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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

**DEBTOR'S OPPOSITION TO THE SECOND AMENDED DISCLOSURE STATEMENT FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS' FIRST AMENDED PLAN OF REORGANIZATION, DATED APRIL 15, 2026**

Judge: Hon. William J. Lafferty

Date: April 17, 2026
Time: 11:00 AM PT
Place: United States Bankruptcy Court
1300 Clay Street
Courtroom 220
Oakland, CA 94612

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The Roman Catholic Bishop of Oakland, debtor and debtor in possession ("Debtor" or "RCBO") in the above-captioned case ( "Chapter 11 Case"), hereby files its opposition ("Opposition") to the *Second Amended Disclosure Statement for the Official Committee of Unsecured Creditors' First Amended Plan of Reorganization, Dated April 15, 2026* [Docket No. 2833] (the "SADS"), filed by the Official Committee of Unsecured Creditors ("Committee"). In support, the Debtor respectfully states as follows:[1]

## I. INTRODUCTION

The Committee's SADS cannot and should not be approved by this Court for solicitation to creditors, particularly Abuse Claimants, for at least five primary reasons.

***First***, and most importantly, it would require that this Court violate the First Amendment to the Constitution of the United States of America. Finally, at long last, the Committee's true intent becomes clear. Though it has previously stated (on the record) that it never demanded the closure of any particular Debtor parish and/or Church, it now seeks to compel the closure and sale of ***thirty*** such parishes and Churches,[2] including at least two mentioned by name in its Plan Funding Analysis.[3] At the hearing on April 10, 2026 (just six days ago), Committee counsel stated:

> Your Honor, the debtor is desperate for a soundbite such that they want the Committee to say, we are compelling you to sell churches. We are not.
>
> There is nothing under our plan that compels the selling of a church. Whether the debtor has to sell real estate to fund our plan will be a decision they can make. There's any number of ways they can fund it, but they are not going to get the soundbite that we're closing churches.

Transcript of Proceedings dated April 10, 2026 ("April 10 Tr.") at 55:8-18. This statement followed an earlier statement on March 10, 2026 that the Committee Plan was not predicated on "selling sacred

[1] Capitalized terms not defined below have the meaning ascribed to them in the documents referenced.

[2] That this number corresponds to the Committee's prior, repeated (incorrect) citations to the Bishop's statements about a fictional "prepetition plan to cluster, merge, or close 30 or so parishes" is not coincidental. Rather, it is causal; these misrepresentations about a prepetition plan to "close" 30 parishes have infected its present demand to do exactly that. *See* First Amended Disclosure Statement at 27, 31, 35, and 39 (the Committee's prior mischaracterizations of the Bishop's statements); *see also*, Docket Nos. 11852 and 2796 (exposing the full context and truth of same).

[3] *See* Docket No. 2833-3 at 3 (naming St. John Vianney Church and St. Joan of Arc Church). That the Committee named these two properties specifically means the statement that "The Committee Plan is [not] predicated on the Debtor selling any particular piece of real property" in the SADS is manifestly false. SADS at 8.

property,"[4] as well as a statement on July 16, 2025 that "If you believe you need to close parishes – we're not telling them to close parishes … No, we are not telling them to close a thing."[5] Apparently, the words "compel" and "telling" were carrying *significant* weight. The Committee clearly *contemplated* the closing of additional Churches to fund its plan but was unwilling to admit it until forced by Court directive. Thus, any truth the Committee's statements may have had lasted about five days. With the SADS filed late in the evening on April 15, the Committee's *real* intent became clear: it is not seeking to "compel" or "tell" the Debtor to sell "churches." It is seeking ***that this Court*** compel the Debtor to close and sell ***30 Churches*** to fund its Plan:

> 1. This Plan Funding Analysis assumes that 30 whole Parish / Church sites are sold to fund contributions to the Committee Plan.

Docket No. 2833-3 at 3 of 5.[6]

To be clear, this is ***eighteen*** existing parish/church sites ***in addition*** to the ***twelve*** voluntarily proposed by the Debtor. The Committee cannot compel these additional eighteen Churches to be sold, no court can require them to be sold, and the Committee has previously, repeatedly, assured the Court it would not demand them to be sold. These are Churches where parishioners go every Sunday to mass, to receive communion and the other sacred sacraments, and otherwise practice their faith. The Committee is asking for 2 ½ times the number of Churches be sold than then Bishop of Oakland has determined is possible to be sold, if the Church is to provide space for worship for its parishioners and as are necessary for it to fulfill its religious mission. If any confusion remained about the Committee's intent, the Plan Funding Analysis[7] dispelled it:

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[4] Transcript of Proceedings dated March 10, 2026 ("March 10 Tr.") at 56:3-6. It is difficult to imagine what a church is if not "sacred property."

[5] Transcript of Proceedings dated July 16, 2025 ("July 16 Tr.") at 26:10-13.

[6] The existence of this document, provided to both the Debtor and the Court for the first time in filings on April 15—after the Committee's initial attempt to convince the Court to approve First Amended Disclosure Statement on the premise no Churches would need to be closed under the Committee Plan—is deeply troubling. The level of detail in the Committee's Plan Funding Analysis implies that it must have existed prior to the hearing on April 10 but was not reflected in or referenced by the Committee's prior disclosure statement.

[7] Exhibit C to the SADS, filed at Docket No. 2833-3.

| Description | Notes | Ending 31-Dec-26 | Ending 31-Dec-27 | Ending 31-Dec-28 | Ending 31-Dec-29 | to 31-Dec-29 |
|---|---|---|---|---|---|---|
| (1) Net Proceeds from Real Estate Sales (Including 12 Whole Parish Sites) | (2) | $ 1,111,500 | $ 7,240,700 | $ 53,203,200 | $ 21,446,400 | $ 83,001,800 |
| (2) Incremental Net Proceeds from Real Estate Sales (Including 16 Additional Whole Parish Sites) | (3) | - | - | (825,600) | 66,921,600 | 66,096,000 |
| (3) Incremental Net Proceeds from the Sale of Two Additional Parish Sites | (4) | 1,596,000 | - | - | 28,963,200 | 30,559,200 |
| (4) Operating Reserves from Parish Closures | (5) | - | - | 2,150,000 | 4,450,000 | 6,600,000 |

*See* Docket No. 2833-3 at 2 of 5. This is compared to the Debtor's own statement of intent in the Debtor Disclosure Statement as to property to liquidate, which is as follows:

> • The Debtor-owned portions of twelve real property locations on which Churches currently operate either as primary or secondary locations.

Debtor Disclosure Statement at 8:21/22.

These sales are the linchpin of the Committee Plan. According to the Committee's own math, they will generate $186,257,000 in proceeds *necessary to the Committee Plan* derived from the closure and sale of the Debtor's parishes and Churches, including *$96,655,200* in proceeds "from real estate sales that have not been agreed to by the Debtor." Docket No. 2833-3 at 4. This is an outcome the Debtor cannot accept and that the Debtor will not allow because it changes the fundamental nature of the Debtor's mission, affects countless parishioners that have done nothing wrong, violates the Constitutional rights of Catholics in the Diocese to practice their faith, and compromises the future of the Diocese as a religious institution. More to the point, it is an outcome that affects the Debtor's mission *every single day*. King Henry VIII could hardly have done better. The Churches the Committee wants to close and sell have seen countless baptisms, communions, confessions, confirmations, marriages, and anointing of the sick, not to mention the daily life of the Church, including burials, reflection, and prayer. Further, it is an outcome that this Court cannot force and that the Committee cannot realistically demand, particularly given prior statements. Every single instance where the Committee previously said it was not contemplating or requiring the closure of one of the Debtor's Churches has been proven to be false and misleading. This was always the Committee's intent, finally laid bare by the requirements of full disclosure to this Court and the Debtor's creditors.

