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

In re:

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

Debtor.

Case No. 23-40523 WJL
Chapter 11

**DEBTOR'S APPLICATION FOR ORDER
AUTHORIZING EMPLOYMENT OF
HILCO REAL ESTATE, LLC AS REAL
ESTATE CONSULTANT PURSUANT TO
11 U.S.C. § 327**

Judge: Hon. William J. Lafferty

[No Hearing Required]

1 **I. INTRODUCTION**

2 The Roman Catholic Bishop of Oakland, a California corporation sole as debtor and debtor in
3 possession (the “Debtor” or “RCBO”) in the above-captioned chapter 11 case (the “Chapter 11 Case” or
4 the “Bankruptcy Case”), hereby files this application (the “Application”) for the entry of an order
5 authorizing employment of Hilco Real Estate, LLC (“Hilco”) as real estate consultant to the Debtor,
6 pursuant to section 327 of title 11 of the United States Code (the “Bankruptcy Code”) and rule 2014 of
7 the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

8 This Application is based on the Memorandum of Points and Authorities set forth herein, the notice
9 of hearing on the Motion, and the Declarations of Eric W. Kaup (the “Kaup Declaration”), and Attila
10 Bardos (the “Bardos Declaration”) filed concurrently herewith and incorporated by reference herein. The
11 Debtor’s proposed form of order is attached hereto as **Exhibit A** (the “Proposed Order”).

12 In further support of the Application, the Debtor respectfully states as follows:

13 **II. JURISDICTION**

14 The United States Bankruptcy Court for the Northern District of California (this “Court”) has
15 jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, the *Order Referring Bankruptcy*
16 *Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.), and Rule 5011-1(a) of the
17 Bankruptcy Local Rules for the Northern District of California. This is a core proceeding pursuant to 28
18 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory
19 and legal predicates for the relief requested herein are section 327 of the Bankruptcy Code, and
20 Bankruptcy Rule 2014.

21 **III. STATEMENT OF FACTS**

22 **A. Background**

23 On May 8, 2023, (the “Petition Date”), the Debtor filed the Chapter 11 Case in the United States
24 Bankruptcy Court for the Northern District of California, Oakland Division (the “Court”). The Debtor
25 continues to operate its ministry and manage its properties as a debtor in possession under sections 1107(a)
26 and 1108 of the Bankruptcy Code. No request for appointment of a chapter 11 trustee has been made. On
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1 May 23, 2023, the Office of the United States Trustee appointed the Official Committee of Unsecured
2 Creditors (the “Committee”) [Dkt. No. 58].

3 Further information regarding the Debtor may be found in the *Declaration of Charles Moore,*
4 *Managing Director of Alvarez & Marsal North America, LLC, Proposed Restructuring Advisor to the*
5 *Roman Catholic Bishop of Oakland, in Support of Chapter 11 Petition and First Day Pleadings* (the “First
6 Day Declaration”) [Dkt. No. 19], filed on the Petition Date and fully incorporated herein by reference.

7 Further information on the Debtor’s progress in the case and proposed reorganization may be found in the
8 Debtor’s *Second Amended Disclosure Statement for Debtor’s Second Amended Plan of Reorganization*
9 [Docket No. 1763] (as it may be amended or supplemented, the “Disclosure Statement”).

10 **B. Qualifications of Hilco**

11 Hilco is a nationally recognized financial-services and advisory firm, with extensive restructuring
12 and real estate experience. Hilco is well-qualified to provide the services described herein. Its
13 professionals have decades of experience valuing real property. The professional biographies of its
14 professionals who will be principally responsible for providing services to the Debtor are attached as
15 Exhibit B to the Kaup Declaration.

16 **C. Services to be Provided**

17 The engagement agreement between the Debtor and Hilco (the “Engagement Agreement”) is
18 attached as Exhibit A to the Kaup Declaration. The terms of the Engagement Agreement will govern the
19 Debtor’s retention of Hilco except as explicitly set forth herein or in any order granting this Application.

20 Hilco will provide real estate valuation services to the Debtor, including, but not limited to:

- 21 • analysis and valuation of real property titled in the name of the Debtor;
- 22 • analysis and valuation of certain real property titled in the name of Debtor-affiliated
23 Non-Debtor Catholic Entities¹ as necessary in connection with the Debtor’s
24 reorganization;

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¹ As defined in the First Day Declaration.

- providing reports and summaries regarding the foregoing as may be required by the Debtor; and
- other activities related to the foregoing as are requested by the Debtor and agreed to by Hilco.

