

FOLEY & LARDNER LLP

Jeffrey R. Blease (CA Bar. No. 134933)
Tel: (617) 226-3155; jblease@foley.com
Thomas F. Carlucci (CA Bar No. 135767)
Tel: (415) 984-9824; tcarlucchi@foley.com
Shane J. Moses (CA Bar No. 250533)
Tel: (415) 438-6404; smoses@foley.com
Emil P. Khatchatourian (CA Bar No. 265290)
Tel: (312) 832-5156; ekhatchatourian@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
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

**DECLARATION OF ATTILA BARDOS IN
SUPPORT OF DEBTOR'S MOTION FOR
ENTRY OF ORDER APPROVING
SETTLEMENT WITH RUBEN GALINDO,
AS TRUSTEE OF THE EDWARD J.
BENNETT TRUST, PURSUANT TO FED. R.
BANKR. P. 9019**

Date: April 23, 2025
Time: 10:30 a.m.
Place: United States Bankruptcy Court
1300 Clay Street
Courtroom 220
Oakland, CA 94612

1 I, Attila Bardos, hereby declare as follows:

2 1. I am the Chief Financial Officer of the Roman Catholic Bishop of Oakland (“the Debtor”).
3 I make this declaration in support of the *Debtor’s Motion for Entry of Order Approving Settlement with*
4 *Ruben Galindo, as Trustee of the Edward J. Bennett Trust, Pursuant to Fed. R. Bankr. P. 9019*, filed
5 concurrently herewith (the “Motion”).¹

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

10 3. As part of my role as CFO, I am aware of the Debtor’s litigation in the Probate Case
11 (defined below).

12 4. Edward J. Bennett, the settlor and original trustee of the Bennett Trust, died on August 20,
13 2020. Upon his death, the Bennett Trust became irrevocable, and Mr. Galindo assumed the role of
14 successor trustee.

15 5. On November 5, 2020, Mr. Galindo filed a petition with the state court in Contra Costa
16 County (the “Probate Court”), thereby initiating Contra Costa County Case No. MSP20-01332, *In the*
17 *Matter of: Edward J. Bennett Trust dated December 17, 2014* (the “Probate Case”).

18 6. The Bennett Trust identifies “St. Perpetua Catholic Church” – the name used by a Catholic
19 church located in Lafayette, California under the jurisdiction and control of RCBO – as the residuary
20 beneficiary of the Bennett Trust, to whom, after certain other specified distributions, all remaining
21 property of the Bennett Trust is to be distributed “outright and free of trust.”

22 7. Mr. Galindo’s first accounting of the Bennett Trust indicated the balance of trust assets
23 available for distribution to St. Perpetua would be approximately \$600,000.

24 8. Notwithstanding Mr. Galindo’s first accounting, his legal counsel subsequently told the
25 Debtor there were not enough assets for any residuary to St. Perpetua.

26
27
28 ¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

1 9. After Mr. Galindo provided a second and final accounting of the Bennett Trust, the Debtor
2 identified several errors and issues with both accountings constituting breaches of trust by Mr. Galindo.
3 The Debtor communicated these issues to Mr. Galindo initially by letter dated September 9, 2022.

4 10. No response to the letter was received until July 14, 2023 – ten months later – and even
5 then Mr. Galindo failed to provide required information about assets of the Bennett Trust.

6 11. After more than a year without any progress resolving RCBO’s concerns about Mr.
7 Galindo’s accountings and his breaches of trust, the Debtor filed a petition in the Probate Case (the
8 “Probate Litigation Petition”).

9 12. The Probate Litigation Petition sets forth numerous causes of action against Mr. Galindo
10 for breaches of trust and breaches of his fiduciary duties. It seeks declaratory and injunctive relief,
11 including, without limitation, an order for the immediate distribution of assets then held by the Bennett
12 Trust to RCBO on behalf of St. Perpetua (over \$400,000); an updated accounting; denial of Mr. Galindo’s
13 attorney’s fees and trustee compensation from the Bennett Trust; a surcharge against Mr. Galindo for
14 losses incurred by and assets diverted from the Bennett Trust; an equitable lien on real estate held by the
15 Bennett Trust; and payment of attorney’s fees.

16 13. Rather than answer the Probate Litigation Petition, after some dialogue and an exchange
17 of letters between counsel for the parties, Mr. Galindo filed a demurrer.

18 14. RCBO drafted an extensive analysis for Mr. Galindo about the errors in his reasoning and
19 the state of the law concerning his obligations to distribute and turn over the residuary of the Bennett Trust
20 to RCBO. When he refused both to distribute those assets to RCBO and to withdraw his demurer, RCBO
21 filed an objection to the demurer.

