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 the Debtor*

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 TO EMPLOY
 COVINGTON & BURLING LLP
 AS SPECIAL INSURANCE COUNSEL**

Judge: Hon. William J. Lafferty

[No Hearing Required]

The Roman Catholic Bishop of Oakland, a California corporation sole, and the debtor and debtor in possession (the "Debtor" or "RCBO") in the above-captioned chapter 11 bankruptcy case (the "Chapter



11 Case”), hereby files this Application to Employ Covington & Burling LLP (“Covington”) as special insurance counsel effective as of October 7, 2025 pursuant to sections 327(a), 330, 331 and 1107 of Title 11 of the United States Code (the “Bankruptcy Code”), and rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). In support of the Application, the Debtor relies on the pleadings on file in this Chapter 11 Case and the Declarations of David B. Goodwin (the “Goodwin Declaration”) and Attila Bardos filed concurrently herewith and incorporated by reference herein.

The Debtor’s proposed order hereon is attached hereto as **Exhibit A**.

I. JURISDICTION

This Court has jurisdiction over this Application under 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The legal bases for the relief requested herein are sections §§ 327(a) and 1107 of the Bankruptcy Code, and Bankruptcy Rules 2014 and 2016.

II. BACKGROUND

A. General Background

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

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

1 **B. The Insurance Coverage Litigation**

2 On June 22, 2023, the Debtor filed its adversary proceeding complaint for declaratory relief and
3 breach of contract, seeking to liquidate the Debtor's claims against several of its general liability insurers
4 [AP 23-04028, Docket No. 2]. On August 30, 2023, the Debtor filed an additional adversary proceeding
5 complaint, seeking declaratory relief, and alleging breach of contract against two additional insurers¹ [AP
6 23-04037, Docket No. 1] (collectively, the "Insurance Coverage Litigation"). The reference to the
7 Bankruptcy Court as to the Insurance Coverage Litigation was subsequently withdrawn on motions filed
8 by certain of the insurer defendants, and the Insurance Coverage Litigation is now pending before the
9 United States District Court for the Northern District of California as Case Nos. 3:24-cv-00709 and 3:24-
10 cv-00711.

11 Foley & Lardner, LLP ("Foley"), the Debtor's general bankruptcy counsel, represents the Debtor
12 in the Insurance Coverage Litigation against all defendants in District Court Case No. 3:24-cv-00709.
13 Because Foley has a conflict with one of the Debtor's insurers, American Home Insurance, which is a
14 subsidiary of American International Group, the Debtor required conflicts counsel to bring an adversary
15 proceeding as to that insurer. The Debtor therefore retained Breall & Breall LLP ("Breall") as special
16 insurance counsel for that purpose, and Breall represents the Debtor in the Insurance Coverage Litigation
17 as to American Home Insurance, the defendant in District Court Case No. 3:24-cv-00711.

18 **III. RELIEF REQUESTED**

19 The Debtor seeks authority to employ Covington as its special insurance counsel effective as of
20 October 7, 2025, for the term of the Chapter 11 Case pursuant to sections 327(a) and 1107 of the
21 Bankruptcy Code, and Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure. The Debtor
22 seeks to hire Covington because its general bankruptcy counsel, Foley, has a conflict that precludes it
23 from bringing claims related to insurance bad faith ("Insurance Bad Faith Claims") in the pending
24 Insurance Coverage Litigation. The Debtor has determined that at this time it is appropriate to assert
25 Insurance Bad Faith Claims and requires counsel to represent it with regard to those claims. While Breall
26

27 _____
28 ¹ One of these insurers has since been voluntarily dismissed without prejudice.

has provided limited services to the Debtor to date with regard to potential Insurance Bad Faith Claims, the Debtor now requires substitute special insurance counsel with greater bandwidth and the necessary experience to pursue the Insurance Bad Faith Claims and to pursue a recovery in the Insurance Coverage Litigation.

The Debtor expects that Foley will continue to represent the Debtor in the Insurance Coverage Litigation with respect to coverage and contract issues as it has to date, while Covington will represent the Debtor as co-counsel in the Insurance Coverage Litigation and specifically as to Insurance Bad Faith Claims. Because of specific delegation of responsibilities between each firm, the firms will be able to avoid duplication of efforts and will work closely to ensure that duplication is avoided.