The Debtor’s professionals, including Hilco, will continue to coordinate closely to avoid duplication of efforts. The valuation services to be provided by Hilco described herein are distinct from and do not overlap with those provided by the Debtor’s other professionals.

D. Professional Compensation

The Debtor understands it will be billed for services performed by professionals at Hilco at the hourly rates stated below, subject to any periodic adjustments. Hilco will maintain detailed records of the time spent and tasks performed for the Debtor, and any actual and necessary costs and expenses incurred in connection with these legal services, and will file fee applications in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, any applicable orders of this Court, and the Guidelines for Compensation and Expense Reimbursement of Professionals and Trustees, dated February 19, 2014 (the “Fee and Expense Guidelines”).

The names and positions of the Hilco professionals and paraprofessionals presently expected to have primary responsibility for providing services to the Debtor are listed below. In addition, Hilco has identified each such professional’s standard hourly rate that Hilco has agreed to charge for such professional’s time in connection with the Chapter 11 Case:

Professional	Title	Hourly Rate
Jeff Azuse	Executive Vice President	\$805
Matthew Mason	Senior Vice President	\$765
Adam Zimmerman, MAI	Senior Vice President	\$650
Chris Parthum	Associate	\$475

1 In addition, Hilco will utilize such other professionals and paraprofessionals as the demands of the
2 Chapter 11 Case require and as the substantive issues that arise may dictate. Hilco will coordinate with
3 the Debtor's other professionals to the greatest extent possible to avoid duplication of work.

4 Hilco was not employed by the Debtor prior to the Petition Date and did not receive any payments
5 or retainers from the Debtor.

6 **E. Disinterestedness**

7 In connection with its potential retention in the Chapter 11 Case, Hilco conducted an investigation
8 to ascertain conflicts and connections with the Debtor's creditors and other potential parties in interest
9 (the "Conflicts Investigation").

10 Hilco does not hold or assert a prepetition claim against the Debtor and is not otherwise a creditor
11 of the Debtor. Neither Hilco nor any of its professionals or paraprofessionals represent any interest that is
12 adverse to the Debtor, its estate, its creditors, or the Official Committee of Unsecured Creditors (the
13 "Committee"). To the best of the Debtor's and Hilco's knowledge based on the Conflicts Investigation,
14 other than as set forth in the Kaup Declaration, Hilco has connection with the Debtor, its creditors or other
15 parties in interest or their respective attorneys or accountants, or the United States Trustee, or any of the
16 Trial Attorneys in the Northern District of California offices of the United States Trustee, or any of the
17 judges for the United States Bankruptcy Court for the Northern District of California.

18 Accordingly, the Debtor believes that Hilco is "disinterested" as such term is defined in
19 section 101(14) of the Bankruptcy Code.

20 In addition, as set forth in the Kaup Declaration, if any new material facts or relationships are
21 discovered or arise, Hilco will provide this Court with a supplemental declaration.

22 **F. Prior Notice of Intent to Retain Hilco as an Ordinary Course Professional**

23 On February 12, 2025, the Debtor filed its *Notice of Supplemental Retention of Ordinary Course*
24 *Professional Hilco Real Estate, LLC Pursuant to Order (I) Authorizing The Retention and Payment,*
25 *Effective as of The Petition Date, of Professionals Utilized by The Debtor in The Ordinary Course of*
26 *Business; and (II) Granting Related Relief* [Docket No. 1720], seeking to employ Hilco as an Ordinary
27 Course Professional pursuant to the Court's *Order (I) Authorizing the Retention and Payment, Effective*
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APPLICATION FOR EMPLOYMENT OF HILCO

1 as of the Petition Date, of Professionals Utilized By the Debtor in the Ordinary Course of Business and
2 (II) Granting Related Relief [Docket No. 263] (the “OCP Order”).

3 On February 25, 2025, the Committee filed its *The Official Committee of Unsecured Creditors’*
4 *Limited Objection to Notice of Supplemental Retention of Ordinary Course Professional Hilco Real*
5 *Estate, LLC* [Docket No. 1777] (the “Committee Limited Objection”). While the Debtor believes that
6 employment of Hilco as an OCP would be appropriate, in the interest of avoiding the cost and delay of a
7 dispute regarding OCP retention, the Debtor has elected to instead filed this retention application.

8 **IV. RELIEF REQUESTED**

9 By this Application, the Debtor seeks entry of an order, substantially in the form of the Proposed
10 Order attached hereto, authorizing it to employ and retain Hilco as its real estate consultant in this Chapter
11 Case effective as of January 21, 2025.