***Second***, the SADS fails to confront, much less solve, the Committee's central problem at this stage in this Chapter 11 case: though it wants to present the Committee Plan as on par or better than the Debtor Plan, it "is not in charge of what [it] wants to dispose," as it depends on the Court forcing the Debtor to

do what it has always stated its higher purpose forbids it from doing. This leaves every aspect of the Committee Plan speculative, at best, especially when compared to specific certainties the Debtor Plan. This is not an issue of feasibility or patent unconfirmability. It is one of basic disclosure to allow claimants to vote intelligently. To be clear, the outcome that the Committee seeks is one that is unachievable under chapter 11 of Title 11 of the United States Code because it is unachievable under the Constitution of the United States of America. It goes beyond what the Debtor has pledged itself to do under its Plan, seeking not only that but *significant more* against the Debtor's will and ability as a religious institution.

More to the point about disclosure, at the hearing on April 10 wherein it approved the Debtor Disclosure Statement for solicitation, the Court directed the Committee to describe in any amended filing, at a minimum, (i) why it is harder for the Committee to monetize assets than for the Debtor, and (ii) the uncertainty and challenge inherent in the Committee trying to dispose of assets it does not control. Specifically, noting the "central issue in this case now, which is [the Committee is] not in charge of what [it] wants to dispose," *see* April 10 Tr. at 116:3-4, the Court directed the Committee to provide "whatever else you can about both the certainty of the ability to monetize anything here, and the universe of what that means, and why, even in the best of circumstances, under your plan, there may be challenges that there wouldn't be under the [Debtor Plan]. People have to understand that. They just have to." *Id*. at 16-20.

The SADS fails on every aspect of this directive. It reveals no certainty of any ability to monetize anything, because the Committee does not own or control the Churches whose sales fund its Plan. Thus, what their Plan would certainly accomplish would be to mislead creditors, who could be tempted to think the Committee's proposed approach was legally possible—it is not. These are challenges unique to the Committee Plan compared with the Debtor's. Abuse Claimants and others reading the SADS will not "understand" what "[t]hey just have to."

Though it is replete with caveats purporting to describe risks as directed by the Court, the SADS failed to meet even this most basic of thresholds. Refusing to adequately inform Abuse Claimants about the risks inherent with the Committee Plan, the SADS prefers instead to repeatedly hedge, countering

legitimate concerns with adjectives designed to obscure and confuse. "Just trust us" is more than an ethos at this point; it is the defining theme of the SADS.

***Third***, in the face of the Debtor's criticism that prior disclosure statements did not provide any legitimate basis to explain why $195.2 million was the "right" number for Abuse Claimants, the SADS continues to trade on little more than the out-of-context soundbite from *Purdue Pharma* that "[a] debtor can win a discharge of its debts if it proceeds with honesty and places virtually all its assets on the table for its creditors." SADS at 8:21-22. If any trope truly existed in this case, it would be this one. The Committee has repeatedly cited to this concept as a sword against the Debtor despite the fact that: 1) the Debtor has proceeded with honesty and good faith at every single step in this Chapter 11 Case; 2) *Purdue Pharma* did not involve a non-profit, religious organization; 3) this Debtor is voluntarily making considerable sacrifices such that virtually all of its *available* assets are on the table; 4) that statement was made as dicta in light of the overall ruling on third-party releases, and did not add another element to the confirmation analysis under § 1129; and 5) this Court has stated that more information is necessary about how and why the Committee believes $195.2 million is necessary from the Debtor, particularly to the extent that it is merely a bigger number than what the Debtor is currently proposing.[8] The Committee cannot continue to fall back on a favorite platitude devoid of additional meaning in this Chapter 11 Case.

***Fourth***, and most egregiously in terms of compliance with Court directives, the Committee has flagrantly disregarded this Court's explicit instructions regarding references to RCWC in the SADS. At the April 10 hearing, the Court unambiguously directed that any reference to a contribution by RCWC be removed—save ***for*** a footnote indicating that an offer to settle was made and rejected. The Committee's response to this clear judicial mandate was brazen defiance: the SADS contains no fewer than ninety-four (94) references to RCWC. This is not inadvertent oversight; it is calculated insubordination. These references include, on the very first substantive ***page of the SADS*** (page 2), a recommendation that Abuse Claimants "not consent to granting [RCWC] a release under the Diocese Plan." The Committee also prominently displays an impossible $314.1 million payout figure—a number that this Court explicitly

[8] Transcript of Proceedings dated April 10, 2026 ("April 10 Tr.") at 92:8-93:21 (discussing the genesis of the Committee's $195.2 million demand).

recognized will never materialize and that the Committee knows is entirely illusory under its own Plan. The strategic placement of this fabricated recovery figure on the first page of the SADS can serve only one purpose: to deceive Abuse Claimants into believing that voting against the Debtor Plan could somehow yield this phantom windfall. The Committee's hedging language—noting that RCWC "has advised that it will not participate in Committee Plan"—does nothing to cure this deception; if anything, it compounds it by suggesting the $314.1 million figure retains some vestigial relevance when it has none whatsoever. Abuse Claimants will inevitably see "$314 million" and conclude it represents a realistic possibility (why else would it appear so prominently?). This calculated manipulation is designed to induce votes against the Debtor Plan—a Plan that actually provides *certain*, guaranteed contributions from RCWC that Abuse Claimants can choose to accept or reject. The Committee's conduct constitutes a manifest injustice to the very claimants it purports to represent and represents a fundamental abdication of its fiduciary responsibility.

The Court's directive on this point could not have been clearer. On April 10, when Debtor's counsel stated "there is no reason that RCWC needs to be mentioned, except for the footnote," the Court responded: "That was more my thinking, honestly, okay?" April 10 Tr. at 103:3-9. This was not a suggestion or a preference—it was a directive from the bench. Yet the Committee has treated this Court's instructions with contempt, burying ninety-four (94) separate references to RCWC throughout the SADS. The sheer volume of these references—averaging nearly one per page—cannot be accidental. Each reference serves to improperly conflate the Debtor with RCWC and to confuse the Committee's fiduciary obligations. The Committee owes fiduciary duties to creditors of this estate; it owes no such duties with respect to non-debtor third parties like RCWC. By relentlessly injecting RCWC into its disclosure materials, the Committee obscures this fundamental distinction and misleads Abuse Claimants about the scope and nature of their potential recoveries under either Plan.

