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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 Chapter 11 **NOTICE OF FILING OF FIRST AMENDED DISCLOSURE STATEMENT IN SUPPORT OF DEBTOR'S MODIFIED FOURTH AMENDED PLAN OF REORGANIZATION AND REDLINE THEREOF** Judge: Hon. William J. Lafferty

The Roman Catholic Bishop of Oakland, a California corporation sole, the debtor and debtor-in-possession (the "Debtor") in the above-captioned Chapter 11 bankruptcy case (the "Chapter 11 Case"), hereby files the *First Amended Disclosure Statement in Support of Debtor's Modified Fourth Amended Plan of Reorganization* (the "Disclosure Statement"), which is attached hereto as **Exhibit A**. A redline of the Disclosure Statement compared to the Solicitation Version of the Debtor Disclosure Statement, filed on April 16, 2026 at Docket No. 2839-1, is attached hereto as **Exhibit B**.

DATED: May 1, 2026

Respectfully submitted,

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EXHIBIT A

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FIRST AMENDED DISCLOSURE STATEMENT IN SUPPORT OF DEBTOR'S MODIFIED FOURTH AMENDED PLAN OF REORGANIZATION

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ARTICLE I

EXECUTIVE SUMMARY

The Roman Catholic Bishop of Oakland, a California corporation sole (the "Debtor" or "RCBO") is responsible for coordinating the mission of the Roman Catholic Church within the geographical boundary of the Diocese of Oakland. Beginning in the late Twentieth Century, it came to light that some people working for or associated with the Roman Catholic Church—priests, bishops, laypersons, and volunteers—had been sexually abusing children and vulnerable adults for decades. This crisis shocked the world. It also exposed Church institutions worldwide, including the Debtor, to significant tort liability. As will be described in greater detail, the Debtor filed bankruptcy as a means of addressing its liability for these depraved actions against some of the most vulnerable members of society.

Providing fair and equitable compensation for survivors of abuse and reorganizing to enable the Debtor to continue its mission to serve the needs of the faithful within the Diocese of Oakland are the focal points of the *Debtor's Modified Fourth Amended Plan of Reorganization* (the "Debtor Plan").[1]

The tragedy of the abuse perpetrated by those purporting to do the missionary work of the Church is impossible to overstate. Instead of fulfilling the Church's mission, these perpetrators inflicted harm and suffering. The abuse was and is inexcusable. It not only deeply impacted the survivors, but it also affected the faithful and the community the Debtor serves.

The Debtor filed its bankruptcy case on May 8, 2023. The Debtor Plan is the product of years of reflection by the Debtor on its past, present, and future missions, its acknowledged need to financially and spiritually atone for the crimes of others, and its desire to bolster its already-strong protocols and policies for ensuring the protection of the most vulnerable members of our community from abuse and to remove perpetrators from ministry. The Debtor is prepared to pay a significant, nine-figure settlement to survivors over a period of three-and-a-half years. It is willing to sell a considerable percentage of its real estate—including up to thirteen houses of worship or pastoral centers—to generate sufficient funds to pay fair compensation to survivors. The Debtor Plan will, if confirmed, provide the highest per-claim average payout (not including insurance recoveries) to survivors of any similarly-sized diocesan bankruptcy filed in the United States. It will also permit all parties, including the Debtor and all survivors, to continue the healing and reconciliation process that has been ongoing for decades and may never truly end.

This bankruptcy case has two possible outcomes: (i) **confirmation of the Debtor Plan**, in which case *all* Abuse Claimants will receive a cash distribution from a trust set up for their benefit and be granted the right to pursue, if they choose, additional recovery from the Debtor's insurers or (ii) **dismissal of the bankruptcy case**, in which case no trust will be established and over 330 Abuse Claimants will return to the state court system to wait their turn for a jury trial. The Committee embraced dismissal when it withdrew its own proposed plan, asserting in its *Notice* filed at Docket No. 2854, that "dismissal of this Chapter 11 Case to allow Survivors to pursue their state law rights is a far more fair and equitable method to resolve Abuse Claims than what is proposed in the Diocese Plan, or even in the Committee Plan…" *Id.* at 2:25-3:3. The Committee Letter attached hereto argues directly in favor of dismissal.

Survivors must understand that dismissal of the bankruptcy case would likely eliminate any meaningful recovery for the vast majority of Survivors and would set them back years, possibly decades, by sending them back into the state-court system with no guarantee of recovery. Those at the front of the line—whose trials are scheduled first—will necessarily recover more from the Debtor's limited resources, including insurance, than those at the back of the line. In a pool of more than 330 claimants, the "back of

[1] Capitalized terms not defined herein shall have the meanings ascribed to them in the Debtor Plan.

the line" is most of you. Moreover, currently only *one* trial against the Debtor by a Survivor has occurred. No more trials are scheduled to proceed in 2026, and only five are scheduled to proceed to trial in 2027. At this pace, Survivors at the back of the line could wait decades for their day in court, let alone a financial recovery. Some may never recover anything at all, not because their claims lack merit, but because the Debtor's assets and insurance will have been consumed by those who reached the courthouse first.