IV. BASIS FOR RELIEF

Section 327(a) of the Bankruptcy Code authorizes a debtor in possession, under certain specified conditions, to employ attorneys. Specifically, section 327(a) states as follows:

Except as otherwise provided in this section, the trustee, with the court's approval, may employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the trustee's duties under this title.

A. The Debtor's Selection of Covington & Burling LLP

The Debtor selected Covington because the firm has is recognized as one of the nation's preeminent firms representing corporate policyholders in insurance coverage disputes and litigation. The Debtor believes Covington is especially qualified to represent it as special insurance counsel for Insurance Bad Faith Claims, including in the Insurance Coverage Litigation and otherwise. As a major international firm with over one hundred attorneys specializing in insurance coverage litigation, Covington also has the bandwidth needed to represent the Debtor in the Insurance Coverage Litigation and in connection with Insurance Bad Faith Claims.

The Covington professionals working on the Insurance Coverage Litigation have developed a reputation as highly skilled litigators handling insurance matters. Covington's attorneys have extensive, nationally recognized experience representing parties in a variety of litigation matters and specialize in representation of corporate policyholders in insurance disputes. The Debtor believes Covington is well-

DEBTOR'S APPLICATION TO EMPLOY COVINGTON & BURLING LLP AS SPECIAL INSURANCE COUNSEL

1 suited to provide the representation and professional services the Debtor will require in its dispute with its
2 insurers regarding issues of insurer bad faith. The Debtor contemplates Covington will render the
3 following services:

- 4 • Review and analyze the Debtor's insurance policies issued by certain insurers covering
5 claims based on sexual abuse, pursue insurance coverage for such claims, and analyze
6 potential Insurance Bad Faith Claims and similar claims against the insurers related to those
7 policies;
- 8 • Represent the Debtor in any adversary proceedings or other litigation matters involving
9 Insurance Bad Faith Claims regarding such policies, including but not limited to pending
10 the Insurance Coverage Litigation, as co-counsel with the Debtor's existing insurance
11 litigation counsel; and
- 12 • Provide such other services related to the above as may be requested by the Debtor and
13 agreed to by Covington.

14 The Debtor requests approval of the employment of Covington as its special insurance counsel
15 effective as of October 7, 2025. Covington has begun working with representatives of the Debtor and
16 attorneys from Foley to understand the relevant insurance coverage issues, and has assisted in the ongoing
17 mediation process,. The Debtor promptly filed this Application once Covington began its work on the
18 matter. Retroactive approval of this Application is therefore warranted.

19 **B. Covington's Investigation of Conflicts and Connections**

20 In connection with its potential retention in the Chapter 11 Case, Covington conducted an
21 investigation to ascertain conflicts and connections with the Debtor's creditors and other potential parties
22 in interest (the "Conflicts Investigation"), with (i) every known creditor, including the twenty largest
23 unsecured creditors and their counsel, if known; (ii) all secured creditors; (iii) the senior officers and
24 directors and individuals who are part of advisory bodies for the Debtor; (iv) significant contract counter-
25 parties; (v) taxing authorities; (vi) the United States Trustee trial attorneys in the Northern District of
26 California office; (vii) employees and contractors of the Debtor; and (ix) all of the judges for the United
27 States Bankruptcy Court for the Northern District of California ("Potential Adverse Parties").

28 DEBTOR'S APPLICATION TO EMPLOY COVINGTON & BURLING LLP AS SPECIAL INSURANCE COUNSEL

1 Except as disclosed in this Application or in the Goodwin Declaration, based solely on the
2 Conflicts Investigation, neither Covington nor any of its attorneys or employees (i) is a creditor or an
3 insider of Debtor; (ii) is or has been within two years before the date of the filing of the petition a director,
4 officer or employee of the Debtor; or (iii) has an interest materially adverse to the interests of the Estate
5 or of any class of creditors, by reason of any direct or indirect relationship to, connection with, or interest
6 in, the Debtor. Accordingly, Covington is a “disinterested person” within the meaning of sections 101(14)
7 and 327 of the Bankruptcy Code.

8 Further, based on the Conflicts Investigation, Covington has determined it has no connection with
9 the Debtor, its creditors or other parties in interest or their respective attorneys or accountants, or the
10 United States Trustee, or any of the Trial Attorneys in the Northern District of California offices of the
11 United States Trustee, or any of the judges for the United States Bankruptcy Court for the Northern District
12 of California, except as set forth in the Goodwin Declaration.

