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*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

Chapter 11

**DEBTOR'S SUPPLEMENTAL STATUS  
CONFERENCE STATEMENT FOR  
BANKRUPTCY CASE**

Judge: Hon. William J. Lafferty

**Status Conference:**

Date: September 9, 2025

Time: 10:00 a.m.

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

1 **TO THE HONORABLE WILLIAM J. LAFFERTY, UNITED STATES BANKRUPTCY JUDGE**  
2 **AND ALL INTERESTED PARTIES AND/OR THEIR COUNSEL OF RECORD:**

3 The Roman Catholic Bishop of Oakland, a California corporation sole, and the debtor and debtor  
4 in possession (the “Debtor” or “RCBO”) in the above-captioned chapter 11 bankruptcy case (the “Chapter  
5 11 Case” or the “Bankruptcy Case”), hereby submits this supplemental status conference statement for the  
6 September 9, 2025, status conference in the Bankruptcy Case (the “Status Conference”).

7 This supplemental status conference statement is intended to provide an update to the Court,  
8 creditors, and other parties-in-interest regarding the current status of the case and the pressing issues facing  
9 the Debtor. More information regarding the background of the case and prior developments can be found  
10 in the Debtor’s previous status conference statements [Dkt. Nos. 192, 320, 458, 520, 760, 843, and 1373],  
11 and the Debtor’s *Third Amended Disclosure Statement for Debtor’s Third Amended Plan of*  
12 *Reorganization* (the “Disclosure Statement”). [Dkt. No. 1874].

13 **A. The Debtor’s Actions to Generate Cash for Administrative Expenses**

14 Due to its deteriorating cash position, among other things, on August 19, 2025, the Debtor filed its  
15 *Debtor’s Motion for Entry of an Order Authorizing (A) the Release of the Debtor’s Interests in Catholic*  
16 *Church Support Services, Inc. Pursuant to 11 U.S.C. §§ 105 and 363, and (B) Approving Pledge*  
17 *Agreements* [Docket No. 2239] (the “CCSS Divestment Motion”). Through the CCSS Divestment Motion,  
18 the Debtor seeks approval of an arrangement by which the Debtor will divest all rights regarding oversight  
19 of and board appointments for Catholic Church Support Services, Inc. (“CCSS”), a non-profit entity that  
20 provides cemetery management services including to Roman Catholic Cemeteries of the Diocese of  
21 Oakland, Inc. (“RCC”). In exchange, RCBO will receive pledges from CCSS and RCC totaling  
22 \$8,750,000. Of this amount, \$3.95 million would be immediately available, and an additional \$1.95  
23 million would be received over the first year. This would be received in exchange for rights that cannot  
24 be sold and are not otherwise monetizable. While the Debtor is giving up the expectation of long-term  
25 grants from CCSS, these are not guaranteed, and the transaction provides cash now, when it is desperately  
26 needed.

27  
28 STATUS CONFERENCE STATEMENT FOR SEPTEMBER 9, 2025

1 In light of the Committee's understandable need to conduct *reasonable* due diligence, the Debtor  
2 contacted the Committee before it filed the motion with an offer to meet and confer on any questions or  
3 concerns the Committee might have. On August 21, the Committee responded, asking for a meeting the  
4 following week. Following that meeting, and a full week after the Debtor filed its motion, the Committee  
5 sent a demand for extensive documents and information, including 22 separate requests. Many of these  
6 requests sought information already included in the CCSS Divestment Motion and supporting declaration,  
7 or that the Committee had already received through its deposition of RCC, in which the Committee  
8 specifically questioned RCC's witness regarding CCSS. Moreover, little of the information sought had  
9 any bearing on the fundamental facts that the Debtor has no equity interest in CCSS and no legal right to  
10 receive money from CCSS. The relevant documents to this analysis – CCSS's bylaws – had already been  
11 produced to the Committee. While the Committee's information requests were unnecessary and excessive,  
12 the Debtor has nevertheless produced the available documents and information responsive to these  
13 requests.