The Committee asserts the Debtor has over a billion dollars in assets. It does not, but assume it did. If the outcome of the Woodall Trial—a $16 million verdict subject to remittitur and appeal—is the floor for similar claims, approximately 60 *might* get paid from the Debtor's alleged assets, probably significantly fewer. That leaves hundreds of Survivors only pursuing insurance recoveries, which itself requires proving coverage, potentially proving bad faith (including with possible appeals), and navigating finite policy limits, all of which takes years and money that Survivors at the back of the line may not have. Thus, for the vast majority, the realistic outcome of dismissal is not a $16 million verdict. It is no verdict, no settlement, and no recovery. Zero. The math is indisputable: if claims are worth what the Woodall verdict suggests, the Debtor's assets—all of them—cannot satisfy all claims. Some Survivors will be left with nothing. And, this still assumes every single Church is closed, and every asset is sold. The Debtor would be liquidated and cease to exist as a religious entity, leaving half a million parishioners in the East Bay without a home to practice their faith.

The Debtor Plan, by contrast, provides a mechanism for *all* Survivors to recover from the Survivors' Trust within 3.5 years ***and*** to pursue insurance through the Litigation Option, avoiding an inequitable race-to-the-courthouse outcome by pooling contributions into a trust that distributes equitably to all Survivors, regardless of when their claims are processed, while preserving every Survivor's right to pursue insurance recoveries individually. Given what the Committee has said is its guiding principle, allowing "Survivors to pursue their state law rights," *see* Committee Withdrawal at 2:26-3:1, Survivors might expect the Committee to embrace a Debtor Plan that does exactly that while providing the certainty of equitable cash distributions to all Survivors. The unilateral decision by the nine members of the Committee to reject this treatment, jeopardizing the claims of hundreds likely behind them in the state-court jury trial queue, should be evaluated carefully by every Survivor before casting a vote.

The Committee has told the Bankruptcy Court that if the Debtor Plan is confirmed, it will appeal, dragging out recoveries for all. This is an outcome it can control, and it wants to use your vote to justify its intent. This outcome only injects further delay and prejudices recoveries to Survivors. Every vote in favor of the Debtor Plan is a vote for certainty, equity for all claimants not some lucky few, and an end to decades of waiting. A vote against the Debtor Plan, or no vote at all, moves the case closer to a dismissal in which the only certainty is that most Survivors will receive nothing.

A. Survivors' Trust Assets / Plan Contributions

The Debtor Plan contemplates certain cash contributions to a trust established to compensate abuse survivors (the "Survivors' Trust") over a 3.5-year period of not less than approximately $180.0 million, of which not less than $47.7 million will be contributed on the Effective Date. As part of this effort, a non-debtor, the Roman Catholic Welfare Corporation of Oakland ("RCWC") shall make a contribution on the Effective Date of approximately $7.7 million. This money, and an additional $22.3 million in contributions from RCWC, will be placed in the RCWC Escrow for eventual distribution to Abuse Claimants on the condition that those holding Claims against it execute the RCWC Release. The Effective Date is anticipated to occur on or about August 1, 2026.

The Debtor Plan further contemplates assignments to the Survivors' Trust of: 1) the Debtor's rights and obligations under its insurance policies with Non-Settling Insurers,[2] 2) the Causes of Action asserted

[2] For the avoidance of doubt, "Insurers" under the Debtor Plan does not include the California Insurance

in the Restricted Assets Adversary Proceeding, and 3) existing (as of the Effective Date) extracontractual (*i.e.*, bad faith) claims brought in the Coverage Action against certain insurers, to the Survivors' Trust. The insurance assignment, in particular, will allow Abuse Claimants to immediately pursue additional recoveries against Non-Settling Insurers through litigation in state court. Under the Debtor Plan, ***every*** Survivor may proceed with their state-court case to pursue additional individual recoveries from Insurers if they so choose. There are no exceptions to this maxim and no gatekeeping by the Survivors' Trustee. Survivors do not need anyone's permission or to be selected or prioritized. If a Survivor chooses the Litigation Option, he or she may go forward.

The Debtor Plan further contemplates enhancements to the Debtor's existing protocols and practices for the protection of youth and vulnerable adults embodied in the *Child Protection Protocols for the Roman Catholic Bishop of Oakland, California* attached hereto as **Exhibit A** and summarized below.

i. Contributions from the Debtor and RCWC.