13 **C. General Information Regarding the Terms of Covington’s Engagement**

14 The Debtor understands it will be billed for legal services performed by attorneys at Covington at
15 the hourly rates stated below. The Debtor requests all legal fees and related costs and expenses it incurs
16 on account of legal services rendered by Covington in the Chapter 11 Case be paid as administrative
17 expenses of the Estate. Covington will maintain detailed records of the time spent and tasks performed for
18 the Debtor, and any actual and necessary costs and expenses incurred in connection with these legal
19 services, and will file fee applications in accordance with the Bankruptcy Code, the Federal Rules of
20 Bankruptcy Procedure, any applicable orders of this Court, and the Guidelines for Compensation and
21 Expense Reimbursement of Professionals and Trustees, dated February 19, 2014 (the “Fee and Expense
22 Guidelines”).

23 The names and positions of the Covington professionals and paraprofessionals presently expected
24 to have primary responsibility for providing services to the Debtor are listed below. In addition, Covington
25 has identified each such professional’s standard hourly rate:

Name	Title	Hourly Rate
Goodwin, David B.	Senior Counsel	\$2,025
Haskett, Christine S.	Partner	\$1,925

In addition, Covington will utilize such other professionals and paraprofessionals as the demands of the Chapter 11 Case and Insurance Coverage Litigation require and as the substantive issues that arise may dictate.

Rather than charge the standard rates identified above, Covington has agreed to provide services to the Debtor at an all-attorney blended rate of \$1,050 per hour for the first three months of the engagement. Thereafter, at the Debtor's option, Covington will render services to the Debtor (1) at an all-attorney blended rate of \$1,180 per hour, with non-attorney staff billed at a 10% discount from standard rates; or (2) at rates of \$1,695 per hour for senior attorneys, \$995 per hour for associates, and non-attorney staff at standard rates less a 10% discount. These alternative fee structures provide the Debtor with a significant discount from the Firm's standard rates.

Covington will coordinate with Foley to the greatest extent possible to avoid duplication of work; however, in all cases, Covington will be directed by and will report to the Debtor.

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

V. STATEMENT REGARDING U.S. TRUSTEE GUIDELINES

Covington will apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with the Debtor's Chapter 11 Case in compliance with sections 330 and 331 of the Bankruptcy Code and applicable provisions of the Bankruptcy Rules, Local Rules, and any other applicable procedures and orders of the Court. Covington also intends to make every reasonable effort to comply with the U.S. Trustee's requests for information and additional disclosures as set forth in the Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases, effective November 1, 2013 (the

DEBTOR'S APPLICATION TO EMPLOY COVINGTON & BURLING LLP AS SPECIAL INSURANCE COUNSEL

1 “Revised UST Guidelines”), both in connection with this Application and the interim and final fee
2 applications to be filed by Covington in this Chapter 11 Case.

3 The following is provided in response to the request for additional information set forth in
4 Paragraph D.1. of the Revised UST Guidelines:

5 **Question:** Did you agree to any variations from, or alternatives to, your standard or customary
6 billing arrangements for this engagement?

7 **Response:** Yes, as described in Section IV.C above, Covington has agreed to significantly
8 discount its standard rates.

9 **Question:** Do any of the professionals included in this engagement vary their rate based on
10 the geographic location of the bankruptcy case?

11 **Response:** No.

12 **Question:** If you represented the client in the 12 months prepetition, disclose your billing rates
13 and material financial terms for the prepetition engagement, including any adjustments during the 12
14 months prepetition. If your billing rates and material financial terms have changed postpetition, explain
15 the difference and the reasons for the difference.

16 **Response:** Not Applicable

17 **Question:** Has your client approved your prospective budget and staffing plan, and, if so, for
18 what budget period?

19 **Response:** Not Applicable

20 **VI. NOTICE**

21 Notice of this Application (the “Notice”) is being provided to the parties listed on the Core Service
22 List, pursuant to the *Final Order Approving Debtor’s Motion for an Order Authorizing and Approving*
23 *Special Noticing and Confidentiality Procedures*. [Docket No. 292.] The Debtor submits in light of the
24 nature of the relief requested, no further notice is required.

