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24 **UNITED STATES BANKRUPTCY COURT**  
 25 **NORTHERN DISTRICT OF CALIFORNIA**  
 26 **OAKLAND DIVISION**

<p>27 <i>In re:</i></p> <p>28 THE ROMAN CATHOLIC BISHOP OF          OAKLAND, a California corporation sole,</p> <p style="text-align: center;">Debtor.</p>	<p>Case No. 23-40523 WJL</p> <p>Chapter 11</p> <p><b>APPLICATION FOR ORDER          AUTHORIZING THE RETENTION OF          STOUT RISIUS ROSS, LLC AS REAL          ESTATE CONSULTANT AND EXPERT          WITNESS</b></p>
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Lowenstein Sandler LLP (“**Applicant**”), counsel to the Official Committee of Unsecured Creditors (the “**Committee**”) of the Roman Catholic Bishop of Oakland (the “**Debtor**”), files this application (this “**Application**”) for entry of an order, under sections 327, 330 and 1103 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), authorizing the retention of Stout Risius Ross, LLC (“**Stout**”) to provide real estate consulting and expert witness services on behalf of the



1 Committee *nunc pro tunc* to April 1, 2025. Although Stout’s Disputes, Claims, & Investigations  
2 group is retained by Applicant as an expert in this case with respect to claims valuation, Applicant  
3 files this Application for authorization to retain Stout’s Valuation Advisory group as its real estate  
4 consultant and expert.

5 In support of this Application, and incorporated herein by reference for all purposes,  
6 Applicant submits the Declaration of Randi Rosen, a Managing Director with Stout (the “**Rosen**  
7 **Declaration**”). A proposed form of order granting the relief requested herein in annexed hereto  
8 as **Exhibit A**. In further support of this Application, Applicant states as follows:<sup>1</sup>

9 **I.**

10 **JURISDICTION**

11 The Court has jurisdiction to consider this Application pursuant to 28 U.S.C. §§ 157 and  
12 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and venue is proper in this district  
13 pursuant to 28 U.S.C. §§ 1408 and 1409.

14 **II.**

15 **BACKGROUND**

16 On May 8, 2023 (the “**Petition Date**”), the Debtor filed a voluntary petition for relief under  
17 chapter 11 of the Bankruptcy Code, commencing the above-captioned chapter 11 case (the  
18 “**Chapter 11 Case**”).

19 On May 23, 2023, the Office of the United States Trustee appointed the Committee.

20 On September 27, 2023, Applicant filed the *Application for the Retention of Stout Risius*  
21 *Ross, LLC as Expert Consultant on Valuation of Sexual Abuse Claims Effective as of September*

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23 <sup>1</sup> The Committee previously retained Douglas Wilson Companies (“**DWC**”) as real estate consultant to the  
24 Committee effective as of August 5, 2024 for the limited purpose of analyzing the Debtor’s real estate  
25 holdings in the context of impending mediation between the Committee and the Debtor. *See Order*  
26 *Authorizing Retention of Douglas Wilson Companies as Real Estate Consultant to the Official Committee of*  
27 *Unsecured Creditors* [Dkt. No. 1332]. DWC was not retained as an expert nor was it ever contemplated that  
28 it would act as one. Rather, in an effort to reach a consensual agreement with the Debtor on the fair and  
equitable treatment of Survivor claims, DWC was asked to do a high-level analysis of the Debtor’s real  
property in a relatively short period of time. Now that the Debtor has chosen to proceed to have its Plan  
confirmed over the Committee’s objection, the Applicant needs an opinion on, among  
other things, the value of the Debtor’s real property and what its liquidation value would be in a hypothetical  
liquidation.

1 8, 2023 [Dkt. No. 481] (the “**Retention Application**”). In support of the Retention Application,  
2 Applicant submitted the *Declaration of Katie McNally in Support of Application for the Retention*  
3 *of Risius Ross, LLC as Expert Consultant on Valuation of Sexual Abuse Claims Effective as of*  
4 *September 8, 2023* [Dkt. No. 482]. Applicant retained Stout as an expert consultant for the purpose  
5 of valuing the sexual abuse claims of survivors of sexual abuse (“**Survivors**”) and providing expert  
6 witness services, as necessary.

7 On October 7, 2023, the Court entered an order approving the Retention Application [Dkt.  
8 No. 510] (the “**Original Stout Retention Order**”). The Original Stout Retention Order permits  
9 Applicant to retain Stout as an expert witness upon 10 days’ written notice to the Debtor and the  
10 U.S. Trustee. Applicant has since provided such notice and no objections or responses were  
11 received. Accordingly, Stout’s retention as an expert witness and consultant for the purpose of  
12 valuing the sexual abuse claims of Survivors was effective March 21, 2025.

