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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

In re:

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

Debtor.

Bankruptcy Case No. 23-40523 WJL

Hon. William J. Laferty

Chapter 11

CERTAIN UNDERWRITERS AT LLOYD'S, LONDON AND CERTAIN LONDON MARKET INSURERS' SUPPLEMENTAL OBJECTION TO SECOND AMENDED DISCLOSURE STATEMENT FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS' FIRST AMENDED PLAN OF REORGANIZATION DATED APRIL 15, 2026

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Certain Underwriters at Lloyd's, London and Certain London Market Insurers ("LMI"),[1] object to the *Second Amended Disclosure Statement for the Official Committee of Unsecured Creditors' First Amended Plan of Reorganization Dated April 15, 2026* [Dkt. No. 2833] ("Second Disclosure Statement") filed by the Official Committee of Unsecured Creditors ("Committee"). In support, LMI respectfully state as follows:

I. FACTUAL BACKGROUND

On March 27, 2026, the Committee filed its *Disclosure Statement for the Official Committee of Unsecured Creditors' Plan of Reorganization* [Dkt. No. 2753] ("First Disclosure Statement"). In response, on April 16, 2026, LMI joined the *Certain Insurers' Objections to (I) The Disclosure Statement for the Official Committee of Unsecured Creditors' Plan of Reorganization, and (II) The Disclosure Statement in Support of Debtor's Modified Fourth Amended Plan of Reorganization* [Dkt. No. 2798] ("Certain Insurers' Objection"). In addition, LMI also filed a separate *Supplemental Objection to the Disclosure Statement for the Official Committee of Unsecured Creditors' Plan of Reorganization Dated March 27, 2026* [Dkt. No. 2797] ("First Supplemental Objection") to the First Disclosure Statement.

On April 9, 2026, LMI filed an Exhibit in support of its First Supplemental Objection.[2] The Exhibit is a redlined version of the First Disclosure Statement that includes LMI's proposed revisions. On April 15, 2026, the Committee filed its Second Disclosure Statement and its *First Amended Plan of Reorganization Dated April 15, 2026* ("First Amended Committee Plan").[3] LMI incorporate the arguments set forth in the Certain Insurers' Objection and First Supplemental Objection as though

[1] LMI are Certain Underwriters at Lloyd's, London, subscribing severally and not jointly to Slip Nos. CU 1001 and K 60034 issued to the Roman Catholic Bishop of San Francisco, and Nos. K 78318 and CU 3061 issued to the Roman Catholic Bishop of Oakland; Catalina Worthing Insurance Ltd f/k/a HFPI (as Part VII transferee of Excess Insurance Co. Ltd.); the Ocean Marine Insurance Company Limited (as Part VII transferee of the World Auxiliary Insurance Corporation Limited); River Thames Insurance Company Limited; Dominion Insurance Company Limited; Companhia de Seguros Fidelidade-Mundial f/k/a Fidelidade Insurance Company of Lisbon; and R&Q Gamma Company Limited (as Part VII transferee of Anglo French Ltd.).

[2] *See* Dkt. No. 2810.

[3] Dkt. Nos. 2833 and 2834.

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fully set forth herein, as the arguments that the Committee Plan is patently unconfirmable apply to the First Amended Committee Plan.

II. THE SECOND DISCLOSURE STATEMENT FAILS TO PROVIDE ADEQUATE INFORMATION

The Second Disclosure Statement is incomplete because it fails to adequately disclose that the First Amended Committee Plan has provisions that render it patently unconfirmable. The Committee appears to have adopted, in principle, some of LMI's proposed revisions to Second Disclosure Statement. However, the Committee did not adopt one proposed revision from LMI. LMI respectfully request that the below addition be made to Article VI, D.10 of the Second Disclosure Statement, as reflected in on page 28 of the Exhibit, as follows:

> LMI contend that the Committee Plan cannot be confirmed because it: (i) seeks findings concerning potential bad faith claims against insurers that the Bankruptcy Court has no jurisdiction to make (*see* Committee Plan, § 4.4.4); (ii) requests that the Bankruptcy Court enter a final order—without any Constitutional authority—regarding the insurance policies of LMI (*see* Committee Plan, § 9.6.1); (iii) improperly appoints the Survivors' Trustee in violation of Bankruptcy Code Section 1123(b)(3)(B) (*see* Committee Plan, § 9.2); (iv) improperly delegates a judicial function (allowance and disallowance of claims) to a nonjudicial officer, the Survivors' Trustee (*see* Committee Plan 1.1.14); and (v) improperly limits parties in interests from objecting to claims in violation of *Truck Ins. Exchange v. Kaiser Gypsum*, 602 U.S. 268 (2024) (*see* Committee Plan, §§ 1.1.36, 5.2.2). LMI contend that if the Bankruptcy Court confirms (*i.e.* approves) the Committee Plan, the Committee Plan will be reversed on appeal. The Committee disputes these contentions by LMI.

The Committee's language is inadequate. Currently, the Second Disclosure Statement only includes a footnote that states, "LMI contend that the Committee Plan cannot be confirmed. LMI contend that if the Bankruptcy Court confirms (i.e., approves) the Committee Plan, the Committee Plan will be reversed on appeal. The Committee disputes these contentions by LMI."[4] This language fails to provide adequate information about the specific provisions that render the First Amended Committee Plan patently unconfirmable. Parties are unable to properly assess the risk in voting for the First Amended Committee Plan because the Second Disclosure Statement's language regarding the reversal risk is vague and too general (it doesn't specify why there may be a reversal). The

[4] Second Disclosure Statement, Dkt. No. 2833 at 37, n. 16.

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language is further problematic because it is buried in a footnote. The Second Disclosure Statement should include the specific language proposed by LMI in the body of the document (rather than a footnote) for parties to make an informed voting decision. Accordingly, LMI request that its language proposed above be included in the Second Disclosure Statement.

Dated: April 16, 2026

Respectfully submitted,

By: */s/ Jeff D. Kahane*

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