shall have the right to seek an order
25 of the Court pursuant to Section 502(c) of the Bankruptcy Code as to any Disputed Claim, estimating or
limiting: (i) the amount that must be withheld from or reserved for distribution purposes on account of
26 such Disputed Claim(s), (ii) the amount of such Claim for allowance or disallowance purposes, or (iii) the
amount of such Claim for any other purpose permitted under the Bankruptcy Code. Whether any such
27

1 Claim is subject to estimation pursuant to Section 502(c) of the Bankruptcy Code, and the timing and
2 procedures for such estimation proceedings, if any, shall be determined by the Court.

3 **F. No Distribution on Disallowed Claims**

4 Notwithstanding any provision in the Plan to the contrary, no distribution shall be made on account
5 of any Claim which is not an Allowed Claim.

6 **G. Timing of Distributions on Allowed Claims.**

7 *Next Business Day*

8 Whenever any distribution on a Claim to be made pursuant to the Plan would otherwise be due on
9 a day other than a Business Day, such distribution shall be due on the immediately succeeding Business
10 Day.

11 *Timeliness*

12 Any distribution on a Claim to be made by the Reorganized Debtor pursuant to the Plan or
13 agreements entered into pursuant to the Plan, or by the Survivors' Trust pursuant to the Plan or Survivors'
14 Trust Documents or agreements entered into pursuant to either, shall be deemed to have been timely made
15 if made within 15 days after the time therefor specified in the Plan or such other agreements between the
16 Holder of a Claim and the Debtor, Reorganized Debtor, or Survivors' Trust, as applicable. No additional
17 interest shall accrue or be paid with respect to any distribution as a consequence of such distribution not
18 having been made on the date specified therefor herein. For the avoidance of doubt, this section does not
19 modify the terms of assumed Executory Contracts or Unexpired Leases of non-residential real property.

20 **H. Transfers of Claims.**

21 As of the close of business on the Confirmation Date, there shall be no further changes in the
22 record holders of the Claims for purposes of distributions under the Plan unless the Reorganized Debtor
23 (as to all Claims other than Class 4 and Class 5 Claims) or the Survivors' Trustee (as to Class 4 and Class
24 5 Claims) otherwise agree. Neither the Reorganized Debtor nor the Survivors' Trustee shall have any
25 obligation to recognize any unapproved transfer of Claims occurring after the Confirmation Date.

26 **I. Prepayment of Claims.**

27 Notwithstanding anything to the contrary in the Plan or the Plan Documents, the Reorganized
28 Debtor may prepay all or any portion of an Allowed Claim payable by the Reorganized Debtor or a note
issued by the Debtor or Reorganized Debtor in payment of an Allowed Claim at any time without charge
or penalty.

J. Delivery of Distributions.

Distributions to holders of Allowed Claims, other than Class 4 or Class 5 Claims, will be sent to
(i) the addresses set forth in any written notice of address change delivered to the Debtor or the
Reorganized Debtor after the date of any related Proof of Claim; (ii) the address set forth on such holder's
Proof of Claim filed with the Court; (iii) the address set forth on the schedules, if no Proof of Claim has
been filed and no notice of change of address has been received; or (iv) to the last known address reflected
in the Debtor's books and records. Distributions to Abuse Claimants and Unknown Abuse Claimants
from the Survivors' Trust Assets will be made in accordance with the Survivors' Trust Documents.

1 **K. Unclaimed Distributions.**

2 If a holder of an Allowed Claim cannot be located after reasonable effort, or otherwise fails to
3 accept a distribution within 90 days following the date of such distribution, then the distribution to such
4 holder shall be canceled and there shall be no further distributions required with respect to such Claim.

4 **L. No Interest on Claims.**

5 Unless otherwise specifically provided for in the Plan, by applicable law (including Section 506(b)
6 of the Bankruptcy Code), or agreed to by the Debtor or the Reorganized Debtor (as applicable): (i) interest
7 shall not accrue or be paid on any Claim, and no holder of any Claim shall be entitled to interest accruing
8 on and after the Petition Date on account of any Claim; and (ii) without limiting the foregoing, interest
9 shall not accrue on or be paid on any Disputed Claim in respect of the period from the Effective Date to
10 the date a final distribution is made when and if such Disputed Claim becomes an Allowed Claim.

9 **M. Provisions Governing Unimpaired Claims.**

10 Except as otherwise provided in the Plan, nothing will affect the Debtor's or the Reorganized
11 Debtor's rights and defenses with respect to any Unimpaired Claims, including, but not limited to, all
12 rights with respect to legal and equitable defenses to, or setoffs or recoupments against, such unimpaired
13 Claims.

12 **N. Additional Terms Regarding Class 4 and Class 5 Claims.**

13 Except as otherwise provided in Article V of the Plan, terms for resolution of and distribution to
14 Abuse Claims in Class 4 or Class 5 shall be as provided in the Survivors' Trust Documents. For the
15 avoidance of doubt, (i) any such Holder of an Abuse Claim shall not recover in the aggregate from the
16 Survivors' Trust and any Non-Settling Insurer an amount greater than the amount of the judgment issued
17 by the applicable court of competent jurisdiction ~~in connection with~~ on the underlying Abuse Claim, (ii)
18 [any such Holder of an Abuse Claim is not barred by this Section 5.14 from seeking extracontractual
19 damages under the holding of *Hand v. Farmers Ins. Exchange*, 23 Cal. App.4th 1847 \(1994\) \("*Hand*"\),
20 and \(iii\) all defenses and the rights of any Non-Settling Insurer to oppose any such claim by a Holder of
21 an Abuse Claim under *Hand* are fully preserved, including that *Hand* is not a correct statement of
22 applicable law and that it would not apply to any such asserted claim.](#)

19 **ARTICLE XII**

20 **EFFECTIVE DATE**

21 **A. Conditions Precedent to Effective Date**

22 The Effective Date shall not occur, and the Plan shall not go into effect, unless each of the
23 following conditions are satisfied or waived as set forth in Section 10.2 of the Plan:

24 1. The Confirmation Order shall have been entered and shall be a Final Order in a form
25 reasonably acceptable to the Debtor, and there shall be no stay or injunction that would prevent the
26 occurrence of the Effective Date. The Debtor in its sole discretion may waive the requirement that the
27 Confirmation Order be a Final Order.

26 2. There shall have been no material amendments to the Plan or Confirmation Order.

1 3. The Debtor and all other necessary parties shall have executed all documents and entered
2 into all agreements as may be necessary in connection with the Exit Facility described in Article XI of the
Plan.

3 4. The Debtor, the Survivors' Trustee, and any other necessary parties shall have executed all
4 documents necessary for formation of the Survivors' Trust, and for the Survivors' Trustee to administer
and operate the Survivors' Trust.

5 5. All approvals necessary to effectuate the transfer of the Livermore Property to the
6 Survivors' Trust have been obtained.

7 6. Transfer of funds to the Survivors' Trust for all initial contributions to the Survivors' Trust
shall have been made, and the proof thereof provided to the Debtor and the Survivors' Trustee.

8 7. All other actions, authorizations, filings, consents, and approvals required (if any),
9 including but not limited to canonical approvals, shall have been obtained, effected, or executed in a
10 manner acceptable to the Debtor and remain in full force and effect or, if waivable, waived by the Person
or Persons entitled to the benefit thereof.

11 8. All other actions, documents, and agreements necessary to implement and effectuate the
Plan shall have been effected or executed.

12 9. The statutory fees owing to the United States Trustee as of the deadline for payment
13 immediately preceding the Effective Date shall have been paid in full.

14 **B. Waiver of Conditions Precedent to the Effective Date**

15 Any condition to the occurrence of the Effective Date set forth in Section 10.2 of the Plan may be
16 waived, in whole or in part, by the Debtor, subject to approval of the Court, provided that Sections 10.2.3
17 and 10.2.4 are not waivable. The failure to satisfy any material condition to Confirmation or the Effective
18 Date may be asserted by the Debtor in its sole discretion so long as such failure was not primarily caused
by any action or inaction by the Debtor. The failure of the Debtor to exercise any of the foregoing rights
19 shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right,
which may be asserted at any time.