If RCWC's creditors, to the extent they have claims against the Debtor and RCWC, decide to release RCWC under the Debtor Plan, they should be allowed to do so without the Committee's interference. Indeed, considering that the Committee has no fiduciary obligation with respect to potential claims of Abuse Claimants against a non-debtor (like RCWC), the propriety of any guidance it might

purport to give such claimants is questionable at best, particularly at this stage in the case when releases are not being balloted. Rather, the Committee should stay silent and let Abuse Claimants represented by able counsel speak for themselves. Anything else seems self-serving and manipulative in a competing plan process. As counsel for RCBO and RCWC (independently) stressed on April 10, any attempt by this Committee to opine on this issue should be stricken.

***Fifth***, at the Committee's request following the hearing on April 10, the Debtor provided it with page-by-page, sometimes line-by-line revisions to the Committee's First Amended Disclosure Statement [Docket No. 2812-2], that constituted the absolute bare minimum for an amended filing not to be misleading, inadequate, or both. Though the Committee accepted (or attempted to accept) many of the revisions, many more remain unresolved and outstanding. The email from counsel to the Debtor is attached as **Exhibit A** to this Opposition. The list of outstanding issues (as derived from that list) is set forth in detail below.

Even assuming the Committee met this Court's standard about the "central issue"—which it did not—and/or addressed the Debtor's objections to the FADS, the Committee's failure (or refusal) to address all other issues in the SADS should be fatal.

For these reasons, the SADS cannot be approved for solicitation, and the Committee Plan itself should be put aside. The SADS represents the first truthful statement by this Committee that their intent is (and always has been) to use the judicial powers of this Court to force the Debtor to compromise its religious mission against its interest and intent. This is evident from a facial—albeit somewhat concealed—requirement that the Debtor sell and/or close ***eighteen additional*** parishes and/or Churches to fund itself, beyond the bounds of what a Committee (and this Court) can compel or accomplish. On its face, the Committee Plan (as amended) is unconfirmable, infeasible, and should be denied. But even after a third bite at the apple in this phase of the case, the SADS continues to be chock full of misleading statements and unexplained assumptions of what the Committee wants to do, how it wants to do it, and why. As such it does not even approach the necessary standard under the Bankruptcy Code—and directed by this Court in this case—for "adequate information."

## II. LIMITED ADDITIONAL BACKGROUND

On April 9, 2026, the Committee filed its *Notice of the Filing of First Amended Disclosure Statement for the Official Committee of Unsecured Creditors' Plan of Reorganization, Dated March 27, 2026* [Docket No. 2812] (the "FADS"). The Committee did not file an amended plan of reorganization at this time but indicated that it would.[9]

On April 10, the Court convened a hearing on both disclosure statements: the Debtor Disclosure Statement (filed March 29, 2026)[10] and the Committee's FADS (filed the day before the hearing, on April 9, 2026). The hearing culminated in the Court's approval of the Debtor Disclosure Statement and denial of the Committee's FADS. Regarding further amendments to the latter, the Court directed, among other things:

> Could that be a little bit more explicit than it is now and upfront that look, I mean, here's our – we think this is fair and equitable for the following reasons. We'll get to that in a few, okay? But having said that, we're aware that we will not be managing the debtor. And managing a debtor of this type would be a unique scenario, believe me. So it may be that at the end of the day, we will have -- we will have to resort to these options and that may take longer.

April 10 Tr. at 50:17-24. Ultimately, the Court stated (to Committee counsel):

> I'm searching for something that is going to be a combination of, our plan is riskier, because we're making them do something that, you know, they're not thrilled about doing, largely because it's our plan and also because the assets are just different. And some of them are available. Some of them won't be for a while. And you know, we can, among all the many assets they have available, we can come up with a hypothetical million. Here it is. So that's what I'm groping for, here, is something that's more than, look, the plan will create an obligation. They'll have to do it. If they don't do it, we'll just liquidate collateral.

*Id*. at 87:7-18. Clearly, the Court did not contemplate the Committee seeking to compel the Debtor to close and sell an additional 18 Churches (beyond what the Debtor itself was willing to do).

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[9] On April 10, 2026, the Committee filed its *Amended Notice of the Filing of First Amended Disclosure Statement for the Official Committee of Unsecured Creditors' Plan of Reorganization, Dated March 27, 2026* [Docket No. 2815].

[10] On March 29, the Debtor filed its *Modified Fourth Amended Plan of Reorganization Dated March 27, 2026* [Docket No. 2758] (as may be modified, the "Debtor Plan") and the *Disclosure Statement* in support of the Debtor Plan [Docket No. 2759] (as may be (and has been) modified, the "Debtor Disclosure Statement").

Finally, regarding the Committee's burden to explain "why [confirming a plan of reorganization] is simply going to be harder for [the Committee than the Debtor]," *id*. at 115:1-2, the Court directed (again to Committee counsel):

> Do that, and give us whatever else you can about both the certainty of the ability to monetize anything here, and the universe of what that means, and why, even in the best of circumstances, under your plan, there may be challenges that there wouldn't be under the debtor's plan. People have to understand that. They just have to.

*Id*. at 115-20 (cleaned up).

On April 15, 2026, the Committee filed the SADS at Docket No. 2833, as well as a notice providing certain redlines and other documents at Docket No. 2834. The Committee also filed its *First Amended Plan of Reorganization dated April 15, 2026* [Docket No. 2832] (the "Committee Plan"), which should probably be a *Second* Amended Plan of Reorganization in light of prior filings on April 9.

The Debtor Plan provides Abuse Claimants with the certainty of $180 million in contributions from RCBO and RCWC over a 3.5-year period, including $40 million on the Effective Date. These are real, guaranteed funds from entities that have committed to participate. The Committee opposes this Plan, arguing the Debtor should pay more, though it articulates no principled basis for its demand beyond its own ipse dixit. In stark contrast, the Committee's repeated references to RCWC contributions under its own Plan are pure fiction—RCWC has unequivocally stated it will not participate in the Committee Plan, a fact the Committee acknowledges yet deliberately obscures through ninety-four misleading references designed to confuse Abuse Claimants.

The Committee Plan likewise provides Abuse Claimants with the impossibility of $195.2 million in contributions solely from RCBO over a 3.5-year period, including $33.1 million on the Effective Date plus an additional $24.4 million in payments to other parties (on the Effective Date). As stated on the record at the hearing on April 10, the Committee Plan requires payments the Debtor cannot make, foremost among them an Effective Date contribution the Committee knows cannot be made unless it achieves a complete victory over the Debtor in the Restricted Assets Adversary Proceeding—an outcome the Committee has admitted will not occur before confirmation (and may never occur)—and likely would not be feasible even with a complete victory, as well as future payments that are uncertain, at best. The Committee Plan now explicitly contemplates the closure and sale of ***thirty*** of the Debtor's Churches to

fund itself. These are sacred properties that the Debtor has deemed essential to its continued ministry. The Debtor Plan already contemplates real, meaningful, voluntary cuts to the Debtor's ministry and good works that will affect its parishioners and community. Forcing the Debtor to go beyond what it can reasonably sustain benefits no one, least of all the Abuse Claimants who depend on the Plan being feasible and the Debtor being able to successfully reorganize.