22 15. The Probate Court overruled Mr. Galindo’s demurer in its entirety, adopting the reasoning
23 and analysis first supplied by RCBO’s counsel to Mr. Galindo and then incorporated into RCBO’s
24 objection to the demurer.

25 16. The Probate Court ordered Mr. Galindo to answer the Probate Litigation Petition by August
26 2, 2024, which he did in the form of an objection.

27 17. Mr. Galindo provided requested accountings to RCBO, and the parties convened and
28 conducted a productive mediation.

Exhibit 1

SETTLEMENT AGREEMENT AND MUTUAL RELEASE OF CLAIMS

This Settlement Agreement and Mutual Release of Claims (“Agreement”), dated for identification purposes as of December 4, 2024, is entered into by and between the Roman Catholic Bishop of Oakland, by and through its attorney-in-fact Attila Bardos (RCBO) and Ruben Galindo, individually and as Trustee of the Edward J. Bennett Trust (“Galindo”). RCBO and Galindo are collectively referred to herein as the “Parties” and each as a “Party”.

Recitals

WHEREAS, the Edward J. Bennett Trust dated December 17, 2014 (the “Trust”) was established by Edward J. Bennett (“Settlor”), naming Galindo as successor trustee to serve upon the Settlor’s death;

WHEREAS, the Settlor died on August 20, 2020, and Galindo has served as the trustee of the Trust (“Trustee”) since the Settlor’s death;

WHEREAS, the Trust provides that certain residual assets held in the Trust were to be distributed to “St. Perpetua Catholic Church”;

WHEREAS, St. Perpetua Catholic Church is not a legal entity but is instead a parish church owned and controlled by RCBO, making RCBO the entity entitled to receive the distribution from the Trust to St. Perpetua Catholic Church;

WHEREAS, a dispute arose between RCBO and Galindo concerning the amount and timing of the distribution to be made from the Trust to RCBO, and other related matters;

WHEREAS, on September 7, 2023, under Contra Costa Superior Court Case No. MSP20-01332, RCBO filed a Petition for Instructions and to Compel Redress for Breach of Fiduciary Duty by Trustee, and for Attorneys Fees and Costs (the “Petition”), seeking relief from the Probate Court regarding distributions from the Trust and seeking relief against Galindo;

WHEREAS, on December 4, 2024, the Parties mediated the disputes involved in the Petition before Hon. Richard Flier with ADR Services, Inc. and reached an informal written settlement agreement, later to be documented in a formal settlement agreement as provided herein;

NOW THEREFORE, the Parties agree as follows:

Agreement

1. Bankruptcy Court Approval

The Parties acknowledge that RCBO is currently in a Chapter 11 bankruptcy proceeding, known as *In re: The Roman Catholic Bishop of Oakland, a California corporation sole*, Northern District of California Bankruptcy Court Case No. 23-40523 WJL. RCBO shall promptly seek Bankruptcy Court approval at RCBO’s expense, and shall provide written notice to Galindo promptly upon obtaining approval or denial from the Bankruptcy Court.

2. Distributions and Payments to RCBO

a. Trust Distribution

Galindo as Trustee shall distribute to RCBO Two Hundred Thousand Dollars (\$200,000.00) in cash currently held within the Trust within ten (10) days after full execution of this Agreement (the "Trust Distribution").

b. Individual Payment

Galindo individually shall pay to RCBO, from his own funds outside the Trust, the additional sum of Two Hundred Thousand Dollars (\$200,000.00) on or before the date that is one hundred twenty (120) days after RCBO delivers notice of Bankruptcy Court approval of this Agreement to Galindo (the "Individual Payment").

c. Stipulated Money Judgment as Enforcement Mechanism

In the event that either or both of the Trust Distribution or the Individual Payment to RCBO are not timely made, Galindo hereby stipulates that RCBO shall be entitled to apply, upon noticed motion, for a stipulated money judgment from the Probate Court to be issued against Galindo individually for the amount of the Trust Distribution and/or Individual Payment that have become due but are unpaid. Such judgment shall include an award of attorneys' fees incurred by RCBO in obtaining such probate court judgment and for any collection efforts on such stipulated judgment.

3. Waiver of Accountings

RCBO waives any right to formal accountings from Galindo as Trustee except that such waiver shall not apply in the event Galindo defaults on either of the payments set forth in sections 2a and 2b above.