20 **C. Revocation of the Plan.**

21 As provided in Section 10.4 of the Plan, if Confirmation does not occur, an order denying
22 Confirmation is entered by the Court, or if the Plan does not become effective, then the Plan shall be null
23 and void, and nothing contained in the Plan or Disclosure Statement shall: (a) constitute a waiver or release
of any Claims against the Debtor; (b) constitute a waiver or release of any right, claim or cause of action
24 of the Debtors; (c) constitute an admission of any fact or legal conclusion by the Debtor or any other
Person; (d) prejudice in any manner the rights of the Debtor or any other party in any related or further
25 proceedings; or (e) constitute a settlement, implicit or otherwise, of any kind whatsoever.

26 **ARTICLE XIII**

27 **EFFECTS OF PLAN CONFIRMATION AND EFFECTIVE DATE**

28 Article XIII of the Plan provides that confirmation and effectiveness of the Plan will have the
effects set forth below, as of the Effective Date:

1 **A. Binding Effect of Confirmation.**

2 Section 13.1 of the Plan provides that as of the Confirmation Date, but subject to occurrence of
3 the Effective Date, the provisions of the Plan shall be binding on and inure to the benefit of the Debtor,
4 the Estate, all Holders of Claims against the Debtor, and all other Persons or Entities whether or not such
5 Persons or Entities have accepted the Plan. The rights, benefits, and obligations of any Person or Entity
named or referred to in the Plan will be binding on, and will inure to the benefit of, the executors,
administrators, successors and assigns of each Person or Entity (as applicable), whether or not they have
accepted the Plan.

6 **B. Ratification.**

7 Subject to all of the terms of the Plan, the Confirmation Order shall be deemed to ratify all
8 transactions effectuated by the Debtor during the pendency of the Chapter 11 Case to the extent occurring
pursuant to an order of the Court.

9 **C. Discharge of Claims**

10 Under Section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in
11 the Plan or in any agreement or document executed pursuant to the Plan, the distributions, rights, and
12 treatment of Claims and Causes of Action in the Plan shall be in complete satisfaction, discharge, and
13 release, as of the Effective Date, of Claims and Causes of Action that arose prior to the Effective Date,
14 whether known or unknown, against, the Debtor (including for the avoidance of doubt the Churches) or
15 any of its assets or properties, including without limitation (i) any demands, liabilities, and Causes of
16 Action that arose before the Effective Date, (ii) any liability to the extent such Claims relate to services
17 performed by employees of the Debtors before the Effective Date and that arise from a termination of
18 employment, (iii) any contingent or non-contingent liability on account of representations or warranties
issued on or before the Effective Date, and (iv) all debts of the kind specified in Sections 502(g), 502(h),
or 502(i) of the Bankruptcy Code. Any default by the Debtor with respect to any Claim existing
immediately before or on account of the filing of the Chapter 11 Case shall be deemed cured on the
Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims
subject to the Effective Date occurring.

18 **D. Confirmation Injunction.**

19 Except as expressly provided in the Plan or the Confirmation Order, as of the Effective Date all
20 Holders of Claims of any nature whatsoever against or in the Debtor or any of its assets or properties based
21 upon any act, omission, transaction, occurrence, or other activity of any nature that occurred before the
22 Effective Date shall be precluded and permanently enjoined from prosecuting or asserting any such
23 discharged Claim against the Debtor or the Reorganized Debtor or the property of the Debtor or
Reorganized Debtor. In accordance with the foregoing, except as expressly provided in the Plan or the
Confirmation Order, the Confirmation Order shall be a judicial determination of discharge or termination
of all Claims, and other debts and liabilities against or in the Debtor pursuant to Sections 105, 524 and
1141 of the Bankruptcy Code, and such discharge shall void any judgment obtained against the Debtor at
any time to the extent such judgment relates to a discharged Claim.

24 **E. Injunction Against Interference with the Plan.**

25 Upon the entry of the Confirmation Order, all Holders of Claims and other parties in interest, along
26 with their respective present or former affiliates, employees, agents, officers, directors, attorneys, or
27 principals, shall be enjoined from taking any actions to interfere with the implementation or consummation
28 of the Plan.

1 **F. Exculpation**

2 Subject to the occurrence of the Effective Date, to the fullest extent permissible under
3 applicable law and without affecting or limiting either the releases by the Debtor or the Releases by
4 Holders of Abuse Claims, and except as otherwise specifically provided in the Plan or the
5 Confirmation Order, none of the Exculpated Parties shall have or incur any liability to any Holder
6 of a Claim or any other Person for any act or omission in connection with, related to, or arising out
7 of, the Chapter 11 Case, the Plan, the pursuit of Confirmation of the Plan, the negotiation and
8 consummation of the Plan, or the administration of the Chapter 11 Case and the Plan, the property
9 to be distributed under the Plan, the administration of the Survivors' Trust Assets and the
10 Survivors' Trust by the Survivors' Trustee, or any other related agreement, or any restructuring
11 transaction, contract, instrument, release, or other agreement or document created or entered into
12 during the Chapter 11 Case in connection with the Chapter 11 Case, or upon any other act or
13 omission, transaction, agreement, event, or other occurrence related or relating to the foregoing,
14 and each Exculpated Party hereby is exculpated from any claim or Cause of Action related to the
15 foregoing; provided, however, that the foregoing shall not operate as an exculpation, waiver or
16 release for (i) any express contractual obligation owing by any such Person or Entity, (ii) willful
17 misconduct or gross negligence, and (iii) with respect to Professionals, liability arising from claims
18 of professional negligence which shall be governed by the standard of care otherwise applicable to
19 professional negligence claims under applicable non-bankruptcy law, and, in all respects, the
20 Exculpated Parties shall be entitled to rely upon the advice of counsel with respect to their duties
21 and responsibilities under the Plan; provided further that nothing in the Plan shall, or shall be
22 deemed to, release the Exculpated Parties, or exculpate the Exculpated Parties with respect to, their
23 respective obligations or covenants arising pursuant to the Plan.

14 **G. Injunction Related to Exculpation.**

15 As of the Effective Date, all Holders of Claims that are the subject of Section 13.6 are, and shall
16 be, expressly, conclusively, absolutely, unconditionally, irrevocably, and forever stayed, restrained,
17 prohibited, barred and enjoined from taking any of the following actions against any Exculpated Party
18 and, solely to the extent provided by Section 1125(e) of the Bankruptcy Code, any Entity described in
19 Section 1125(e) or its or their property or successors or assigns on account of or based on the subject
20 matter of such Claims, whether directly or indirectly, derivatively or otherwise: (a) commencing,
21 conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding
22 (including any judicial, arbitral, administrative or other proceeding) in any forum; (b) enforcing, attaching
23 (including any prejudgment attachment), collecting, or in any way seeking to recover any judgment,
24 award, decree, or other order; (c) creating, perfecting or in any way enforcing in any matter, directly or
25 indirectly, any lien or encumbrance; and/or (d) setting off, seeking reimbursement or contributions from,
26 or subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount against
27 any liability or obligation that is discharged under Section 13.3 or exculpated under Section 13.6.

21 **H. Releases by the Debtor.**

22 As of the Effective Date, except for the rights that remain in effect from and after the
23 Effective Date to enforce the Plan and the Confirmation Order, pursuant to Section 1123(b) of the
24 Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed,
25 including the service of the Released Parties and Settling Insurers, and each of them, to facilitate
26 and implement the reorganization of the Debtor, as an integral component of the Plan, the Debtor,
27 the Reorganized Debtor, and the Estate shall, and shall be deemed to, expressly, conclusively,
28 absolutely, unconditionally, irrevocably, and forever release and discharge each and all of the
Released Parties and Settling Insurers of and from any and all Causes of Action (including
Avoidance Actions), any and all other Claims, obligations, rights, demands, suits, judgments,
damages, debts, remedies, losses and liabilities of any nature whatsoever (including any derivative
claims or Causes of Action asserted or that may be asserted on behalf of the Debtor, the Reorganized

1 Debtor, or the Estate), whether liquidated or unliquidated, fixed or contingent, matured or
2 unmatured, known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law,
3 equity, contract, tort or otherwise, based on or relating to, or in any manner arising from, in whole
4 or in part, any act, omission, transaction, event, or other circumstance taking place or existing on
5 or before the Effective Date (including before the Petition Date) in connection with or related to the
6 Debtor, the Reorganized Debtor, the Estate, their respective assets and properties, the Chapter 11
7 Case, the Plan Documents, and any related agreements, instruments, and other documents created
8 or entered into before or during the Chapter 11 Case, the pursuit of entry of the Confirmation
9 Order, the administration and implementation of the Plan, including the distribution of property
10 under the Plan, or any other related agreement, or upon any other act or omission, transaction,
11 agreement, event, or other occurrence taking place on or before the Effective Date related or
12 relating to the foregoing. Notwithstanding anything to the contrary in the foregoing, the releases set
13 forth in this Section 13.8 shall not be construed as releasing any post-Effective Date obligations of
14 any Person or Entity under the Plan or any document, instrument, or agreement executed to
15 implement the Plan or reinstated under the Plan.