12 **V. BASIS FOR RELIEF REQUESTED**

13 The Debtor seeks approval of the employment and retention of Hilco as its financial consultant
14 pursuant to sections 327(a) of the Bankruptcy Code.

15 The retention of Hilco under the terms described herein is appropriate under section 327 of the
16 Bankruptcy Code. Section 327(a) of the Bankruptcy Code empowers the trustee, with this Court’s
17 approval, to employ professionals “that do not hold or represent an interest adverse to the estate, and that
18 are disinterested persons, to represent or assist the trustee in carrying out the trustee’s duties under this
19 title.” 11 U.S.C. § 327(a). Section 101(14) of the Bankruptcy Code defines a “disinterested person” as a
20 person who:

- 21 (a) is not a creditor, an equity security holder, or an insider;
- 22 (b) is not and was not, within two years before the date of the filing of
23 the petition, a director, officer, or employee of the debtor; and
- 24 (c) does not have an interest materially adverse to the interest of the
25 estate or of any class of creditors or equity security holders, by
26 reason of any direct or indirect relationship to, connection with, or
interest in, the debtor, or for any other reason.

27 11 U.S.C. § 101(14). Bankruptcy Rule 2014(a) requires that an application for retention include:
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1 “[S]pecific facts showing the necessity for the employment, the name of the
2 [firm] to be employed, the reasons for the selection, the professional
3 services to be rendered, any proposed arrangement for compensation, and,
4 to the best of the applicant’s knowledge, all of the [firm’s] connections with
5 the debtor, creditors, any other party in interest, their respective attorneys
6 and accountants, the United States trustee, or any person employed in the
7 office of the United States trustee.”

8 Fed. R. Bankr. P. 2014(a).

9 The real estate valuation services to be provided by Hilco are critical in connection with the
10 Debtor’s reorganization, and its *Debtor’s Second Amended Plan of Reorganization* [Docket No. 1757] (as
11 it may be amended or supplemented, the “Plan”). In particular, valuation of all real properties owned by
12 the Debtor is necessary to provide a supplemental liquidation analysis in support of the Debtor’s
13 Disclosure Statement, as directed by the Court.

14 The liquidation analysis attached to the Disclosure Statement does not contemplate sale of real
15 estate on which the Debtor operates a church, because: 1) the Debtor cannot be forced into a chapter 7
16 liquidation proceeding under the Bankruptcy Code, and 2) the Debtor cannot be forced to sell real estate
17 on which it operates one of its churches. The Debtor asserts this presents a more accurate view of potential
18 recoveries in a hypothetical liquidation scenario and provides appropriate context to whether the Debtor’s
19 Plan is in the best interests of creditors. Notwithstanding this, the Debtor has supplemented its Disclosure
20 Statement with an additional liquidation analysis which is premised on the liquidation of all real estate
21 titled in the name of the Debtor, based on the direction of the Court. This supplemental liquidation analysis
22 was filed with the Court on February 23, 2025 [Docket No. 1771]. The valuations to be provided by Hilco
23 are necessary to support, and provide the property values for, this supplemental liquidation analysis. In
24 addition, to the extent properties owned by Non-Debtor Catholic Entities are to be contributed to the Plan,
25 or otherwise sold or used as collateral in furtherance of the Debtor’s reorganization, the Debtor may
26 require valuation of such properties.

27 In light of the size and complexity of the Chapter 11 Case, and the essential nature of the services
28 to be provided by Hilco as contemplated herein, the Debtor respectfully submits that employing and
retaining Hilco is necessary and in the best interests of the Debtor’s estate and all parties in interest.

1 As set forth above, Hilco is a disinterested party. Hilco does not hold any interest adverse to the
2 estate.

3 The Debtor seeks to employ Hilco effective as of January 21, 2025. While Hilco provided some
4 consultation services in November and December 2024, and the Engagement Letter is therefore as of
5 November 7, 2024, Hilco will not seek compensation for any services provided prior to January 21, 2025.²
6 Retroactive approval effective as January 21, 2025, is appropriate in light of (i) Hilco's willingness to
7 immediately begin work in January 2025, (ii) the urgency of the work done in light of the schedule
8 provided for filing of and a hearing on the Debtor's Second Amended Disclosure Statement, (iii) the
9 Debtor's initial effort to minimize expense to the estate by seeking employment of Hilco as an Ordinary
10 Course Professional, and (iv) the need to file this application based on the Committee's objection to
11 Ordinary Course Professional employment.

12 VI. NOTICE

13 This Application is being served on to the parties listed on the Core Service List, pursuant to the
14 *Final Order Authorizing and Approving Special Noticing and Confidentiality Procedures* [Docket No.
15 292]. The Debtor submits that in light of the nature of the relief requested, no further notice is required.