For the reasons expressed in this Opposition, the Debtor is confident that the Committee Plan will never be confirmed. Again, feasibility requires more than good intentions or aspirational targets; it requires a showing that confirmation is not likely to be followed by liquidation or the need for further reorganization. The Committee Plan—which depends on money the Debtor does not have and now overtly seeks to force the Debtor to close and liquidate Churches—cannot make this showing. Abuse Claimants cannot possibly be expected to cast an informed vote on what is little more than an attempt to fundamentally reshape the Debtor against its will.

## III. ARGUMENT

### A. The SADS Cannot be Approved Because the Committee Plan is Patently Unconfirmable.

As previously stated by the Debtor, the Committee Plan is dead on arrival. It has long been the rule that a disclosure statement relating to a facially non-confirmable plan cannot be approved. *See, e.g., In re Beyond.com Corp.*, 289 B.R. 138, 140 (Bankr. N.D. Cal. 2003) (disapproving a disclosure statement because the plan was patently unconfirmable); *In re Main St. AC, Inc.*, 234 B.R. 771, 775 (Bankr. N.D. Cal. 1999) (same). As one court observed:

> If, on the face of the plan, the plan could not be confirmed, then the Court will not subject the estate to the expense of soliciting votes and seeking confirmation. Not only would allowing a nonconfirmable plan to accompany a disclosure statement, and be summarized therein, constitute inadequate information, it would be misleading and it would be a needless expense to the estate.

*In re Arnold*, 471 B.R. 578, 586 (Bankr. C.D. Cal. 2012) (cleaned up).

This Court need not look any further than the SADS and its attached Plan Funding Analysis to determine the SADS must be disapproved. The three issues previously raised by the Debtor (patent infeasibility under § 1129(a)(11), particularly with respect to the proposed Effective Date payments by the Debtor, different treatment for Abuse Claimants under § 1123(a)(4), and Child Protection Protocols

that the Debtor has not agreed to adopt)[11] have now been joined by a fourth: an overt attempt to use this Court to violate the Debtor's Constitutional rights by forcing the closure and sale of ***eighteen*** additional Churches. The reality of the Committee Plan is exactly as the Debtor predicted—to fund its exorbitant demands, the Committee wants the Debtor to close an additional 20% of its Churches and sell the properties on which they are built.

### B. The SADS Continues to Provide Inadequate Information to Enable Abuse Claimants to Cast Informed Votes.

Even assuming, *arguendo*, the Committee manages to overcome the deficiencies that render it patently unconfirmable, the SADS cannot meet the standard of "adequate information" imposed by section 1125 of the Bankruptcy Code and this Court.

#### 1. The SADS Failed to Meet the Court's Direction to Properly Apprise Abuse Claimants of Uncertainty and Risk.

At the hearing on April 10, the Court directed the Committee to provide "whatever else you can about both the certainty of the ability to monetize anything here, and the universe of what that means, and why, even in the best of circumstances, under your plan, there may be challenges that there wouldn't be under the [Debtor Plan]." April 10 Tr. at 116:16-20. The Committee did not do so. Instead, it repeats the laundry-list approach for what *the Debtor* could do to satisfy its demands while simultaneously attacking the Debtor Plan. Redline at 9-10; 25-29.

At no point does the Committee recognize the fundamental truth of what the Court observed: the Committee does not control what it commands be disposed. In fact, the Committee twists itself into knots trying not to command anything (while also providing a "hypothetical" blueprint that would require the Debtor to close thirty Churches and sell the properties on which they are built). Absent a single, repeated statement that "the Bankruptcy Court has observed the Committee Plan may be more challenging to consummate than the Diocese Plan," the Committee inserted no additional language addressing the Court's concerns in the "Certain Risk Factors" section and avoided any attempt at outlining the challenges

[11] For the avoidance of doubt, the Debtor incorporates the arguments expressed in its *Opposition* [Docket No. 2796] to the Committee's original disclosure statement as is fully set forth herein. The Debtor has not repeated those arguments here for the sake of relative brevity.

noted by the Court. Redline at 4 (of the PDF), 33 (of the document). In fact, by placing the onus for these challenges on the Court's "observ[ation]" rather than acknowledging the reality of its concerns, it attempts to downplay them rather than meaningfully engage. In so doing, it similarly fails to even acknowledge that the Debtor *has no such challenges.* The Debtor owns its property, controls what it commands, and can effectuate every aspect of the Debtor Plan. The Committee simply cannot, but Abuse Claimants would never know that from reading the SADS. They are instead expected to see a "bigger" number and vote for it because the Committee says so.[12]

**2. The SADS Failed to Correct Material Deficiencies and Inaccuracies Noted by the Debtor.**

At the Committee's request, the Debtor provided page-by-page, sometimes line-by-line guidance on revisions and augmentations to be made in the SADS. That email is attached as Exhibit A hereto (with certain redactions to protect settlement communications). Some were accepted by the Committee, but others were not. Unless otherwise stated, all page references below are to the redline of the SADS against the Committee FADS filed at Docket No. 2834 (the "Redline"). Discussion of the Committee's attempt (if any) to address the issue being discussed is reflected in **red**.

1. From the language circulated on Friday [April 10, during the prior hearing]: "… the Committee has determined, as a fiduciary to Survivors, that $195.2 million represents a fair and equitable contribution to the Survivors' Trust, while allowing for additional recoveries from non-debtors while allowing the Debtor to continue with its mission."

---

[12] This, too, was discussed on April 10:

> DEBTOR'S COUNSEL: That is not a sufficient basis for creditors to be able to understand one plan versus another, because a bigger number is bigger than a smaller number.
>
> THE COURT: I know.
>
> COUNSEL: They believe that they will be able to convince people based on that.
>
> THE COURT: I know.
>
> COUNSEL: But if there is inherent uncertainty in our ability to reach that number ––
>
> THE COURT: Well ––
>
> COUNSEL: –– that's where we have to get.
>
> THE COURT: Well, that's why from a disclosure statement perspective, I'm trying to identify this as a risk factor.

April 10 Tr. at 73:10-74:8.

- The next turn of the Disclosure Statement should explain clearly and in detail how the Committee reached the determination that your proposed contribution amount "allow[s] the Debtor to continue with its mission," including the methodology used for that determination, what the Committee means by "its mission," the authority of the Committee to assess the Debtor's mission-related needs, and who advised the Committee about such needs.

  **The Committee removed this language from the discussion in Section III(6). *See* Redline at 20:16-21.**

- It should also explain why $195.2 [million] is the number chosen (and not some other number) and what the various subparts are that were added together to reach that number.

  **The Committee did not attempt to address this issue.**

2. Every time the [Committee's] proposed payment schedule ending in September 2029 is mentioned, it should be caveated that all payments under your Plan are keyed off the Effective Date, a date that presently cannot be known, so that payment schedule may change.

   - For example, on page 14, it says "The Debtor must pay $195.2 million in installments with future payments due by measuring the year 1, 2, 3, and 3.5 anniversary payments from March 6, 2026;" the phrase "subject to occurrence of the Effective Date" or something similar should be added to this and every similar reference.

   - The Executive Summary acknowledges this possibility on page 17, lines 17-18. Page 20 has similar language that bleeds over onto 21.