9 **I. Releases by Holders of Abuse Claims.**

10 As of the Effective Date, except for the rights that remain in effect from and after the
11 Effective Date to enforce the Plan and the Confirmation Order, pursuant to Section 1123(b) of the
12 Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed,
13 including the service of the Released Parties to facilitate and implement the reorganization of the
14 Debtor, as an integral component of the Plan, and except as otherwise expressly provided in the
15 Plan or the Confirmation Order, to the maximum extent permitted under applicable law, as such
16 law may be extended subsequent to the Effective Date, all Holders of Abuse Claims (including
17 without limitation Unknown Abuse Claims and any Abuse Claims that are Disputed Claims) that
18 timely return a ballot but do not affirmatively opt out of the Releases pursuant to Section 6.2 of the
19 Plan, shall, and shall be deemed to, expressly, conclusively, absolutely, unconditionally, irrevocably,
20 and forever discharge and release each and all of the Released Parties and their respective property
21 and successors and assigns of and from all Abuse Claims and any and all Claims and Causes of
22 Action whatsoever, whether known or unknown, asserted or unasserted, derivative or direct,
23 foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, whether for tort,
24 fraud, contract, veil piercing or alter-ego theories of liability, successor liability, contribution,
25 indemnification, joint liability, or otherwise, arising from or related in any way to such Abuse
26 Claims.

19 **J. Injunction Related to Releases.**

20 As of the Effective Date, and except as set forth in Articles VIII and IX hereof ~~for Holders of~~
21 ~~Abuse Claims who elect the~~ allowing Litigation ~~Option~~ Claimants to sue the Debtor (as a nominal
22 party only), all Holders of Abuse Claims that are the subject of Section 13.9 of the Plan are, and shall
23 be, expressly, conclusively, absolutely, unconditionally, irrevocably, and forever stayed, restrained,
24 prohibited, barred and enjoined from taking any of the following actions against any Released Party
25 or its property or successors or assigns on account of or based on the subject matter of such Claims,
26 whether directly or indirectly, derivatively or otherwise: (a) commencing, conducting or continuing
27 in any manner, directly or indirectly, any suit, action or other proceeding (including any judicial,
28 arbitral, administrative or other proceeding) in any forum; (b) enforcing, attaching (including,
without limitation, any prejudgment attachment), collecting, or in any way seeking to recover any
judgment, award, decree, or other order; (c) creating, perfecting or in any way enforcing in any
matter, directly or indirectly, any lien or encumbrance; and/or (d) setting off, seeking reimbursement
or contributions from, or subrogation against, or otherwise recouping in any manner, directly or
indirectly, any amount against any liability or obligation that is discharged under Section 13.3 of the
Plan or released under Section 13.9 of the Plan.

1 **K. Channeling Injunction Preventing Prosecution of Channeled Claims Against Released**
2 **Parties**

3 1. IN CONSIDERATION OF THE UNDERTAKINGS OF THE RELEASED
4 PARTIES HEREIN, THEIR CONTRIBUTIONS TO THE SURVIVORS' TRUST, AND OTHER
5 CONSIDERATION GIVEN, AND, WHERE APPLICABLE, PURSUANT TO THEIR
6 RESPECTIVE SETTLEMENTS WITH THE DIOCESE AND TO FURTHER PRESERVE AND
7 PROMOTE THE AGREEMENTS BETWEEN AND AMONG THE RELEASED PARTIES, AND
8 TO SUPPLEMENT WHERE NECESSARY THE INJUNCTIVE EFFECT OF THE DISCHARGE
9 AS PROVIDED IN SECTIONS 524 AND 1141 OF THE BANKRUPTCY CODE, AND
10 PURSUANT TO SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE:

11 a. ANY AND ALL CHANNELED CLAIMS ARE CHANNELED INTO THE
12 SURVIVORS' TRUST AND SHALL BE TREATED, ADMINISTERED, DETERMINED, AND
13 RESOLVED UNDER THE PROCEDURES AND PROTOCOLS AND IN THE AMOUNTS
14 ESTABLISHED UNDER THE PLAN, THE ALLOCATION PROTOCOL, AND THE
15 SURVIVORS' TRUST AGREEMENT AS THE SOLE AND EXCLUSIVE REMEDY FOR ALL
16 HOLDERS OF CHANNELED CLAIMS.

17 b. EXCEPT AS SET FORTH IN ARTICLES VIII AND IX HEREOF ~~FOR~~
18 ~~HOLDERS OF ABUSE CLAIMS WHO ELECT THE~~ ALLOWING LITIGATION
19 ~~OPTION~~ CLAIMANTS TO SUE THE DEBTOR (AS A NOMINAL PARTY ONLY), ALL
20 PERSONS WHO HAVE HELD OR ASSERTED, HOLD OR ASSERT, OR MAY IN THE
21 FUTURE HOLD OR ASSERT, ANY CHANNELED CLAIMS, ARE HEREBY PERMANENTLY
22 STAYED, ENJOINED, BARRED, AND RESTRAINED FROM TAKING ANY ACTION,
23 DIRECTLY OR INDIRECTLY, FOR THE PURPOSES OF ASSERTING, ENFORCING OR
24 ATTEMPTING TO ASSERT OR ENFORCE ANY CHANNELED CLAIMS AGAINST THE
25 RELEASED PARTIES, INCLUDING:

26 (i) COMMENCING OR CONTINUING IN ANY MANNER ANY
27 ACTION OR OTHER PROCEEDING OF ANY KIND WITH RESPECT TO ANY
28 CHANNELED CLAIM AGAINST ANY OF THE RELEASED PARTIES OR SETTLING
INSURERS OR AGAINST THE PROPERTY OF ANY OF THE RELEASED PARTIES Or
SETTLING INSURERS;

(ii) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING,
OR SEEKING TO ACCOMPLISH ANY OF THE PRECEDING, BY ANY MANNER OR
MEANS, ANY JUDGMENT, AWARD, DECREE, OR ORDER WITH RESPECT TO ANY
CHANNELED CLAIM AGAINST ANY OF THE RELEASED PARTIES OR SETTLING
INSURERS, OR THE PROPERTY OF ANY OF THE RELEASED PARTIES OR
SETTLING INSURERS;

(iii) CREATING, PERFECTING, OR ENFORCING, OR SEEKING TO
ACCOMPLISH ANY OF THE PRECEDING, ANY LIEN OF ANY KIND RELATING TO
ANY CHANNELED CLAIM AGAINST ANY OF THE RELEASED PARTIES OR
SETTLING INSURERS, OR THE PROPERTY OF THE RELEASED PARTIES OR
SETTLING INSURERS;

(iv) ASSERTING, IMPLEMENTING, OR EFFECTUATING ANY
CHANNELED CLAIM OF ANY KIND AGAINST:

(a) ANY OBLIGATION DUE ANY OF THE RELEASED
PARTIES;

1 (b) ANY OF THE RELEASED PARTIES OR SETTLING
2 INSURERS; OR

3 (c) THE PROPERTY OF ANY OF THE RELEASED PARTIES
4 OR SETTLING INSURERS.

5 (v) TAKING ANY ACT, IN ANY MANNER, IN ANY PLACE
6 WHATSOEVER, THAT DOES NOT CONFORM TO, OR COMPLY WITH, THE
7 PROVISIONS OF THE PLAN OR THE SURVIVORS' TRUST DOCUMENTS; AND

8 (vi) ASSERTING OR ACCOMPLISHING ANY SETOFF, RIGHT OF
9 INDEMNITY, SUBROGATION, CONTRIBUTION, OR RECOUPMENT OF ANY KIND
10 AGAINST AN OBLIGATION DUE TO ANY OF THE RELEASED PARTIES, OR THE
11 PROPERTY OF ANY OF THE RELEASED PARTIES OR SETTLING INSURERS.