13 On April 3, 2025, the Debtor filed its *Third Amended Disclosure Statement for Debtor’s*  
14 *Third Amended Plan of Reorganization* [Dkt. No. 1874] (the “**Disclosure Statement**”) describing  
15 *The Debtor’s Third Amended Plan of Reorganization* [Dkt. No. 1830] (the “**Plan**”).

16 On April 4, 2025, the Court entered an order approving the adequacy of the Disclosure  
17 Statement [Dkt. No. 1877].

### 18 III.

#### 19 **RELIEF REQUESTED**

20 By this Application, Applicant seeks entry of an order authorizing the retention of Stout as  
21 an expert consultant and witness to provide the following services relating to real estate valuation,  
22 effective as of April 1, 2025 (the “**Services**”):

- 23 (i) Expert analysis and valuation of real property titled in the name of the Debtor, as  
24 well as the Debtor’s affiliates;
- 25 (ii) Perform all necessary due diligence, background investigation and preparation  
26 (including, for example, examination of comparable properties) that is customarily  
associated with the valuation of real property in order to determine the market value  
and/ or liquidation value for the properties;
- 27 (iii) Review and evaluate real estate reports prepared by or on behalf of the Debtor, its  
28 professionals or any other entities;

- 1 (iv) Prepare and draft expert reports, rebuttal reports and/ or affidavits/declarations  
2 concerning the issues for which Stout is being engaged;
- 3 (v) Prepare for and provide both deposition and court testimony regarding the issues  
4 for which Stout is being engaged; and
- 5 (vi) Any other services that the Applicant deems necessary related to real estate  
6 valuation.

6 **IV.**

7 **BASIS FOR RELIEF REQUESTED**

8 Stout was retained by the Original Stout Retention Order as a claims valuation consultant  
9 for the purpose of valuing Survivors' sexual abuse claims. Stout's retention was subsequently  
10 modified to authorize Stout to serve as a claims valuation consultant and expert. Services related  
11 to Stout's retention as a claims valuation consultant and expert have been, and will continue to be,  
12 provided by a discrete team of professionals in Stout's Disputes, Claims, & Investigations group.

13 At this juncture in the Chapter 11 Case, Stout's retention as a real estate consultant and  
14 expert witness is necessary because the value of the Debtor's real estate will likely be a fulcrum  
15 issue at the upcoming confirmation hearing. Stout's retention will be instrumental to (i) respond  
16 to any experts retained by the Debtor to opine on the value of the Debtor's real property assets, or  
17 those of its affiliates, and/ or (ii) establish the fact that the Debtor has extensive real estate assets  
18 which it is not using to pay Survivors. The Services will be provided by Stout's Valuation  
19 Advisory group, which is a separate team from Stout's Disputes, Claims, & Investigations group.

20 *Nunc pro tunc* retention is appropriate here because this Application was filed shortly after  
21 Stout was selected to serve as Applicant's expert consultant and witness, and Applicant required  
22 provision of the Services from Stout immediately upon such selection.

23 **A. Stout's Qualifications**

24 After careful and diligent inquiry into Stout's qualifications and connections, Stout was  
25 selected to provide consulting and expert witness services on the valuation of the Debtor's, and  
26 certain of its affiliates' real estate assets, subject to the approval of this Court. The professionals  
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1 at Stout are uniquely qualified for this role through their ability and extensive professional  
2 experience.

3 Stout's professionals have decades of relevant experience and are often retained in  
4 connection with real estate valuation in similar circumstances. For example, before joining Stout,  
5 the lead professional on this engagement, Randi Rosen, served as an expert consultant to the  
6 Official Committee of Unsecured Creditors in the Roman Catholic Diocese of San Diego,  
7 California bankruptcy case, Case No. 07-00939, in which she appraised certain of the debtor's  
8 assets, comprised of schools, vacant land, residential property, and churches. The San Diego  
9 Diocese debtor had claimed that these real estate assets held little value and could not be rezoned,  
10 but this work uncovered significant value to improve creditors' recoveries.

11 Stout has been retained by the Official Committee of Unsecured Creditors in the Roman  
12 Catholic Diocese of Buffalo, New York bankruptcy case, Case No. 20-10322, in which Stout is  
13 evaluating the Diocese of Buffalo's portfolio of real estate holdings, focusing on the valuation of  
14 five schools, a seminary, and the primary administrative offices for the Diocese.