   - That same section states the Effective Date will "occur no earlier than July 2026, and likely will not occur until all appeals of any Order confirming the Diocese Plan are resolved—which could take several years." *Id*. at lines 23-24/25. References to appeals of the Debtor Plan should make clear that the Committee would be the one pursuing those appeals and thus elongating potential payment timelines and that if no appeal is filed, the Effective Date of the Debtor Plan could arrive much sooner.

   **The Committee appears to have addressed this issue with appropriate caveats.**

3. As we discussed on the record on Friday—and Judge Lafferty agreed—every reference to RCWC's "optional" contribution should be removed except for a footnote saying the Committee made an offer that was rejected.

   - Any reference to the $314.1 million number is misleading; that number is illusory under your Plan.

   - Calculations of per-claimant outcomes that include an RCWC contribution need to be removed.

   - I'm not going to attempt to outline every place where RCWC needs to come out, but we will if ultimately necessary in an objection.

   - We will presume any omissions in this regard are not accidents. Judge Lafferty was very express that references to RCWC contributions and a $314.1 million payout must be removed. There is no excuse to "overlook" any instances of this.

**As documented above, the Committee categorically refused to address this issue in any meaningful way. Rather than comply with the Court's explicit directive, the SADS includes no fewer than ninety-four (94) references to RCWC and potential funding therefrom—prominently featuring the illusory $314.1 million top-line figure on the very first substantive page. The Committee's defiance is comprehensive: the SADS discusses RCWC as if its participation were a realistic possibility when comparing the Committee Plan to the Debtor *Plan*, *id.* at 16:22-17:6; affirmatively advises Abuse Claimants not *to* release RCWC *(a matter entirely outside the Committee's fiduciary purview)*, *id.* at 3:18-19 and 40:6-10; proposes a payment schedule for RCWC *as though such payments will actually occur*, *id.* at 32 n. 12; and argues why $30 million from RCWC under the Debtor Plan is purportedly insufficient—all while acknowledging that RCWC will not participate in the Committee Plan at all. Id. at 40:4-10. This systematic pattern of RCWC references—despite explicit Court direction to remove them—can only be intended to confuse Abuse Claimants and induce them to reject a Debtor Plan that offers certain, guaranteed RCWC contributions in favor of a Committee Plan that offers none. The potential for Abuse Claimant confusion is not hypothetical; it is inevitable when the SADS repeatedly references a $314 million recovery that the Committee knows, and this Court has recognized, will never materialize.**

4. After the sentence ending "do not hold such rights" (regarding objections to claims), please drop a footnote saying that the Debtor and the Insurers disagree based on the language of section 502(a).

**The Committee did not address this issue. *Id.* at 17.**

5. If the Committee is going to argue that we aren't cutting deeply enough on assets or operations using other case outcomes as support, the statement that "comparing the Debtor's proposed distribution to Abuse Claimants to justify its fairness is wrong as a matter of law and highly misleading" needs to be removed, as does the following sentence saying that other case outcomes are not relevant.

**The Committee did not address this issue, retaining the prior language. *Id.* at 23. For the purpose of clarity, the Debtor refers to the Committee's Objection to the Debtor Disclosure Statement filed at Docket No. 2800, specifically the discussion of other case outcomes on pages 8-9 thereof.**

6. (Committee FADS) Page 22—The Committee states that our approach involving comparable cases is contrary to "black letter law." That law should be identified specifically and cited.

**The Committee appears to have removed this statement entirely, presumably because it was unsupportable. *See* Redline at 23:23.**

7. (Committee FADS) Page 22, the Committee incorrectly asserts that we earmarked $5mm for unknown abuse claimants; it is $7.7mm to be paid out over 3.5 years.

**The Committee added caveats in several places but does not inform voters that the Unknown Abuse Claims Reserve in the Debtor Plan reverts to the Survivors' Trust after 5 years to be distributed to Allowed Class 4 Claims.**

8. The "present value of the Committee Plan funding (excluding the Unknown Abuse Claims Reserve), in the amount of $184.9 million" is unexplained. Any net present value calculations should be caveated that they assume no appeal of the Committee Plan.

**The Committee did not address this issue. *Id.* at 24. Moreover, the Committee modified discussion of various other present value calculations with no explanation. *Id.* at 24:10-13, 18-22.**

9. (Committee FADS) Pages 27, 31, 35, and 39—There was no "prepetition plan to cluster, merge, or close 30 or so parishes" in the Diocese of Oakland. The language you continually cite for this proposition does not support it. Bishop never said it. We have briefed this twice. Every reference to a definite "prepetition plan" along these lines should be stricken. If left in, we will advise the court we gave you yet another opportunity to correct this (in addition to Matt's warning last week) and you refused.

**The Committee appears to have removed this language.**

10. Discussion of the channeling injunction should include discussion of the delayed discharge under your Plan. It implies a debtor discharge on the Effective Date, but your Plan says otherwise.

**The Committee did not address this issue. *Id.* at 31.**

11. The redline [of the Committee FADS filed at Docket No 2812-2]. indicates that the sentence "The Debtor will also contribute and assign to the Survivors' Trust the rights and obligations of the Debtor in the Non-Settling Insurer Policies" was modified to "The Debtor will also contribute … certain claims and causes of action of the Debtor …." This section describes the Debtor Plan and falsely implies that it is the intention of the Debtor to only assign "certain claims and causes of action." It is, in fact, the Debtor's intention to assign all assignable rights and obligations. This change should be reverted.

**The Committee did not address this issue. *Id.* at 16 and 19.**

12. The Committee states that it "anticipates … a Bankruptcy Court ruling that at least 90% of the assets the Debtor alleges are restricted are unrestricted…" but provides no basis for this assertion or belief. The Committee should explain where the 90% number comes from and how that assumption is reasonable.

**The Committee appears to have removed this statement entirely, presumably because it was unsupportable. *See* Redline at 42:17.**

13. Page 36—The discussion of the Debtor's *original* Disclosure Statement filed on November 8, 2024 (DN 1445) is irrelevant and should be removed. Whether the Debtor's Liquidation Analysis 2.0 (as modified for the Modified Fourth Amended Plan) satisfies the best interests test is a confirmation issue. Including the reference to it in that paragraph seeks only to confuse claimants about the Debtor's current position.

**The Committee removed the reference to the Debtor's original disclosure statement but retained the language stating that "the Debtor continues to mistakenly insist that it need not include all of its assets because it cannot be forced to sell its real estate," citing to discussion in the Debtor Disclosure Statement about the impossibility of a forced liquidation of its property in chapter 7. This statement is misleading and misconstrues the Debtor's position. *See id.* at 39:5-10.**

14. Please cite to the sources for the alleged statements by the Bishop regarding "his ability to control his non-Debtor affiliates when he needed money in the past." Similarly, please cite to the source for Bishop's alleged statements to "prospective creditors that he could take any number of actions within his Diocese to raise funds to repay debt, including directing non-Debtors to pay the debt." If you would prefer not to (or cannot) cite to sources, the alleged statements should be removed.

**The Committee appears to have removed this statement entirely, presumably because it was unsupportable. *See id.* at 39:16-23.**

15. Please cite to any authority giving Bishop "wide-ranging power to control the operations and purse strings of the Non-Debtor Catholic Entities…" in the first bulleted paragraph. If you would prefer not to (or cannot) cite to any source, the reference should be removed. We remind you once again the Committee's adversary proceeding seeking substantive consolidation on the basis of this and other allegations was dismissed with prejudice. This section says nothing about dismissal.