4. Authority to Act

The undersigned Attila Bardos is signing as the attorney-in-fact for the Roman Catholic Bishop of Oakland. The undersigned Attila Bardos represents and warrants that he has authority to execute this agreement on behalf of RCBO, subject to bankruptcy court approval of the terms of the Agreement. RCBO represents to Galindo that RCBO is the entity that owns and operates the parish church in Lafayette, California, known as St. Perpetua Catholic Church, and that as such RCBO is the entity legally entitled to receive the distributions provided for in the Trust to St. Perpetua Catholic Church.

Galindo represents and warrants that he is still serving as the Trustee of the Trust and has authority to sign this Agreement as Trustee of the Trust.

5. Mutual Release of Claims

In consideration of the performance of the other terms of this Agreement, RCBO (including St. Perpetua Catholic Church) hereby releases and forever discharges the Trust and Galindo, both individually and as Trustee, from any claims, demands, liability, or causes of action, known or unknown, including claims for attorneys fees and costs, arising from the subject matter of the

Petition or Galindo's other acts or omissions as Trustee, except that RCBO retains the legal rights to enforce this Agreement.

In consideration of the performance of the other terms of this Agreement, Galindo hereby releases and forever discharges RCBO and its attorney-in-fact, from any claims, demands, liability, or causes of action, known or unknown, including claims for attorneys fees and costs, arising from the subject matter of the Petition or RCBO's actions with respect thereto, except that Galindo retains the legal rights to enforce this Agreement.

The foregoing mutual release of claims is intended to be a full and final compromise, release and settlement of all claims, known or unknown, suspected or unsuspected, within the scope of the releases. As further consideration for this Agreement, both Parties hereby expressly waive the provisions of Section 1542 of the California Civil Code, which reads as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

6. Attorneys Fees and Costs

Except as provided in Section 2.c., each party shall bear their own attorneys' fees and costs with respect to the Petition and this dispute.

7. Dismissal of Petition

RCBO shall dismiss its Petition once Bankruptcy Court approval has been obtained and both the Trust Distribution and Individual Payment have been made to RCBO.

8. No Admission of Wrongdoing

This is a settlement of disputed claims to avoid further litigation costs, and does not constitute an admission of wrongdoing, breach of fiduciary duty or liability by either of the Parties.

9. Integrated Agreement

This Agreement contains the full and final agreement of the Parties with respect to the resolution of all disputes between them, and supersedes the informal written agreement signed at the mediation on December 4, 2024, and any other oral negotiations or statements or representations not contained herein.

10. Court Enforcement

The Parties agree that this Agreement may be enforced by a court having appropriate jurisdiction pursuant applicable law regarding enforcement of settlement agreements.

11. Notices

Notices to each Party under this agreement may be delivered by first class mail or by electronic mail, to counsel for each Party as follows:

To RCBO: Roman Catholic Bishop of Oakland
c/o Richard Lund
Plageman, Lund & Cannon, LLP
1631 Telegraph Avenue
Oakland, CA 94612
rlund@plagemanlund.com

To Galindo: Ruben Galindo
c/o Michael Zatkan
King, King & Zatkan, PC
1999 Harrison Street, Suite 1800
Oakland, CA 94612
mike@kkflaw.net

12. Signatures, Counterparts and Copies

This Agreement may be signed in counterparts and shall be considered fully executed when both Parties have signed and returned their counterpart signature to counsel for the other Party, using the latest date of signature shown on the counterpart signatures. Copies of this Agreement, with all counterpart signatures, may be used in lieu of the original for all purposes. Scanned or emailed signatures shall be deemed original signatures to this Agreement.

[signatures continue on next page]

For RCBO:

Attila Bardos

Attila Bardos
Attorney-in-fact
For The Roman Catholic Bishop of Oakland

Date: 3/12/25

Approved as to form:

Richard W. Lund

Richard W. Lund
Plageman, Lund & Cannon LLP
Counsel for RCBO

Date: 3/17/2025

For Galindo:

Ruben Galindo
Individually

Date: _____

Ruben Galindo
as Trustee of the Edward J. Bennett Trust
dated December 17, 2014

Date: _____

Approved as to form:

Michael Zatkin
King, King & Zatkin PC
Counsel for Galindo

Date: _____

For RCBO:

Attila Bardos
Attorney-in-fact
For The Roman Catholic Bishop of Oakland

Date: _____

Approved as to form:

Richard W. Lund
Plageman, Lund & Cannon LLP
Counsel for RCBO

Date: _____

For Galindo:



Ruben Galindo
Individually

Date: 3/17/2025



Ruben Galindo
as Trustee of the Edward J. Bennett Trust
dated December 17, 2014

Date: 3/17/2025

Approved as to form:



Michael Zatkin
King, King & Zatkin PC
Counsel for Galindo

Date: March 17, 2025