12 **L. Provisions Relating to the Channeling Injunction.**

13 Pursuant to Section 13.13 of the Plan, the Channeling Injunction set forth above is subject to the
14 following provisions:

15 a. *Modifications.* The Channeling Injunction is a permanent injunction. It shall not
16 be modified, dissolved, or terminated.

17 b. *Non-Limitation.* Nothing in the Plan or the Survivors' Trust Documents shall or
18 shall be construed in any way to limit the scope, enforceability, or effectiveness of the Channeling
19 Injunction or the assumption by the Survivors' Trust of all liability with respect to the Abuse Claims.

20 c. *Bankruptcy Rule 3016 Compliance.* The Debtor's compliance with the
21 requirements of Bankruptcy Rule 3016 shall not constitute or be deemed to constitute an admission that
22 the Plan provides for an injunction against conduct not otherwise enjoined under the Bankruptcy Code.

23 d. *No Duplicative Recovery.* In no event shall any Holder of an Abuse Claim be
24 entitled to receive any payment, reimbursement, or restitution from any Released Party under any theory
25 of liability for the same loss, damage, or other Abuse Claim that is reimbursed by the Survivors' Trust or
26 is otherwise based on the same events, facts, matters, or circumstances that gave rise to the applicable
27 Abuse Claim. This provision does not prohibit a Holder of an Abuse Claim from pursuing recovery from
28 Non-Settling Insurers for coverage of an Abuse Claim, subject to Articles VIII and IX of the Plan.

29 **M. Effect of Channeling Injunction.**

30 The Channeling Injunction is an integral part of the Plan and is essential to the Plan's
31 consummation and implementation. It is intended that the channeling of the Channeled Claims as
32 provided in Section 13.12 of the Plan shall inure to the benefit of the Released Parties and the Settling
33 Insurers. In any action to enforce the injunctive provisions of Section 13.12 of the Plan against a Holder
34 of a Claim whereby it is held by a Final Order that such Holder willfully violated the terms of Section
35 13.12 of the Plan, the moving party may seek an award of costs including reasonable attorneys' fees
36 against such Holder, and such other legal or equitable remedies as are just and proper, after notice and a
37 hearing. The Channeling Injunction does not bar claims against any Non-Settling Insurer except to the
38 extent a Non-Settling Insurer becomes a Settling Insurer.

39 **N. Effect of Channeling Injunction.**

40 **NOTWITHSTANDING THE FOREGOING, AND FOR THE AVOIDANCE OF DOUBT,
41 NOTHING IN THIS ARTICLE XIII (INCLUDING THE RELEASES, INJUNCTIONS, AND**

1 EXCULPATIONS) LIMITS THE RIGHTS OF A NON-SETTLING INSURER AS SET FORTH
2 IN, OR PRESERVED BY, THE PLAN, INCLUDING (I) ARTICLES VIII AND IX AND (II) THE
3 RIGHTS OF ANY INSURER (INCLUDING NON-SETTLING INSURERS) TO ASSERT ANY
4 CLAIMS FOR REINSURANCE UNDER REINSURANCE CONTRACTS OR CLAIMS UNDER
5 RETROCESSIONAL CONTRACTS AGAINST THE SETTLING INSURERS AND OTHER
6 INSURANCE COMPANIES. FURTHERMORE, THE NON-SETTLING INSURERS ARE NOT
7 GRANTING (NOR SHALL THEY BE SUBJECT TO) ANY THIRD-PARTY RELEASE,
8 INJUNCTION, OR EXCULPATION COVERING ANY NON-DEBTOR PERSON OR ENTITY
9 AND THEY SHALL BE DEEMED TO HAVE OPTED OUT OF ANY SUCH RELEASE,
10 INJUNCTION, OR EXCULPATION.

11 ARTICLE XIV

12 RETENTION OF JURISDICTION

13 Section 15.1 of the Plan provides that the Bankruptcy Court will retain jurisdiction over the
14 Chapter 11 Case after the Effective Date for all purposes provided by the Bankruptcy Code, including the
15 specific purposes set forth in more detail therein.

16 If the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction or is otherwise
17 without jurisdiction over any matter arising out of the Chapter 11 Case, including matters set forth in
18 Section 15.1 of the Plan, such lack of jurisdiction will not diminish, control, prohibit, or limit the exercise
19 of jurisdiction by any other court having competent jurisdiction with respect to such matter.

20 ARTICLE XV

21 TAX CONSEQUENCES OF THE PLAN

22 The following is a summary of certain U.S. federal income tax consequences of the Plan to certain
23 holders of Claims. This summary is based on the Internal Revenue Code (the “Tax Code”), Treasury
24 Regulations promulgated thereunder (the “Treasury Regulations”), and administrative and judicial
25 interpretations and practice, all as in effect on the date of the Disclosure Statement and all of which are
26 subject to change, with possible retroactive effect. Due to the lack of definitive judicial and administrative
27 authority in a number of areas, substantial uncertainty may exist with respect to some of the tax
28 consequences described below. No opinion of counsel has been obtained and the Debtor does not intend
to seek a ruling from the Internal Revenue Service as to any of the tax consequences of the Plan discussed
below. There can be no assurance that the Internal Revenue Service will not challenge one or more of the
tax consequences of the Plan described below.

This summary does not apply to holders of Claims that are not U.S. Persons (as such term is defined
in the Tax Code) or that are otherwise subject to special treatment under U.S. federal income tax law
(including, without limitation, banks, governmental authorities or agencies, financial institutions,
insurance companies, pass-through entities, tax-exempt organizations, brokers and dealers in securities,
mutual funds, small business investment companies, and regulated investment companies). The following
discussion assumes that holders of Allowed Claims hold such Claims as “capital assets” within the
meaning of section 1221 of the Tax Code. Moreover, this summary does not purport to cover all aspects
of U.S. federal income taxation that may apply to holders of Allowed Claims based upon their particular
circumstances. Additionally, this summary does not discuss any tax consequences that may arise under
any laws other than U.S. federal income tax law, including under state, local or foreign tax law.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN UNITED STATES
FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND

SECOND AMENDED DISCLOSURE STATEMENT FOR SECOND AMENDED PLAN OF REORGANIZATION

1 IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE
2 INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. ALL HOLDERS OF
3 CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE,
4 LOCAL AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

5 **A. Federal Income Tax Consequences to Holders of Unsecured Claims**

6 In accordance with the Plan, all holders of General Unsecured Claims and Abuse Claims will
7 receive Distributions on their Allowed Claims. Holders of General Unsecured Claims and Abuse Claims
8 will realize a loss, if any, in an amount equal to that Claim, minus any recovery, on an adjusted tax basis.

9 The tax consequences to holders of General Unsecured Claims and Abuse Claims will differ and
10 will depend on factors specific to the holder, including but not limited to: (i) whether the Claim, or a
11 portion of the Claim, constitutes a Claim for interest or principal, (ii) the origin of the Claim, (iii) the type
12 of consideration received in exchange for the Claim, (iv) whether the holder is a United States person or
13 a foreign person for tax purposes, (v) whether the holder reports income on the accrual or cash basis
14 method, and (vi) whether the holder has taken a bad debt deduction or otherwise recognized a loss with
15 respect to the Claim.

16 The Debtor anticipate that Distributions to Abuse Claimants will, in all instances, constitute
17 damages, other than punitive damages, on account of personal physical injuries and physical sickness,
18 within the meaning of section 104(a)(2) of the Internal Revenue Code of 1986, as amended. The Debtor
19 has not, however, fully analyzed such tax issues and cannot (and do not hereby) make any assurances or
20 representations regarding the anticipated tax treatment of Abuse Claims.

21 THERE ARE MANY FACTORS THAT WILL DETERMINE THE TAX CONSEQUENCE TO
22 EACH HOLDER OF A GENERAL UNSECURED CLAIM OR AN ABUSE CLAIM. FURTHERMORE, THE TAX CONSEQUENCES OF THE PLAN ARE COMPLEX, AND IN SOME
23 CASES UNCERTAIN. THEREFORE, IT IS IMPORTANT THAT EACH HOLDER OF A GENERAL
24 UNSECURED CLAIM AND ABUSE CLAIM OBTAIN HIS, HER, OR ITS OWN PROFESSIONAL
25 TAX ADVICE REGARDING THE TAX CONSEQUENCES TO THE HOLDER OF A GENERAL
26 UNSECURED CLAIM OR ABUSE CLAIM AS A RESULT OF THE PLAN.