14 Not only did the Committee seek extensive discovery that is not necessary to evaluate the CCSS  
15 Divestment Motion, it also requested a continuance of the hearing. While the Debtor is not willing to  
16 continue the hearing in light of the need for the funds it will provide and the obviously benefit to the estate,  
17 in the interest of cooperation the Debtor did agree to extend the Committee's objection deadline to  
18 September 4, 2025, in hopes that provides the Committee sufficient time to do its analysis and reach the  
19 conclusion that an objection benefits no one. The Committee subsequently objected to the CCSS  
20 Divestment Motion and it is set for hearing September 9, 2025.

21 The Committee has also objected to the Debtor's efforts to retain CU Advisory Corporation  
22 ("Century Urban"). Century Urban is being retained by the Debtor to provide real estate consulting  
23 services to assist the Debtor in maximizing value from real estate it has identified for sale, in both the  
24 short and long term. This is essential for both desperately needed short-term liquidity, and long-term  
25 funding of any plan. Century Urban's services are limited to providing services related to real estate  
26 marketing and sale; it is not consulting on the Chapter 11 Plan, or providing bankruptcy services in any  
27 form. It will receive hourly fees at very modest rates of less than \$400 per hour, and a 0.5% success fee  
28

1 on transactions, similar to ordinary (non-bankruptcy) real estate consultants. The Debtor therefore sought  
2 to employ Century Urban as an ordinary course professional (“OCP”). The Committee again objected,  
3 even though it acknowledged it has no objection to employment of Century Urban to do the work it is  
4 being retained to do and is only seeking to make the Debtor jump through the hoops of a different process.  
5 Notably, while the Committee objected to this OCP employment, the US Trustee did not.

6 **B. Selection of Test Cases Following Lift Stay Order**

7 Following this Court’s July 25, 2025, order lifting the automatic stay to allow six coordinated state  
8 court actions to proceed, progress toward selecting those six test cases has been slow. Plaintiffs’ liaison  
9 counsel, Rick Simons, originally proposed six cases for stay relief, but several failed to satisfy the critical  
10 requirement of being estate-neutral in terms of defense costs (*i.e.*, fully covered by insurance and therefore  
11 not imposing any additional litigation costs on RCBO’s bankruptcy estate). RCBO has consistently  
12 emphasized that any case selected for trial must be vetted for insurance coverage before proceeding. This  
13 was a foundational premise of this Court’s lift-stay order: that the defense of these cases would be handled  
14 by carrier-appointed counsel and would not burden the estate. Following an initial meet-and-confer  
15 discussion between RCBO’s counsel, Mr. Simons, and the Committee’s counsel regarding this issue, only  
16 one case—*Woodall*—has been selected for stay relief as it meets the estate-neutral requirement.

17 Another meet-and-confer call is forthcoming, but the process of selecting six cases for trial has  
18 proven to be anything but straightforward and is imposing additional burdens on RCBO’s estate. Notably,  
19 the insurance carriers themselves have now injected further complexity into the process. On August 25,  
20 counsel for Pacific Indemnity, Century Indemnity, Pacific Employers, and Westchester Fire filed an *ex*  
21 *parte* application seeking leave to intervene in the JCCP 5108 proceedings. Their stated goal is to  
22 participate in and influence the selection of the six test cases—a role that is both inappropriate and  
23 unsupported. Judge Chatterjee declined to hear the application on an *ex parte* basis and directed that it be  
24 set on regular notice for the September Case Management Conference. RCBO will oppose any effort by  
25 the carriers to dictate case selection, as they are obligated to provide a full and independent defense for  
26 any covered claim, regardless of which case proceeds.

Furthermore, and of critical importance, the landscape of the state court litigation has shifted dramatically since the lift-stay order was entered. On August 25, 2025, Judge Chatterjee issued a ruling in JCCP 5108 holding that California Proposition 51 applies to all revived claims under AB 218, which would of course include the six test cases to be selected for trial. This ruling eliminates joint and several liability for noneconomic damages and limits defendants' exposure to their proportional share of fault.<sup>1</sup> This generally deflates the settlement value of the state court cases, as confirmed by Mr. Simons' strong opposition to the ruling. One of the Committee's stated purposes for lifting the stay was to allow Plaintiffs to obtain data points for valuing abuse claims against RCBO. Although the Debtor disagrees that is a relevant data point, any reliance by the Committee on the state court cases must now be considered in light of the Proposition 51 ruling, which materially lowers the value of those claims. In the Debtor's opinion, the Debtor's current settlement posture is therefore not only fair and equitable—it is reinforced by governing tort law.