25 **VII. CONCLUSION**

26 For the reasons stated in this Application, the Debtor believes employing Covington as special
27 counsel during these proceedings is in the best interests of the Estate, and, except as noted in this
28

DEBTOR’S APPLICATION TO EMPLOY COVINGTON & BURLING LLP AS SPECIAL INSURANCE COUNSEL

Application and the Goodwin Declaration, Covington holds no interests adverse to the Debtor or the Estate with respect to the matters for which Covington is to be retained.

WHEREFORE, the Debtor respectfully moves this Court for entry of an order:

1. Granting the Application;
2. Authorizing the retention and employment of Covington & Burling LLP as the Debtor's special insurance counsel pursuant to 11 U.S.C. 327(a), effective October 7, 2025; and
3. Granting such other and further relief as the Court deems just and proper.

DATED: October 20, 2025

THE ROMAN CATHOLIC BISHOP OF OAKLAND

/s/ Attila Bardos

Attila Bardos, Chief Financial Officer

DATED: October 20, 2025

FOLEY & LARDNER LLP

Eileen R. Ridley

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*

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EXHIBIT A

FOLEY & LARDNER LLP

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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

**ORDER APPROVING DEBTOR'S
APPLICATION TO EMPLOY COVINGTON
& BURLING LLP AS SPECIAL
INSURANCE COUNSEL**

Judge: Hon. William J. Lafferty

1 Upon the application (the “Application”)¹ filed by The Roman Catholic Bishop of Oakland, a
2 California corporation sole, and the debtor and debtor in possession (the “Debtor” or “RCBO”) in the
3 above-captioned chapter 11 bankruptcy case (the “Chapter 11 Case” or the “Bankruptcy Case”), pursuant
4 to sections 327(a) and 1107 of the Bankruptcy Code and Bankruptcy Rules 2014 and 2016, for entry of
5 an order authorizing the employment and retention of Covington & Burling LLP (“Covington”) to
6 represent the Debtor as special insurance counsel, on the terms described in the Application and as more
7 fully set forth therein; and due and proper notice of the Application having been given; and the Court
8 having found that it has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334, that this is a core
9 proceeding under 28 U.S.C. §§ 157(a)-(b) and 1334(b), and that venue is proper before this Court under
10 28 U.S.C. §§ 1408 and 1409; and the Court being satisfied, based on the representations made in the
11 Application and the Declaration of David B. Goodwin in support thereof, that Covington does not hold or
12 represent any interest adverse to the Debtor’s estate in the above-captioned case and is disinterested under
13 section 101(14) and meets the requirements for employment under section 327(a) of the Bankruptcy Code;
14 and the Court finding that cause exists for the entry of this Order authorizing the employment of Covington
15 as special insurance counsel for the Debtor effective as of October 7, 2025, including that such
16 employment is in the best interests of the Debtor’s estate;

17 **IT IS HEREBY ORDERED** that:

- 18 1. The Application is APPROVED as set forth in this Order.
- 19 2. The Debtor is authorized to retain and employ Covington as its special insurance counsel
20 effective as of October 7, 2025, under the terms set forth in the Application.
- 21 3. Covington’s compensation and reimbursement in respect to its fees and expenses incurred
22 representing the Debtor shall be subject to further order of the Court in accordance with the procedures
23 and standards set forth in sections 330 and 331 of the Bankruptcy Code, such Federal Rules of Bankruptcy
24 Procedure and local rules as may be applicable from time to time, and such procedures as may be fixed
25 by order of this Court, as well as the *United States Bankruptcy Court Northern District of California*
26 *Guidelines for Compensation and Expense Reimbursement of Professionals and Trustees*, effective
27

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

1 *February 19, 2014, and the U.S. Trustee Guidelines for Reviewing Applications for Compensation and*
2 *Reimbursement of Expenses Filed Under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases,*
3 *effective November 1, 2013.*

4 4. Notwithstanding anything to the contrary in this Order or the Application, the Court is not
5 approving terms and conditions of Covington's employment under 11 U.S.C. § 328(a).

6 5. In the event of any inconsistency between the Application and this Order, this Order shall
7 govern.

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

10 *** END OF ORDER ***

COURT SERVICE LIST

All ECF Recipients.