27 **B. Federal Income Tax Consequences to the Debtor**

28 The Debtor is a not-for-profit religious corporation having tax-exempt status under 26 U.S.C. §
501(c)(3). Due to the Debtor's status as a not-for-profit corporation, the Debtor anticipate that the
confirmation of the Plan will have no material federal income tax consequences on a cash basis for the
Debtor or the Reorganized Debtor.

C. Tax Consequences to the Survivors' Trust

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

**THE DEBTOR EXPRESSES NO OPINION REGARDING WHETHER THE
SURVIVORS' TRUST IS A DESIGNATED SETTLEMENT FUND OR A QUALIFIED
SETTLEMENT FUND. THE DEBTOR HAS NOT REQUESTED A RULING FROM 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 THEIR**

1 **OWN TAX ADVISOR REGARDING THE CHARACTERIZATION OF THE SURVIVORS'**
2 **TRUST AND THE TAX CONSEQUENCES OF SUCH CHARACTERIZATION.**

3 **ARTICLE XVI**

4 **ALTERNATIVES TO THE PLAN**

5 The Debtor believes the Plan is in the best interests of the Creditors and should accordingly be
6 accepted and confirmed. If the Plan as proposed, however, is not confirmed, the following two alternatives
7 may be available: (a) an alternative plan of reorganization may be proposed and confirmed, or (b) the
Chapter 11 Case may be dismissed. As discussed below, two other options, liquidation under chapter 7
and the appointment of a chapter 11 trustee, are not viable alternatives in this Chapter 11 Case.

8 **A. Alternative Plan Pursuant to Chapter 11 of the Bankruptcy Code**

9 If the Plan is not confirmed, the Debtor or another party in interest may propose a different plan,
10 which might involve an alternative means for reorganizing the Debtor. The Plan as proposed has the
support of, among other entities, the Contributing Non-Debtor Catholic Entities. Accordingly, the Debtor
11 believes that the terms of the Plan provide for the most favorable outcome for Creditors. The negotiation
and drafting required for additional plans would likely add substantially greater administrative expenses
12 with no guarantee of a better result for Creditors. For these reasons, the Debtor do not believe that an
alternative plan of reorganization is a preferable alternative to the Plan.

13 **B. Dismissal of the Chapter 11 Case**

14 If the Plan is not confirmed, the Debtor or another party in interest may seek to dismiss the Chapter
15 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 have the effect of restoring, or attempting
16 to restore, all parties to the position they were in immediately prior to the Petition Date.

17 Upon dismissal of the Chapter 11 Case, the protection of the Bankruptcy Code would be lost,
18 resulting in the expensive and time-consuming process of negotiation and protracted litigation between
the Debtor and individual Abuse Claimants and between the Debtor and its Insurers. In addition to the
19 expense and delay, the Debtor believes that these actions would lead to an inequitable recovery for Abuse
Claimants, with the first Abuse Claimants to obtain and enforce judgments against the Debtor depleting
20 the Debtor's assets and resulting in insufficient assets to satisfy later judgments. Therefore, the Debtor
believes that dismissal of the Debtor's Chapter 11 Case is not a preferable alternative to confirming the
Plan.

21 **C. Chapter 7 Liquidation Not a Viable Alternative**

22 Pursuant to 11 U.S.C. § 1112(c), if a debtor is "not a moneyed corporation", a debtor's chapter 11
23 case cannot be converted to a chapter 7 case without the debtor's consent. The Debtor, as a non-profit
entity, is not a moneyed corporation, and may not be forced to convert its Chapter 11 Case to a chapter 7
24 case. Thus, conversion to chapter 7 is not a viable alternative to the Plan.

25 **D. Appointment of a Chapter 11 Trustee is Not a Viable Alternative**

26 It is the position of the Debtor that, as a result of limitations imposed by the First Amendment to
the United States Constitution and the Religious Freedom and Restoration Act, a chapter 11 trustee cannot
27 be appointed to replace the Bishop's administration of the Debtor.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ARTICLE XVII

ACCEPTANCE AND CONFIRMATION OF THE PLAN

A. General Confirmation Requirements

The Bankruptcy Code requires that, in order to confirm the Plan, the Bankruptcy Court must make a series of findings concerning the Plan and the Debtor, including that (i) the Plan classifies Claims in a permissible manner; (ii) the Plan complies with applicable provisions of the Bankruptcy Code; (iii) the Debtor has complied with applicable provisions of the Bankruptcy Code; (iv) the Debtor propose the 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 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 Plan is feasible and confirmation is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor; (viii) the 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 the 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 Plan provides for the payment of such fees on the Effective Date.

1. Parties in Interest Entitled to Vote.

Pursuant to the Bankruptcy Code, only Classes of Claims that are “Impaired” (as defined in section 1124 of the Bankruptcy Code) under the Plan are entitled to vote to accept or reject the Plan. A Class is Impaired if the legal, equitable or contractual rights to which the Claims of that Class entitled the holders of such Claims are modified, other than by curing defaults and reinstating the debt. Classes of Claims that are not Impaired are not entitled to vote on the Plan and are conclusively presumed to have accepted the Plan. In addition, Classes of Claims that receive no Distributions under the Plan are not entitled to vote on the Plan and are deemed to have rejected the Plan.

2. Classes Impaired Under the Plan.

Class 3 (General Unsecured Claims), Class 4 (Abuse Claims), Class 5 (Unknown Abuse Claims), Class 6 (Non-Abuse Litigation Claims) and Class 8 (OPF Claim) are the only Classes that are Impaired and entitled to vote under the Plan.

Acceptances of the Plan are being solicited only from those holders of Claims in Impaired Classes that will or may receive a Distribution under the Plan. Accordingly, the Debtor is soliciting acceptances only from holders of Claims in Class 3 (General Unsecured Claims), Class 4 (Abuse Claims), Class 5 (Unknown Abuse Claims), Class 6 (Non-Abuse Litigation Claims) and Class 8 (OPF Claim).

3. Voting Procedures and Requirements.

VOTING ON THE PLAN BY EACH HOLDER OF AN IMPAIRED CLAIM ENTITLED TO VOTE ON THE PLAN IS IMPORTANT. YOU SHOULD COMPLETE, SIGN, AND RETURN THE BALLOT YOU RECEIVE IN ACCORDANCE WITH THE PROVISIONS SET FORTH IN ARTICLE I(B) ABOVE.

4. Ballots.

1 In voting for or against the Plan, please use only the Ballot or Ballots sent to you with this
2 Disclosure Statement. If you are a Holder of Class 3 General Unsecured Claims, Class 4 Abuse Claims,
3 Class 6 Non-Abuse Litigation Claims, or the Unknown Abuse Claims Representative entitled to vote in
4 Class 5, and you did not receive a Ballot, if your Ballot is damaged or lost, or if you have any questions
5 concerning voting procedures, please contact the Debtor’s counsel, Foley & Lardner LLP, 555 California
6 Street, Suite 1700, San Francisco, CA 94104-1520, Attention: Shane J. Moses, or the Debtor’s Claims and
7 Noticing Agent, Verita, by email at RCBOInfo@veritaglobal.com or by calling (888)-733-1425
8 (U.S./Canada) or (310)-751-2631 (International) and requesting to speak with a member of the solicitation
9 team.

6 **PLEASE FOLLOW THE DIRECTIONS CONTAINED ON THE ENCLOSED BALLOT
7 CAREFULLY, COMPLETE AND SIGN THE BALLOT AND RETURN IT TO THE DIOCESE’S
8 SOLICITATION AND CLAIMS AGENT. TO BE COUNTED, SIGNED BALLOTS MUST BE
9 RECEIVED ON OR BEFORE ____, 2025, AT 5:00 P.M., PREVAILING PACIFIC TIME.**

9 **B. Confirmation Hearing**

10 The Bankruptcy Code requires the Bankruptcy Court, after notice, to conduct a hearing regarding
11 whether the Debtor and the Plan have fulfilled the confirmation requirements of section 1129 of the
12 Bankruptcy Code. The Confirmation Hearing has been scheduled for ____, 2025 at __.m. (**prevailing
13 Pacific Time**), before the Honorable William J. Lafferty III, United States Bankruptcy Judge, at the United
14 States Bankruptcy Court for the Northern District of California, United States Courthouse, 1300 Clay
15 Street, Courtroom 220, Oakland, CA 94612. The Confirmation Hearing may be adjourned from time to
16 time by the Bankruptcy Court without further notice except for an announcement in open court at the
17 Confirmation Hearing of the date to which the Confirmation Hearing has been adjourned.