15 Other analogous projects include Stout's retention by The Law Offices of Richard Corbi  
16 PLLC on behalf of Legalist DIP SPV, II, LP in the Paradox Enterprises, LLC bankruptcy case,  
17 Case No. 24-10826, where Stout provided real estate valuation services for 72 income producing  
18 properties on behalf of Legalist to determine the debtor's ability to pay creditors' claims and by  
19 General Motors and its affiliated debtors in the General Motors bankruptcy case, Case No. 09-  
20 50026, where Stout advised the debtors on the value of the real property, machinery and equipment  
21 and inventory related to over 5,000 dealerships and 47 manufacturing plants across the country).

22 For these reasons, Stout is well qualified to provide the Services outlined herein.

23 **B. Compensation and Fee Applications**

24 Subject to the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local  
25 Bankruptcy Rules, the *United States Bankruptcy Court Northern District of California Guidelines*  
26 *for Compensation and Expense Reimbursement of Professionals and Trustees effective February*  
27 *19, 2014* (the "**Local Guidelines**"), and the Guidelines for Reviewing Applications for  
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1 Compensation and Reimbursement of Expenses (the “Appendix A Guidelines”) issued by the  
2 Office of the United States Trustee, Stout will charge for its professional services on an hourly  
3 basis in accordance with the ordinary and customary hourly rates in effect at the time the services  
4 are rendered.

5 The various roles of the Stout personnel who will or may work on this matter, and their  
6 current hourly rates, subject to change from time to time, are as follows: Managing Director \$450  
7 to \$675 per hour; Director \$325 to \$450 per hour; Senior Vice President \$300 to \$400 per hour;  
8 Vice President \$225 to \$325 per hour; Associate \$200 to \$275 per hour; and Analyst \$150 to \$225  
9 per hour.

10 These rates are the customary billing rates charged by Stout in both bankruptcy and non-  
11 bankruptcy matters, to both debtor and non-debtor clients. Stout’s hourly rates are comparable to  
12 those charged by professionals of similar experience for engagements of scope and complexity  
13 similar to this Chapter 11 Case. Stout will also seek reimbursement of actual and necessary out-  
14 of-pocket expenses incurred in connection with the Services in accordance with company policies.

15 Stout will maintain contemporaneous time records in six-minute intervals and apply to this  
16 Court for payment of compensation and reimbursement of expenses in relation to its provision of  
17 the Services. Such records will be maintained in accordance with applicable provisions of the  
18 Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, the Local Guidelines, the  
19 Appendix A Guidelines, and any additional procedures that may be established by the Court in  
20 this Chapter 11 Case. Stout may apply to the Court to authorize a monthly allowance that will  
21 permit provisional monthly payment of up to 80% of its fees and 100% of its expenses under the  
22 *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of*  
23 *Professionals* [Dkt. No. 170]. Stout understands that interim and final fee awards are subject to  
24 approval by this Court.

25 Stout will use its best efforts to staff and supervise the engagement with appropriate  
26 personnel using rates at the lower end of the hourly rate ranges stated above; however, there may  
27 be requirements and circumstances of the case that require specialized expertise or time sensitive  
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1 assignments where certain personnel may be required at the higher end of the stated range. Stout  
2 will charge for all services provided and for other charges and disbursements incurred in rendering  
3 the Services. These customary items include, among other things, travel and lodging expenses,  
4 business meals, costs of reproduction, research, communications, legal counsel costs, applicable  
5 sales or excise taxes and other direct expenses. Internal costs or overhead costs and document  
6 production services (including regular secretarial and word processing time) will not be charged  
7 for separately. Stout has acknowledged that the Committee, its constituents, its advisors or  
8 professionals shall not be liable for the fees, expenses or other amounts payable to Stout.

9 **V.**

10 **DISINTERESTEDNESS**

11 To the best of Applicant's knowledge and except to the extent disclosed in the Rosen  
12 Declaration, Stout (a) is a "disinterested" person within the meaning of section 101(14) of the  
13 Bankruptcy Code, and (b) does not hold or represent an interest adverse to the Debtor, or other  
14 parties in interest in the Chapter 11 Case. Stout will conduct an ongoing review of its files to  
15 ensure that no disqualifying circumstances arise. If any new relevant facts or relationships are  
16 discovered, Stout will supplement its disclosure to the Court.