**The Committee appears to have removed this statement entirely, presumably because it was unsupportable. *See id.* at 39:24-26.**

16. Please include an explanation for the relevance of $1.7 million per claim to what RCWC should contribute to the Debtor Plan given the Committee's implicit acceptance of $519,000 per claim from the Debtor (assuming, as the Committee does, $195.2 million in contributions and 375 abuse claims).

**The Committee did not address this issue. *See id.* at 40:6-10.**

17. Discussion of the "fundamental structural conflict of interest" in this paragraph (and a prior discussion on page 19 referenced above) ignores the role of the Minor Diocesan Review Board. The Committee should describe the present and future role of the MDRB under the Debtor Plan (as required by the Dallas Charter) rather than imply its nonexistence.

**The Committee did not address this issue. *See id.* at 41:7-9.**

18. If the Committee is going to argue that dismissal is somehow a better outcome for claimants than the Debtor Plan, it must inform them of the reality that those who go to trial first will necessarily receive better outcomes than those that follow. It should also describe how only 6 trials are scheduled through 2027 of more than 300 state-court cases presently existing. The Committee has an obligation to those at the back of the proverbial line to help them understand how far away any recoveries might be in a dismissal scenario.

**The Committee attempted to address this issue. *See id.* at 50:23-26.**

19. GENERAL—Somewhere in the Disclosure Statement, the Committee should explain that under your Plan, the Committee has the unilateral ability to waive conditions to effectiveness, exposing the Diocese to a potential outcome where it is required to make tens of millions in payments without the benefit of a final order and discharge on nothing more than the Committee's say-so. In that situation, the Diocese would likely be forced to dismiss the bankruptcy case rather than allow for unrecoupable funds to go out the door.

**The SADS attempted to address this issue but did not specifically discuss its ability to waive the condition precedent of a final, nonappealable order or the implications of that ability. *See id.* at 44:15-18.**

**Additionally, the Committee Plan now includes several troubling provisions that interact with this provision. Notably, because the Committee retains the "sole discretion" to waive the requirement that the order confirming its Plan be final, it has the ability to trigger the Effective Date. This would then allow the Survivors' Trustee to declare a default if unpayable Effective Date payments were not made, Redline at 44:20-24, which default would then accelerate all future contemplated Plan payments, *id.* at 44:25-26, and foreclose on its deeds of trust or take other actions *with no notice to the Debtor or Reorganized Debtor. Id.* at 44:26-27. In effect, this would allow the Committee and Survivors' Trustee to manufacture a default on day one in an attempt to turn a 3.5 year payment schedule into an immediate one.**

**The Committee Plan further allows the Survivors' Trustee to unilaterally "restructure the timing and terms of [Debtor payments]" upon a default (again without notice to the Reorganized Debtor), *id.* at 44:25-3, and dismiss the bankruptcy case through a "Case Dismissal Notice," allowing it to retain any payments already made with no Debtor recourse. *Id.* at 45-4:8.**

20. GENERAL—The Committee should make clear that each Abuse Claimant will not have freedom to litigate his or her individual claim under the Plan but that persons appointed pursuant to that Plan who will be selected by others will make the decision of whose claims may be pursued.

**The Committee included language describing the criteria that the Survivors' Trustee might use to determine which claims can go forward but continues to hide the ball on claimants not making their own decision with respect to the Litigation Option. *See id.* at 28:26-29:8.**

The Debtor has identified additional issues in the context of the SADS that did not previously exist:

- The Committee states that its real estate valuation expert "valued roughly 30 properties owned or controlled by the Diocese … for over $500 million." Redline at 20: 12-15. As discussed at the April 10 hearing, this statement is fundamentally misleading. The Committee's expert valuation included the Cathedral of Christ the Light, which the Committee knows is owned by the Catholic Cathedral Corporation of the East Bay ("CCCEB"), not the Debtor. The SADS later references CCCEB as a potential funding source for the Debtor. *Id*. at 21:20-21. This statement by the Committee is an attempt to both mischaracterize the outcome of the Committee's substantive consolidation claim against the Debtor and other third parties, which ended in dismissal with prejudice, and mislead claimants about the value of the Debtor's assets such that they vote in line with the Committee's wishes.

- The Committee states its "belief that the Bishop has the ability to tax certain entities within his Diocese or otherwise direct, directly or indirectly, certain actions they take." *Id*. at 21:15-17. This statement is similar to one stricken from the FADS and used as support for its $195.2 million demand but is void of any explanation or citation to a single document or source. The Committee provides no basis for Abuse Claimants to understand where this "belief" arises. This statement should be stricken.

- The SADS now includes language stating that "under applicable non-bankruptcy law, jury verdicts and individual case settlements are used to value Survivors' claims" with no

explanation of the relevance of that statement, particularly in light of the Committee's own demand, which does not appear to be tethered to "jury verdicts and individual case settlements." *See id*. at 24:3-4.

- The SADS includes several versions of the statement that the "Committee does not specify how the Debtor must fund the Committee Plan," remaining intentionally vague to provide "flexibility." *See, e,g.*, *id*. at 25:14-19. However, the Committee has now openly disclosed the existence of its Plan Funding Analysis, which contemplates the closure and sale of specific Churches among the ***thirty*** contemplated therein.

- The SADS continues to ignore the reality of the Debtor's required Effective Date payments under the Committee Plan, which total approximately $53.5 million. It states in conclusory fashion that the "Committee believes that the Reorganized Debtor will be able to make all distributions required by the Committee Plan and to fund its operations going forward" but cites to financial projections that have not been filed or otherwise provided. *See id*. at 42:9-11. For its part, the Committee's Plan Funding Analysis accounts for "Estimated Professional Fees through Plan Confirmation" but says nothing about repaying the $15 million debtor-in-possession financing facility to RCC or making the payments necessary under its Plan to render RCC's prepetition secured claim unimpaired. *See* Docket No. 2833-3 at 2.

For these reasons, among others, the SADS continues to fail to provide "adequate information" to the Debtor's creditors, preferring instead to obfuscate and mislead. As such the SADS cannot be approved.

**3. The SADS Continues to Lack Sufficient Explanation of the "Why" of the Committee Plan.**

At the hearing on April 10, the Court heard considerable argument regarding the "why" of the Committee Plan and its proposed contributions from the Debtor totaling $195.2 million, with the Debtor seeking some explanation for how the Committee arrived at that number versus some other figure, as well as how the Committee determined that this amount is necessary, appropriate, or achievable. Like the Committee's prior disclosure statement, the SADS continues to provide no valuation analysis, no methodology, and no articulation of its assumptions underlying the number. Instead, in a new section misleadingly titled "How did the Committee decide on the amount, and timing, of the Debtor Contribution of $195.2 million," the Committee continues to double down on its own credibility with Abuse Claimants, stating merely that "the Committee has determined, as a fiduciary to Survivors, that $195.2 million represents a fair and equitable contribution to the Survivors' Trust from the Debtor for a discharge of Abuse Claims[.]" The Committee's logic is circular: $195.2 million is fair and equitable because the Committee says it is fair and equitable. This statement continues to say nothing about *why*, repeating (with more words this time) the idea that the Court and Abuse Claimants should just take the Committee's word

for it because it is the Committee. This is, once again, exactly what Debtor's counsel predicted on April 10 when presented with similar language:

> From our perspective, Your Honor, this is a continuation of two themes that you've heard before. You should believe the Committee because it's the Committee, and you just have to take our word for it on what the right number is. And I guess there's the third, which is, we're just going to let the debtor figure it out.