14 **C. Confirmation**

15 At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan only if the requirements
16 of section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation are that the
17 Plan (i) be accepted by the requisite holders of Claims or, if not so accepted, that it be “fair and equitable”
18 and “not discriminate unfairly” as to each non-accepting Class of Claims, (ii) be in the “best interests” of
19 each holder of a Claim that does not vote to accept the Plan in each Impaired Class under the Plan, (iii) be
20 feasible, and (iv) comply with the applicable provisions of the Bankruptcy Code.

19 **D. Acceptance of Plan**

20 As a condition to confirmation, the Bankruptcy Code requires that each class of impaired claims
21 votes to accept the plan, except under certain circumstances. A plan is accepted by an impaired class of
22 claims if holders of at least two-thirds in dollar amount and more than one-half in number of claims of
23 that class vote to accept the plan. Only those holders of claims who actually vote count in these tabulations.
24 Holders of claims who fail to vote, or whose votes are designated pursuant to section 1126(e) of the
25 Bankruptcy Code, are not counted as either accepting or rejecting a plan.

23 In addition to this voting requirement, section 1129 of the Bankruptcy Code requires that a plan
24 be accepted by each holder of a claim or interest in an impaired class or that the plan otherwise be found
25 by the bankruptcy court to be in the best interests of each holder of a claim or interest in such class. In
26 addition, each impaired class must accept the plan for the plan to be confirmed without application of the
27 “fair and equitable” and “unfair discrimination” tests in section 1129(b) of the Bankruptcy Code discussed
28 below.

1 **E. Confirmation Without Acceptance of All Impaired Classes**

2 The Bankruptcy Code contains provisions for confirming a plan even if the plan is not accepted
3 by all impaired classes, as long as at least one impaired class of claims has accepted the plan. These so-
called “cramdown” provisions are set forth in section 1129(b) of the Bankruptcy Code.

4 A plan may be confirmed under the cramdown provisions if, in addition to satisfying other
5 requirements of section 1129(a) of the Bankruptcy Code, it (a) “does not discriminate unfairly” and (b) is
6 “fair and equitable,” with respect to each class of claims that is impaired under, and has not accepted, the
Plan. As used by the Bankruptcy Code, the phrases “discriminate unfairly” and “fair and equitable” have
specific meanings unique to bankruptcy law.

7 In general, the “fair and equitable” standard, also known as the “absolute priority rule,” requires
8 that a dissenting class receive full compensation for its allowed claims before any junior class receives
any distribution. More specifically, section 1129(b) of the Bankruptcy Code provides that a plan can be
9 confirmed under that section if: (a) with respect to a secured class (i) the holders of such claims retain the
10 liens securing such claims to the extent of the allowed amount of such claims and that each holder of a
claim of such class receive deferred cash payments equaling the allowed amount of such claim as of the
11 plan’s effective date, or (ii) such holders realize the indubitable equivalent of such claims; (b) with respect
to an unsecured claim, either (i) the impaired unsecured creditor must receive property of a value equal to
12 the amount of its allowed claim, or (ii) the holders of claims and interests that are junior to the claims of
the dissenting class may not receive any property under the plan on account of such junior claim or interest;
13 and (c) with respect to a class of interests, either (i) each holder of an interest of such class must receive
or retain on account of such interest property of a value, equal to the greater of the allowed amount of any
14 fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such
holder is entitled or the value of such interest, or (ii) the holder of any interest that is junior to the interest
of such class may not receive or retain any property on account of such junior interest.

15 The requirement that a plan not “discriminate unfairly” means, among other things, that a
16 dissenting class must be treated substantially equally with respect to other classes of equal priority.

17 **IF A CLASS OF CLAIMS VOTING ON THE PLAN VOTES TO REJECT THE PLAN,
18 THE DEBTOR RESERVES THE RIGHT TO SEEK CONFIRMATION OF THE PLAN UNDER
THE CRAMDOW PROVISIONS OF THE BANKRUPTCY CODE WITH RESPECT TO SUCH
CLASS.**

19 **F. Best Interests Test**

20 In order to confirm a plan, the Bankruptcy Court must independently determine that the plan is in
the best interests of each holder of a claim in any impaired class who has not voted to accept the plan.
21 Accordingly, if an impaired class does not unanimously accept the plan, the best interests test requires the
Bankruptcy Court to find that the plan provides to each member of such impaired class a recovery on
22 account of the class member’s claim that has a value, as of the effective date of the plan, at least equal to
the value of the distribution that each such member would receive if the debtor were liquidated under
23 chapter 7 of the Bankruptcy Code on such date.

24 To calculate what holders of Claims would receive if the Debtor were liquidated under a
hypothetical chapter 7 case under the Bankruptcy Code, the Bankruptcy Court must first determine the
25 dollar amount that would be realized from such liquidation (the “Liquidation Fund”). The Liquidation
Fund would consist of the net proceeds from the disposition of the Debtor’s assets (after satisfaction of all
26 valid liens) and the recoveries on causes of action, if any, held by the Estate. The Liquidation Fund would
not include (i) the portion of the Contributing Entities’ Cash Contribution coming from Entities other than
27 the Debtor, (ii) the assignment of Assigned Insurance Interests, (iii) any contributions by Setting Insurers,
or (iv) restricted funds, which would be subject to a *cy pres* action involving the California Attorney
28

1 General. The Liquidation Fund would be reduced by the cost of the liquidation. The costs of a hypothetical
2 liquidation under chapter 7 would include the fees and expenses of the chapter 7 trustee, as well as those
3 of counsel and other professionals that might be retained by the chapter 7 trustee, selling expenses and
4 wind-down costs, any unpaid expenses incurred by the Debtor during its Chapter 11 Case (such as fees
5 for attorneys, financial advisors and accountants) which would be Allowed in the chapter 7 proceedings,
6 interest expense on secured debt and claims incurred by the Debtor during the pendency of the cases.
7 These Claims would be paid in full out of the Liquidation Fund before the balance of the Liquidation
8 Fund, if any, would be made available to holders of General Unsecured Claims and Abuse Claims. In
9 addition, other Claims that would arise upon conversion to a chapter 7 case would dilute the balance of
10 the Liquidation Fund available to holders of Claims. Moreover, additional Claims against the Estate
11 would arise as a result of the establishment of a new Bar Date for the filing of Claims in the chapter 7
12 case. The present value of the Distributions from the Liquidation Fund (after deducting the amounts
13 described above) must then be compared with the present value of the property offered to each of the
14 Classes of Claims under the Plan, to determine if the Plan is in the best interests of Claim holders.

15 The Debtor believes that a chapter 7 liquidation of its remaining Assets would result in a
16 diminution of the value realized by holders of Claims. That belief is based upon, among other factors: (a)
17 the reduced value of Debtor's remaining Assets in a chapter 7 case; (b) the additional administrative
18 expenses involved in the appointment of a chapter 7 trustee, attorneys, accountants, and other chapter 7
19 professionals; (c) the substantial time that would elapse before Creditors would receive any Distribution
20 in respect of their Claims, due to a chapter 7 trustee's need to become familiar with the Debtor's books
21 and records and the chapter 7 trustee's administration of the case; and (d) the additional Claims that may
22 be asserted against the Debtor.

23 **G. Feasibility**

24 In connection with confirmation of the Plan, the Bankruptcy Court must determine that the Plan is
25 feasible pursuant to section 1129(a)(11) of the Bankruptcy Code, which means that the confirmation of
26 the Plan is not likely to be followed by the need for liquidation or further financial reorganization of the
27 Debtor, except as proposed in the Plan.

28 In this case, the Debtor has prepared cash flow projections demonstrating that the Debtor, together
with the Contributing Non-Debtor Catholic Entities, will be able to fund the Contributing Entities' Cash
Contribution, that the Debtor and the Reorganized Debtor will be able to meet their other respective
obligations under the Plan, and that the Reorganized Debtor will have sufficient resources to support
ongoing ministries and operations. A copy of the financial projections is attached hereto as **Exhibit C**.
The cash flow projections demonstrate that the Debtor will be able to fund the Plan on the Effective Date
and that the Reorganized Debtor will be able to make all payments required pursuant to the Plan so that
no further financial restructuring will be necessary. Accordingly, the Debtor believes that the Plan satisfies
the feasibility test.