17 Stout will establish an ethical wall separating Stout's professionals retained for purposes  
18 of valuing sexual abuse claims and those retained for purposes of providing the Services described  
19 herein. Stout's protocol for establishing an ethical wall will include, among other things: (i) no  
20 overlap in staffing; (ii) restricting computer access to this matter to only those employees working  
21 on this engagement; (iii) prohibiting discussion of this engagement and the Services in the presence  
22 of screened employees; and (iv) maintaining separate time records and preparing separate fee  
23 applications for claims valuation and real estate valuation services.

24 **VI.**

25 **NOTICE**

26 Notice of this Application will be provided to (i) the Debtor; (ii) Debtor's counsel; (iii) the  
27 Office of the United States Trustee Region 17; and (iv) all parties that have requested to receive  
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1 notice under Bankruptcy Rule 2002. Given the nature of the requested relief, the Applicant  
2 submits that no other or further notice is required.

3           **WHEREFORE**, Applicant submits that for the above reasons, the retention and  
4 employment of Stout to provide the Services should be approved, and requests that the Court enter  
5 an order authorizing the retention of Stout to provide the Services *nunc pro tunc* to April 1, 2025,  
6 and granting such other and further relief as may be just and proper.

7 Dated: April 9, 2025

**LOWENSTEIN SANDLER LLP**

8 By: /s/ Jeffrey D. Prol  
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**Exhibit A**

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14 **UNITED STATES BANKRUPTCY COURT**  
15 **NORTHERN DISTRICT OF CALIFORNIA**  
16 **OAKLAND DIVISION**

17  
18 *In re:*  
19 THE ROMAN CATHOLIC BISHOP OF  
20 OAKLAND, a California corporation sole,  
21 Debtor.

Case No. 23-40523 WJL

Chapter 11

**[PROPOSED] ORDER GRANTING  
THE APPLICATION FOR THE  
RETENTION OF STOUT RISIUS  
ROSS, LLC AS REAL ESTATE  
CONSULTANT AND EXPERT  
WITNESS**

23 Upon consideration of the *Application for Order Authorizing the Retention of Stout Risius*  
24 *Ross, LLC as Real Estate Consultant and Expert Witness* (the “**Application**”), through which  
25 Lowenstein Sandler LLP (“**Applicant**”), counsel to the Official Committee of Unsecured  
26 Creditors (the “**Committee**”) of the Roman Catholic Bishop of Oakland (the “**Debtor**”), requests  
27 entry of an order, under sections 327, 330 and 1103 of title 11 of the United States Code (the  
28 “**Bankruptcy Code**”) and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the

1 **“Bankruptcy Rules”**), authorizing and approving the retention and employment of Stout Risius  
2 Ross, LLC (**“Stout”**) to provide the Services on behalf of the Committee; and upon the (i)  
3 *Declaration of Randi Rosen in Support of the Application for Order Authorizing the Retention of*  
4 *Stout Risius Ross, LLC as Real Estate Consultant and Expert Witness*; and this Court having  
5 jurisdiction to consider the Application and the relief requested therein in accordance with 28  
6 U.S.C. §§ 157 and 1334; and consideration of the Application and the relief requested therein  
7 being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court  
8 pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court being satisfied that Stout represents no  
9 interest adverse to the Debtor’s estate; and it appearing that the Services to be provided by Stout  
10 are required; and after due deliberation thereon, and good and sufficient cause appearing therefor:<sup>1</sup>

11 **IT IS HEREBY ORDERED THAT:**

- 12 1. The Application is granted.
- 13 2. All objections to the Application or the relief requested therein that have not been  
14 withdrawn, waived or settled, and all reservations of rights included therein, are overruled.
- 15 3. Applicant is authorized to retain and employ Stout as its expert consultant and  
16 witness to provide the Services as described in the Application, with such employment effective  
17 as of April 1, 2025.
- 18 4. Notwithstanding anything to the contrary in this Order, or the Application, the  
19 Court is not approving terms and conditions of Stout’s employment under 11 U.S.C. § 328(a).
- 20 5. Stout shall apply for compensation of professional services rendered and  
21 reimbursement of expenses incurred beginning on April 1, 2025 in connection with the Chapter  
22 11 Case as set forth in the Application and in compliance with the provisions of the Bankruptcy  
23 Rules, the Local Rules, and any other applicable procedures and orders of this Court.
- 24 6. Stout shall provide reasonable notice to the Debtor and the U.S. Trustee of any  
25 increase of Stout’s hourly rates as set forth in the Application.
- 26 7. Stout shall institute the ethical wall described in the Application.

27  
28 <sup>1</sup> Capitalized terms not defined herein have the same meaning as ascribed to them in the Application.