April 10 Tr. at 104:5-10. The SADS does nothing to fix this fundamental problem. As a result, Abuse Claimants cannot meaningfully appreciate the risks associated with a Committee Plan, the methodology used to formulate it, and the reality that it may not actually be a realistically better outcome than the Debtor Plan.

**4. The SADS Continues to Lack Sufficient Explanation of the "How" of the Committee Plan.**

For the first time, the Debtor and Court have been presented with a concrete (yet impossible) funding proposal for the Committee Plan in the form of its Plan Funding Analysis. But in the face of this proposal, the Committee continually hedges to avoid being "locked in"[13] to a requirement that the Debtor close and sell ***thirty*** Churches. This is an analysis that the Committee presumably had before April 10 given the level of detail it includes, did not disclose to anyone prior to that date, and was apparently hoping it would never have to disclose except in discovery.

The Committee's insistence on hedging on the "how" of its own Plan renders the SADS incapable of being approved because it lacks any concrete mechanism for Abuse Claimants to understand and rely on. It presents "options" to provide the Debtor "flexibility," but because the Committee pointedly avoids taking a firm stance, Abuse Claimants have no way of knowing for certain what the Committee intends (although it seems clear that the Plan Funding Analysis is exactly that). More importantly, it fails to adequately respond to this Court's directive that the Committee appropriately disclose the risk that it is "commanding what [it] may not dispose." April 10 Tr. at 52:13-15. The proposed required sale of ***thirty*** of the Debtor's Churches is yet another example of an outcome that the Committee absolutely cannot force but is presented to Abuse Claimants as something on which they should rely. This is plainly insufficient for them to be able to cast an informed ballot. It is also an explicit continuation of the same

[13] *See* April 10 Tr. at 89:2-3.

bad answer that the Court discussed on March 13: "leave it up to the Debtor." March 13 Hr'g Tr. at 20:41-21:10.

## IV. CONCLUSION

A disclosure statement must, as this Court has recognized and the Debtor has continually argued, provide creditors with a "fundamental understanding of what the risks are on both sides," *id*. at 26:23, so that they can "look at these things intelligently and make decisions." *Id*. at 22:11-12. The SADS fails this most basic of tests. In this particular case, given the uniqueness of the Debtor's assets and the alignment of the parties, explicitly inform Abuse Claimants that the Committee Plan is riskier than the Debtor Plan by its very nature. Because the Committee does not command what it wants to dispose, a disclosure statement for a Committee Plan that fails to recognize its own inherent risk cannot be approved.

For these reasons, approval of the Committee SADS must be denied, and the Debtor Plan allowed to go forward. The Committee has now had multiple opportunities over a series of weeks to present a disclosure statement that meets the requirements of § 1125 and satisfies this Court's directives. It has not done so, either because it cannot or will not.

DATED: April 16, 2026

**FOLEY & LARDNER LLP**
Eileen R. Ridley
Shane J. Moses
Ann Marie Uetz
Matthew D. Lee
Geoffrey S. Goodman
David B. Goroff
Mark C. Moore

*/s/ Mark C. Moore*
Mark C. Moore

*Counsel for the Debtor*
*and Debtor in Possession*

# EXHIBIT A

**Subject:** Re: RCBO/ Committee Disclosure Statement
**Date:** Tuesday, April 14, 2026 at 4:23:18 PM Central Daylight Time
**From:** Moore, Mark C.
**To:** Weisenberg, Brent I.
**CC:** Lee, Matt, Prol, Jeffrey D., Goroff, David B., Uetz, Ann Marie
**Attachments:** image946794.jpg, image572800.jpg, image395066.png, img-f52af0b0-d01d-4f60-ad9d-512bc2c03f02

Brent –

Without seeing the latest version of your Disclosure Statement (which we won't get until tomorrow) or having the benefit of the transcript from last Friday, it is difficult for us to recommend specific changes or any new language. A few things come to mind based on the Committee's First Amended Disclosure Statement and the language you circulated during the hearing, however (with all page references being to the PDF filed at Docket 2812-2, citing to the red stamped page numbers at the bottom, *i.e.* __ of 47):

- From the language circulated on Friday: "… the Committee has determined, as a fiduciary to Survivors, that $195.2 million represents a fair and equitable contribution to the Survivors' Trust, while allowing for additional recoveries from non-debtors while allowing the Debtor to continue with its mission."
    - The next turn of the Disclosure Statement should explain clearly and in detail how the Committee reached the determination that your proposed contribution amount "allow[s] the Debtor to continue with its mission," including the methodology used for that determination, what the Committee means by "its mission," the authority of the Committee to assess the Debtor's mission-related needs, and who advised the Committee about such needs.
    - It should also explain why $195.2 is the number chosen (and not some other number) and what the various subparts are that were added together to reach that number.
- Every time the proposed payment schedule ending in September 2029 is mentioned, it should be caveated that all payments under your Plan are keyed off the Effective Date, a date that presently cannot be known, so that payment schedule may change.
    - For example, on page 14, it says "The Debtor must pay $195.2 million in installments with future payments due by measuring the year 1, 2, 3, and 3.5 anniversary payments from March 6, 2026;" the phrase "subject to occurrence of the Effective Date" or something similar should be added to this and every similar reference.
    - The Executive Summary acknowledges this possibility on page 17, lines 17-18. Page 20 has similar language that bleeds over onto 21.
    - That same section states the Effective Date will "occur no earlier than July 2026, and likely will not occur until all appeals of any Order confirming the Diocese Plan are resolved—which could take several years." *Id.* at lines 23-24/25. References to appeals of the Debtor Plan should make clear that the Committee would be the one pursuing those appeals and thus elongating potential payment timelines and that if no appeal is filed, the Effective Date of the Debtor Plan could arrive much sooner.
- As we discussed on the record on Friday—and Judge Lafferty agreed—every reference to RCWC's "optional" contribution should be removed except for a footnote saying the Committee made an offer that was rejected.
    - Any reference to the $314.1 million number is misleading; that number is illusory