29 **H. Compliance with the Applicable Provisions of the Bankruptcy Code**

30 Section 1129(a)(1) of the Bankruptcy Code requires that the Plan comply with the applicable
31 provisions of the Bankruptcy Code. The Debtor has considered each of these provisions in the
32 development of the Plan and believe that the Plan complies with all applicable provisions of the
33 Bankruptcy Code.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ARTICLE XVIII

RISK FACTORS TO BE CONSIDERED

HOLDERS OF CLAIMS AGAINST THE DEBTOR SHOULD READ AND CONSIDER CAREFULLY THE INFORMATION SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT, PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN. THIS INFORMATION, HOWEVER, SHOULD NOT BE REGARDED AS THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND/OR ITS IMPLEMENTATION.

A. Risks Associated with the Insurance Assignment

The Insurance Assignment effected by the Plan provides Trust Claimants who choose the Litigation Option (defined above as “Litigation Claimants”) with the opportunity to liquidate their claims against the Debtor (as a nominal party) by way of a judgment in the tort system and then seek to recover the amount of their judgment under any applicable insurance policies of the Debtor. The ability of Litigation Claimants to monetize their judgment through recovery from Non-Settling Insurers on account of the Assigned Insurance Interests is a fundamental aspect of the Plan that the Debtor believes has tremendous 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 a potential future cause of action for bad faith against the Non-Settling Insurers). At present, the Debtor believes that it holds no existing bad faith cause of action against any of its Insurers. Therefore, no such cause of action (as opposed to insurance rights) can or will be assigned under the Plan. However, the Debtor believes the intent of the Plan is to assign all of Debtor’s rights under its insurance – including any potential future bad faith claims.

The Committee contends that Litigation Claimants may, nevertheless, be able to assert potential direct bad faith claims against any of Debtor’s insurers should an insurer fail in good faith to pay a covered judgment, after the Effective Date based upon the decision in *Hand v. Farmers Ins. Exchange*, 23 Cal. App.4th 1847 (1994) (“*Hand*”). Section 5.14 of the Plan reserves the rights of Litigation Claimants to try to assert such bad faith claims directly based upon potential future actions by the Insurers after the Effective Date based upon the *Hand* decision.

The Insurers contest whether any bad faith claims could be successfully asserted by Litigation Claimants, whether directly or through assignment from the Debtor. The Insurers assert, *inter alia*, that the Debtor will not be negatively affected by any post Effective Date future Insurer actions and therefore will not have a bad faith cause of action against the Insurers capable of assignment post Effective date. The Insurers further contest whether *Hand* is a correct statement of California law such that Litigation Claimants could have a direct bad faith cause of action against any Insurers. They also assert that supposed future bad faith claims based on things that have not yet happened are entirely speculative. If the Insurers’ contentions in this regard are upheld by a court in future litigation, Litigation Claimants that obtain a covered judgment against the Debtor in name only would be able to recover money from the Non-Settling Insurers under any applicable insurance policy up to the limits of those policies, but would not be able 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.

1 The Committee believes the Insurers' position is not an accurate statement of the law, and
2 certain post-confirmation conduct by Insurers that allegedly violate obligations to act in good faith
3 would survive confirmation of the Plan, such as the obligation to pay a covered judgment, and that
4 an Insurer's violation of that obligation could give rise to a direct bad faith cause of action on the part
5 of Litigation Claimants. The Debtor believes this is an open question of law, with strong arguments
6 on both sides of the issue, and does not predict here how a California court would ultimately rule.

7 The Debtor notes that the insurance coverage rights assigned to the Litigation Claimants under
8 the Plan have significant value standing alone even if the Insurers are correct regarding either the
9 Hand decision, specifically, or bad faith claims, generally, (i.e., such that there is no bad faith
10 recovery).

11 In any event, as recognized by the Court in its Memorandum Concerning Certain Issues Raised
12 During January 21, 2025 Hearing on Approval of Disclosure Statement [Dkt. No. 1673], the outcome
13 of the dispute related to potential, future bad faith claims is not merely uncertain, it is unlikely to be
14 determinable at confirmation, and likely cannot be determined until such time (if ever) that an Insurer
15 is alleged to have acted in bad faith, which may occur, if at all, years after the occurrence of the
16 Effective Date in this case.

17 **B. ~~A.~~ Objection to Classifications of Claims**

18 Section 1122 of the Bankruptcy Code provides that a plan may place a claim in a particular class,
19 only if such claim is substantially similar to the other claims in such class. The Debtor believes that the
20 classification of Claims under the Plan complies with the requirements set forth in the Bankruptcy Code.
21 However, there can be no assurance that the Bankruptcy Court will reach the same conclusion. To the
22 extent that the Bankruptcy Court finds that a different classification is required for the Plan to be confirmed
23 and the reclassification adversely affects the treatment of the Claim of any Creditor, the Debtor could be
24 required to re-solicit votes for or against the Plan.

25 The Bankruptcy Code also requires that the Plan provide the same treatment for each Claim of a
26 particular Class unless the holder of a particular Claim agrees to a less favorable treatment of its Claim.
27 The Debtor believes that the Plan complies with the requirement of equal treatment. To the extent that the
28 Court finds that the Plan does not satisfy the equal treatment requirement, the Court could deny
confirmation of the Plan.

Issues or disputes relating to classification or treatment could result in a delay of the confirmation
or consummation of the Plan and could increase the risk that the Plan will not be consummated.

C. ~~B.~~ Failure to Satisfy Voting Requirements

If the Debtor obtain the requisite votes to accept the Plan in accordance with the requirements of
the Bankruptcy Code, the Debtor intend, as promptly as practicable thereafter, to seek confirmation of the
Plan. In the event that sufficient votes are not received, the Debtor may be forced to pursue an alternative
plan of reorganization, or the Debtor may dismiss the Chapter 11 Case.

D. ~~C.~~ The Plan May Not Be Accepted or Confirmed

The Plan may not be confirmed without the affirmative acceptance of at least one Impaired Class.
Even if all voting Classes accept the Plan, the Plan may not be confirmed if the Bankruptcy Court
determines that the Plan does not meet the requirements for confirmation set forth in section 1129 of the
Bankruptcy Code. The Debtor believes that the Plan satisfies all of the relevant section 1129 requirements.

1 There can be no assurance, however, that the requisite Creditor consent will be obtained or that the
2 Bankruptcy Court will also conclude that all such requirements have been satisfied.

3 **E. ~~D.~~ The Debtor's Assumptions and Estimates May Prove Incorrect**

4 The Debtor has made certain assumptions regarding, and have attempted ~~to estimate~~ in good faith
5 and to the best of its ability to estimate, the aggregate number and amount of Claims in each Class, the
6 projected expenses incurred to date or to be incurred in connection with the confirmation and
administration of the Plan, and the assets which may be available for liquidation and Distribution under
the Plan. There can be no guarantee, however, that the Debtor's assumptions and estimates regarding these
amounts will prove to be accurate.

7 Adventus is a nonprofit, public benefit corporation with no members. Pursuant to Cal. Corp. Code
8 § 5911(a), a nonprofit, public benefit corporation with no members may transfer all or substantially all its
9 assets if approved by its board. Cal. Corp. Code § 5911(a). There is no risk Adventus will not approve
the transfer of the Livermore Property to the Survivors' Trust.

10 Under Cal. Corp. Code § 5913 the corporation must give notice to the California Attorney General
11 twenty (20) days before the transfer, if the transaction is not in its usual course of business, which transfer
12 of the Livermore Property to the Survivors' Trust is not. Cal. Corp. Code § 5913. This is a notice only
requirement. Attorney General approval is not required to move forward with the transfer of the
Livermore Property to the Survivors' Trust.

13 As stated previously, the Debtor's estimated valuation of the Livermore Property assumes the
14 property is entitled for the construction of single-family homes. The Debtor is optimistic that not only
will the City approve a change to residential use, but that the property will realize the value the Debtor
has placed on it. There is no guarantee either will happen.

15 In the event the Debtor's assumptions and estimates prove incorrect, Creditor recoveries under the
16 Plan may be materially less than projected.