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² The Engagement Letter is Effective Date as of November 7, 2024, in order to reflect the privileged nature of communications
27 and work product between Hilco and Debtor's counsel. In seeking approval effective as of January 21, 2025, the Debtor does
28 not waive privilege as to any privilege communications or work product prior to that date.

1 **VII. CONCLUSION**

2 **WHEREFORE**, the Debtor respectfully requests entry of an order, substantially in the form of
3 the Proposed Order attached hereto, authorizing employment of Hilco pursuant to 11 U.S.C. § 327, and
4 granting such other and further relief as the Court may deem just and proper.

5 DATED: March 6, 2025

6 **THE ROMAN CATHOLIC BISHOP OF OAKLAND**

7 /s/ Attila Bardos

8 Attila Bardos, Chief Financial Officer

9 DATED: March 6, 2025

10 **FOLEY & LARDNER LLP**

11 Thomas F. Carlucci

12 Shane J. Moses

13 Ann Marie Uetz

14 Matthew D. Lee

15 Mark C. Moore

16 /s/ Shane J. Moses

17 SHANE J. MOSES

18 *Counsel for the Debtor*
19 *and Debtor in Possession*

EXHIBIT A

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

20 In re:

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

23 Debtor.

24 Case No. 23-40523 WJL

25 Chapter 11

26 **[PROPOSED] ORDER AUTHORIZING
27 EMPLOYMENT OF HILCO REAL ESTATE,
28 LLC AS REAL ESTATE CONSULTANT
PURSUANT TO 11 U.S.C. § 327**

29 Upon the application (the "Application")¹ filed by The Roman Catholic Bishop of Oakland, a
30 California corporation sole, and the debtor and debtor in possession (the "Debtor" or "RCBO") in the
31 above-captioned chapter 11 bankruptcy case (the "Chapter 11 Case" or the "Bankruptcy Case"), pursuant
32 to section 327 of the Bankruptcy Code and Bankruptcy Rule 2014, for entry of an order authorizing the
33 employment and retention of Hilco Real Estate, LLC ("Hilco") as real estate consultant to the Debtor, on
34 the terms described in the Application and as more fully set forth therein; and upon the Declaration of; the
35 Court having found that it has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334, that this is

36 ¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Application.

1 a core proceeding under 28 U.S.C. §§ 157(a)-(b) and 1334(b), and that venue is proper before this Court
2 under 28 U.S.C. §§ 1408 and 1409; and the Court being satisfied based on the representations made in the
3 Application and the Declaration of Matthew D. Mason in support thereof that Hilco does not hold or
4 represent any interest adverse to the Debtor's estate in the above-captioned case and is disinterested under
5 section 101(14) and meets the requirements for employment under section 327 of the Bankruptcy Code;
6 and the Court finding that cause exists for the entry of this Order, and for authorizing the employment of
7 Hilco is in the best interests of the Debtor's estate;

8 **IT IS HEREBY ORDERED** that:

- 9 1. The Application is APPROVED as set forth in this Order.
- 10 2. The Debtor is authorized to retain and employ Hilco as its real estate consultant in this
11 case, effective as of January 21, 2025, under the terms set forth in the Application.
- 12 3. Hilco's compensation and reimbursement in respect to its fees and expenses incurred
13 representing the Debtor shall be subject to further order of the Court in accordance with the procedures
14 and standards set forth in sections 330 and 331 of the Bankruptcy Code, such Federal Rules of Bankruptcy
15 Procedure and local rules as may be applicable from time to time, and such procedures as may be fixed
16 by order of this Court, as well as the *United States Bankruptcy Court Northern District of California*
17 *Guidelines for Compensation and Expense Reimbursement of Professionals and Trustees, effective*
18 *February 19, 2014*, and the *U.S. Trustee Guidelines for Reviewing Applications for Compensation and*
19 *Reimbursement of Expenses Filed Under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases,*
20 *effective November 1, 2013.*
- 21 4. Notwithstanding anything to the contrary in this Order, or the Application, the Court is not
22 approving terms and conditions of Hilco's employment under 11 U.S.C. § 328(a).
- 23 5. In the event of any inconsistency between the Application and this Order, this Order shall
24 govern.
- 25 6. Notwithstanding any provision in the Bankruptcy Rules to the contrary, this Order shall be
26 immediately effective and enforceable immediately upon its entry.

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7. The Debtor is authorized and empowered to take all action necessary to effectuate the relief granted in this Order.

8. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

*** END OF ORDER ***

COURT SERVICE LIST

All ECF Recipients.

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