under your Plan.
    - Calculations of per-claimant outcomes that include an RCWC contribution need to be removed.
    - I'm not going to attempt to outline every place where RCWC needs to come out, but we will if ultimately necessary in an objection.
    - We will presume any omissions in this regard are not accidents. Judge Lafferty was very express that references to RCWC contributions and a $314.1 million payout must be removed. There is no excuse to "overlook" any instances of this.
- Page 18—After the sentence ending "do not hold such rights" (regarding objections to claims), please drop a footnote saying that the Debtor and the Insurers disagree based on the language of section 502(a).
- [redacted]
- Page 21—If the Committee is going to argue that we aren't cutting deeply enough on assets or operations using other case outcomes as support, the statement that "comparing the Debtor's proposed distribution to Abuse Claimants to justify its fairness is wrong as a matter of law and highly misleading" needs to be removed, as does the following sentence saying that other case outcomes are not relevant.
- Page 22—The Committee states that our approach involving comparable cases is contrary to "black letter law." That law should be identified specifically and cited.
- On the same page, the Committee incorrectly asserts that we earmarked $5mm for unknown abuse claimants; it is $7.7mmto be paid out over 3.5 years.
- Page 23—The "present value of the Committee Plan funding (excluding the Unknown Abuse Claims Reserve), in the amount of $184.9 million" is unexplained. Any net present value calculations should be caveated that they assume no appeal of the Committee Plan.
- Pages 27, 31, 35, and 39—There was no "prepetition plan to cluster, merge, or close 30 or so parishes" in the Diocese of Oakland. The language you continually cite for this proposition does not support it. Bishop never said it. We have briefed this twice. Every reference to a definite "prepetition plan" along these lines should be stricken. If left in, we will advise the court we gave you yet another opportunity to correct this (in addition to Matt's warning last week) and you refused.
- [redacted]
- Page 28—Discussion of the channeling injunction should include discussion of the delayed discharge under your Plan. It implies a debtor discharge on the Effective Date, but your Plan says otherwise.
- Page 35—The redline indicates that the sentence "The Debtor will also contribute and assign to the Survivors' Trust the rights and obligations of the Debtor in the Non-Settling Insurer Policies" was modified to "The Debtor will also contribute … certain claims and causes of action of the Debtor …." This section describes the Debtor Plan and falsely implies that it is the intention of the Debtor to only assign "certain claims and causes of action." It is, in fact, the Debtor's intention to assign all assignable rights and obligations. This change should be reverted.
- Pages 35 and 40—The Committee states that it "anticipates … a Bankruptcy Court ruling that at least 90% of the assets the Debtor alleges are restricted are unrestricted…" but provides no basis for this assertion or belief. The Committee should explain where the 90% number

comes from and how that assumption is reasonable.

- Page 36—The discussion of the Debtor's *original* Disclosure Statement filed on November 8, 2024 (DN 1445) is irrelevant and should be removed. Whether the Debtor's Liquidation Analysis 2.0 (as modified for the Modified Fourth Amended Plan) satisfies the best interests test is a confirmation issue. Including the reference to it in that paragraph seeks only to confuse claimants about the Debtor's current position.
- Same page—Please cite to the sources for the alleged statements by the Bishop regarding "his ability to control his non-Debtor affiliates when he needed money in the past." Similarly, please cite to the source for Bishop's alleged statements to "prospective creditors that he could take any number of actions within his Diocese to raise funds to repay debt, including directing non-Debtors to pay the debt." If you would prefer not to (or cannot) cite to sources, the alleged statements should be removed.
- Same page—Please cite to any authority giving Bishop "wide-ranging power to control the operations and purse strings of the Non-Debtor Catholic Entities…" in the first bulleted paragraph. If you would prefer not to (or cannot) cite to any source, the reference should be removed. We remind you once again the Committee's adversary proceeding seeking substantive consolidation on the basis of this and other allegations was dismissed with prejudice. This section says nothing about dismissal.
- Page 37—Please include an explanation for the relevance of $1.7 million per claim to what RCWC should contribute to the Debtor Plan given the Committee's implicit acceptance of $519,000 per claim from the Debtor (assuming, as the Committee does, $195.2 million in contributions and 375 abuse claims).
- Page 38—Discussion of the "fundamental structural conflict of interest" in this paragraph (and a prior discussion on page 19 referenced above) ignores the role of the Minor Diocesan Review Board, [redacted] The Committee should describe the present and future role of the MDRB under the Debtor Plan (as required by the Dallas Charter) rather than imply its nonexistence.
- Page 46/47—If the Committee is going to argue that dismissal is somehow a better outcome for claimants than the Debtor Plan, it must inform them of the reality that those who go to trial first will necessarily receive better outcomes than those that follow. It should also describe how only 6 trials are scheduled through 2027 of more than 300 state-court cases presently existing. The Committee has an obligation to those at the back of the proverbial line to help them understand how far away any recoveries might be in a dismissal scenario.
- GENERAL—Somewhere in the Disclosure Statement, the Committee should explain that under your Plan, the Committee has the unilateral ability to waive conditions to effectiveness, exposing the Diocese to a potential outcome where it is required to make tens of millions in payments without the benefit of a final order and discharge on nothing more than the Committee's say-so. In that situation, the Diocese would likely be forced to dismiss the bankruptcy case rather than allow for unrecoupable funds to go out the door.
- GENERAL—The Committee should make clear that each Abuse Claimant will not have freedom to litigate his or her individual claim under the Plan but that persons appointed pursuant to that Plan who will be selected by others will make the decision of whose claims may be pursued.

This list is not exhaustive and does not replace any specific guidance or direction provided by Judge Lafferty last week. We reserve the right to supplement once we see the Committee's second

amended Disclosure Statement. Also, please provide the transcript you ordered at your earliest convenience. Among other things, my notes show significant discussion by Judge Lafferty about the Committee "commanding what [it] can control" and disclosing the risks inherent in proposing a Plan that monetizes property the Committee doesn't own.

Additionally, it should go without saying that we strongly believe the Committee must identify specific funding sources for, at a minimum, the $45.2 million gap between our Plan and yours for the Debtor contribution. Simply saying "the Debtor has lots of assets and can figure it out" or some version of same does not work, and we will object on that basis once again. Simple logic dictates that if the Debtor is proposing it pay $150 million over 3.5 years, and the Committee is proposing the Debtor pay $195.2 million over 3.5 years, the Debtor will need to sell more property under the Committee plan, even if the Committee gets a big win in the restricted assets adversary proceeding. At a minimum, the Committee plan must state how much more property the Debtor must sell, and why selling more property within the 3.5-year timeframe is feasible. Similarly, the Committee should at least attempt to explain how the Debtor will account for Effective Date payments totaling approximately $53.5 million under your Plan and specifically disclose the risk that we can't. *See, e.g.*, page 40 (discussing how the Committee thinks the Diocese can still make the required payments under its Plan even without the $33.3 million in the Restricted Assets Adversary Proceeding).

**Mark C. Moore**
*Partner*

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FOLEY
FOLEY & LARDNER LLP

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**From:** Weisenberg, Brent I. <BWeisenberg@lowenstein.com>
**Date:** Monday, April 13, 2026 at 6:11 PM
**To:** Moore, Mark C. <mmoore@foley.com>
**Cc:** Lee, Matt <MDLee@foley.com>, Prol, Jeffrey D. <jprol@lowenstein.com>
**Subject:** RCBO/ Committee Disclosure Statement

*** EXTERNAL EMAIL MESSAGE ***
Mark, we are in the process of amending the Committee's Disclosure Statement to address the comments and concerns raised during Friday's hearing. If you have any specific language you would like us to include, please send it along. Of course, you doing so will not be a concession by your client that the Committee Disclosure Statement can be approved.

**Brent Weisenberg**

Partner
Vice Chair, Bankruptcy & Restructuring Department
Lowenstein Sandler LLP

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Lowenstein Sandler

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