17 **F. ~~E.~~ Non-Confirmation or Delay in Confirmation of the Plan**

18 In the event a party objects to the Plan, it is possible that the Bankruptcy Court may not approve
confirmation of the Plan.

19 Specifically, as outlined in the Committee Letter, the Committee does not support this Plan and
20 contests many of the legal positions taken by the Debtor and/or factual statements made herein.
21 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 Debtor's favor. Confirmation is not assured in light of
the Committee's opposition, however strongly the Debtor believes the Plan can and should be confirmed.

22 **G. ~~F.~~ Non-Consensual Confirmation**

23 In the event the Impaired Class of Claims does not accept the Plan, the Bankruptcy Court may
24 nevertheless confirm the Plan at the Debtor's request if the cramdown requirements described above are
satisfied. The Debtor believes that the Plan satisfies these requirements.

25 **H. ~~G.~~ Consent to Third-Party Releases**

26 On June 27, 2024, the Supreme Court issued its decision in *Harrington v. Purdue Pharma L.P.*,
27 No. 23-124, 144 S. Ct. 2071 (2024) (the "Purdue Decision"). In the Purdue Decision, the Supreme Court
28 ruled that a bankruptcy court does not have the authority to issue nonconsensual releases discharging
creditors' claims against non-debtor entities.

1 The Debtor and Contributing Non-Debtor Catholic Entities worked to address the Purdue Decision
2 and believe that the releases granted by Abuse Claimants to Contributing Non-Debtor Catholic Entities in
3 the Plan will be deemed consensual.

4 The third-party releases and Channeling Injunction contained in the Plan are an integral part of the
5 Debtor's overall restructuring efforts and are an essential element in obtaining the Contributing Non-
6 Debtor Catholic Entities' support for the Plan. ~~Failure of Abuse Claimants to consent to the third-party
7 releases and channeling injunctions may jeopardize Abuse Claimants from receiving any payment under
8 the Plan. If Abuse Claimants withhold consent to the releases and Channeling Injunction contemplated
9 under the Plan, there may not be adequate funding available for distribution to Abuse Claimants under the
10 Plan because the~~The contributions from the Contributing Non-Debtor Catholic Entities are contingent on
11 the Contributing Non-Debtor Catholic Entities receiving the benefit of ~~such releases~~the Plan's third-party
12 releases. ~~Failure of Abuse Claimants to consent to the third-party releases will reduce the Contributing
13 Non-Debtor Catholic Entities' contributions and thus may result in reduced recoveries for Abuse
14 Claimants under the Plan.~~ Should this scenario occur, the Contributing Non-Debtor Catholic Entities may
15 not approve the confirmation order, which is a condition of confirmation under the ~~plan~~Plan, and the Plan
16 may fail, which will significantly delay any recovery for Abuse Claimants.

17 **I. ~~H.~~ Risk of Non-Occurrence of the Effective Date**

18 Although the Debtor believes that the Effective Date will occur reasonably soon after the
19 Confirmation Date, there can be no assurance as to the timing or as to whether the Effective Date will in
20 fact occur.

21 **J. ~~I.~~ Non-Settling Insurers May Raise Objections to Confirmation**

22 Certain Non-Settling Insurers may object to confirmation of the Plan by asserting that the Plan
23 impermissibly alters their contractual rights, duties and obligations under their Insurance Policies. For
24 example, certain insurers raise concerns regarding, among other things, the Plan's treatment of applicable
25 self-insured retentions required under any Non-Settling Insurer Policy.

26 Although the Debtor does not believe there is any merit to such objections or assertions, if any,
27 because the Plan incorporates the settlement the Debtor reached with its Insurers (as discussed above), if
28 the Non-Settling Insurers were to raise and prevail on such contentions, the Bankruptcy Court might find
that the Plan is not feasible or otherwise not confirmable.

29 **K. ~~J.~~ Post-Confirmation Litigation May Not Result in Additional Recovery**

30 The Plan provides for the assignment to the Survivors' Trust of Assigned Insurance Interests
31 against Non-Settling Insurers. The Non-Settling Insurers are likely to assert factual and legal defenses to
32 both their coverage obligations and to the underlying liability of the Debtor and other Contributing Non-
33 Debtor Catholic Entities for Abuse Claims. Litigation of such issues against Non-Settling Insurers through
34 the Litigation Option could be protracted and expensive. There is no guarantee that the Survivors' Trust
35 will prevail in its prosecution of the Assigned Insurance Interests against Non-Settling Insurers.

36 In the event the Non-Settling Insurers successfully defend against the Assigned Insurance Interests,
37 the Contributing Entities' Cash Contribution and the settlement payments from Settling Insurers would be
38 the sole source of recovery for Abuse Claims.

39 **L. ~~K.~~ Confirmation of the Plan may be Delayed or Denied by the District Court**

40 The Debtor's position is that the Bankruptcy Court has constitutional authority to confirm the Plan.
41 If it is determined that the Bankruptcy Court lacks the authority to approve such provisions, the Debtor
42 anticipates that the Bankruptcy Court will issue proposed findings of fact and conclusions of law with
43

1 respect to the confirmation of the Plan. The Bankruptcy Court’s findings and conclusions would then be
2 subject to *de novo* review by the District Court for the Northern District of California before the Plan can
3 be confirmed, which may result in a delay in the occurrence of the Effective Date. It is difficult to estimate
4 how long the District Court would take to render a decision with respect to confirmation of the Plan,
5 however, in the recent BSA Bankruptcy Case which included similar plan concepts, the District Court for
6 the District of Delaware took approximately six months to review and affirm the bankruptcy court’s
7 findings and conclusions and to issue a confirmation order.

8
9
10 **ARTICLE XIX**

11 **BANKRUPTCY RULE 9019 REQUEST**

12 Pursuant to Bankruptcy Rule 9019 and through the Plan, the Debtor requests approval of all
13 compromises and settlements included in the Plan or contemplated.

14
15 **ARTICLE XX**

16 **RECOMMENDATION AND CONCLUSION**

17 The Debtor believes that the Plan is in the best interests of all Creditors. The Plan as structured
18 allows Creditors to participate in Distributions believed to be in excess of those which would otherwise
19 be available were the Chapter 11 Case dismissed and provides an opportunity to maximize insurance
20 recoveries through settlements with the Settling Insurers and post-confirmation litigation of Assigned
21 Insurance Interests against Non-Settling Insurers.

22 FOR ALL OF THE REASONS SET FORTH IN THIS DISCLOSURE STATEMENT, THE
23 DEBTOR BELIEVES THAT THE CONFIRMATION AND CONSUMMATION OF THE PLAN IS
24 PREFERABLE TO ALL OTHER ALTERNATIVES. THE DEBTOR STRONGLY RECOMMENDS
25 THAT ALL CREDITORS ENTITLED TO VOTE ACCEPT THE PLAN AND TO EVIDENCE SUCH
26 ACCEPTANCE BY RETURNING THEIR BALLOTS SO THAT THEY ARE RECEIVED BY THE
27 DIOCESE’S SOLICITATION AND CLAIMS AGENT NO LATER THAN 5:00 P.M. PREVAILING
28 PACIFIC TIME ON __, 20__.

[Signature Page Follows]

1 DATED: ~~January 3~~February 18, 2025. Respectfully submitted,

2
3 **THE ROMAN CATHOLIC BISHOP**
4 **OF OAKLAND**

5
6 By: /s/ Attila Bardos
7 Attila Bardos
8 Chief Financial Officer

9 Presented by:

10 **FOLEY & LARDNER LLP**

11 Thomas F. Carlucci

12 Shane J. Moses

13 Ann Marie Uetz

14 Matthew D. Lee

15 Geoffrey S. Goodman

16 Mark C. Moore

17 /s/Shane J. Moses

18 Shane J. Moses

19 *Counsel for the Debtor*
20 *and Debtor in Possession*

Summary report:	
Litera Compare for Word 11.7.0.54 Document comparison done on 2/18/2025 9:13:04 PM	
Style name: New	
Intelligent Table Comparison: Inactive	
Original filename: RCBO – Amended Disclosure Statement.docx	
Modified filename: RCBO – Second Amended Disclosure Statement 4922-5514-3954 v.4.docx	
Changes:	
<u>Add</u>	426
Delete	396
Move From	12
<u>Move To</u>	12
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	846