**C. The Insurance Coverage Litigation**

The insurance adversary proceeding pending before Judge Corley [the "Insurance Case"] has been stayed except for written discovery since January 17, 2025, when the Court granted in part RCBO's Motion to Hold Cases in Abeyance. [D. Ct. Dkt. Nos. 166, 146]. In her Order, Judge Corley directed the parties to "proceed to obtain all of the written discovery they believe is needed in this insurance coverage dispute." [D. Ct. Dkt. 166]. Since then RCBO and the insurers have engaged in several meet and confer discussions and exchanged written correspondence regarding RCBO's responses to the insurer's document requests. RCBO has made extensive document productions in response to the insurers' document requests. In total, RCBO has produced more than 53,000 documents to the insurers, many of which it produced notwithstanding its objections to the requests for certain of such documents on relevance and other grounds. For example, despite RCBO's objections on, *inter alia*, relevance grounds

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<sup>1</sup> In relevant part, Proposition 51 provides that: "In any action for personal injury, property damage, or wrongful death, based upon principles of comparative fault, the liability of each defendant for non-economic damages shall be several only and shall not be joint. Each defendant shall be liable only for the amount of non-economic damages allocated to that defendant in direct proportion to that defendant's percentage of fault, and a separate judgment shall be rendered against that defendant for that amount." Cal. Code Civ. Proc. § 1431.2(a).

1 to producing documents pertaining to abuse survivors for whose claims RCBO is not seeking insurance  
2 coverage in the Insurance Case, RCBO has produced many—estimated to be in the thousands—of  
3 documents pertaining to such claimants. RCBO anticipates making a final additional document  
4 production in the coming weeks, which it anticipates will be in the realm of 5,000 documents.

5 In addition to the above, RCBO has held meet and confer discussions with the insurers regarding  
6 their objections to RCBO's document requests and, in some cases, RCBO has issued new written  
7 discovery to certain insurers. In response, the insurers have made document productions ranging from  
8 just over 5,000 documents on the high end, to merely a handful of documents on the low end. In addition,  
9 the insurers stand on their objections and refuse to produce documents in response to several of RCBO's  
10 document requests.

11 On August 20, 2025, Judge Corley held a case management conference in the Insurance Case,  
12 during which she ordered the parties to complete written discovery by October 2, 2025, and to submit to  
13 the Court a joint letter setting forth remaining discovery disputes by that date. [D. Ct. Dkt. No. 183]

14 **D. Professional Fee Applications and Interim Compensation**

15 The next set of Interim Fee Applications for retained professionals will be filed on or before  
16 October 15, 2025, for the period of May 1, 2025 – August 31, 2025. Pursuant to the *Agreed Order*  
17 *Amending Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Dkt.  
18 No. 2101] (the "Amended Interim Compensation Order"), the hearing on these Interim Fee Applications  
19 will be set not later than December 5, 2025. Counsel for the Debtor has confirmed with the Fee Examiner  
20 that he believes this schedule will provide adequate time for his review of the Interim Fee Applications.

21 The Amended Interim Compensation Order increased the monthly holdback amount for fees  
22 incurred by Professionals in the case from 20% to 30%. However, this arrangement will end with the  
23 September 2025 monthly fee statements. The Debtor estimates it will run out of cash sufficient to pay  
24 professional fees in the near term and is thus considering a further motion to amend the Interim  
25 Compensation Procedures, depending on the course this Chapter 11 Case takes in light of the Debtor's  
26 impending Motion to Dismiss.

1 DATED: September 9, 2025

Respectfully submitted,

2 **FOLEY & LARDNER LLP**

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Matthew D. Lee

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7 /s/ Shane J. Moses

SHANE J. MOSES

8 *Counsel for the Debtor*

9 *and Debtor in Possession*