To compensate the victims and survivors of sexual abuse, the Debtor Plan establishes a Survivors' Trust funded with the Survivors' Trust Assets. The Survivors' Trustee will liquidate the Survivors' Trust Assets and distribute the proceeds to the Holders of Abuse Claims and Unknown Abuse Claims pursuant to the procedures contained in the Survivors' Trust Distribution Plan (previously filed at Dkt. No. 2004), as modified.[3] The Survivors' Trust will be created on the Effective Date of the Debtor Plan for the purpose of paying distributions to Holders of Class 4 and Class 5 Claims, the two Classes of Abuse Claims under the Debtor Plan.

The Survivors' Trust will be funded with (a) $150 million in cash contributed by the Reorganized Debtor over a 3.5-year period, (b) $30 million in cash contributed by RCWC through an escrow arrangement which will distribute funds to be made available to Abuse Claimants if those Abuse Claimants asserting claims against RCWC grant RCWC post-confirmation releases,[4] and (c) the proceeds of any settlements by and between the Debtor and any Non-Settling Insurers that become Settling Insurers. The Debtor will also contribute and assign to the Survivors' Trust the rights and obligations of the Debtor in the Non-Settling Insurer Policies. Generally, except with respect to the amount (increased) and timing (accelerated) of contributions thereto, the provisions in the Debtor Plan relating to the establishment, rights, duties, and obligations of the Survivors' Trust have not changed from the Third Amended Plan.

More specifically, the Survivors' Trust or RCWC Escrow will receive the following contributions from the Debtor or RCWC on the following schedule:

- On the Effective Date:
  - From the Debtor: $40.0 million in cash plus any remaining balance of the proposed DIP borrowing after satisfaction of all professional and administrative claims (the

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Guarantee Association ("CIGA").

[3] Distributions to Abuse Claimants may be subject to fee agreements between Holders of Abuse Claims and their legal counsel. The Debtor has no information on any such agreements. Legal counsel to Holders of Abuse Claims must comply with Rules 1.5 and 1.5.1 of the California Rules of Professional Conduct and Cal. Bus. & Prof. Code § 6147 in connection with any fees charged to Holders of Abuse Claims.

[4] The Non-Binding Term Sheet filed at Docket No. 2521 contemplated a $50 million contribution by RCWC contingent on RCWC receiving support for, and filing, a pre-negotiated bankruptcy case and joining in a consensual Plan of Reorganization. That Plan did not materialize. Importantly, RCWC's contribution of $30 million is more than the $28.5 million it proposed to contribute in the Debtor's Third Amended Plan.

"Initial Debtor Contribution"); and,

- From RCWC: $7.7 million in cash.

- On or before the first anniversary of the Effective Date:
  - From the Debtor: no less than $6.0 million in cash; and,
  - From RCWC: no less than $3.0 million in cash.
- On or before the second anniversary of the Effective Date:
  - From the Debtor: no less than $5.9 million in cash; and,
  - From RCWC: no less than $6.0 million in cash; and,
- On or before the date that is six months after the third anniversary of the Effective Date:
  - From the Debtor: the lesser of the remaining amount of the Debtor's $150 million aggregate contribution or approximately $98.1 million in cash; and,
  - From RCWC: the lesser of the remaining amount of the RCWC's $30 million aggregate contribution or approximately $13.3 million in cash.

The Debtor's contribution to the Survivors' Trust will be facilitated in part by an additional $40 million new-money loan from Roman Catholic Cemeteries of the Diocese of Oakland ("RCC"), a non-profit religious corporation that is voluntarily participating in the Debtor Plan, as part of a refinance of a total of $55 million in new money provided to the Debtor after the Petition Date. Remaining amounts will come from the Debtor's unrestricted cash and proceeds raised from future sales of real estate owned by the Debtor or Adventus, one of the Non-Debtor Catholic Entities. RCWC's contribution will come from unrestricted cash and proceeds raised from the future sale of real estate owned by RCWC. The contributions from the Debtor and RCWC to the Survivors' Trust will be $180.0 million in the aggregate.

On the Effective Date, the Survivors' Trust will segregate $3.7 million of the Initial Debtor Contribution into the Unknown Abuse Claims Reserve for the benefit of Holders of Class 5 Claims. Thereafter, the Survivors' Trust will segregate the following into the Unknown Abuse Claims Reserve:

- On the second anniversary of the Effective Date: no less than $1.0 million in cash; and,
- On the date that is three years and six months after the Effective Date: the lesser of $3.0 million in cash or the remaining amount necessary for the total amount segregated for Holders of Class 5 Claims to be $7.7 million.

Any amounts remaining in the Unknown Abuse Claims Reserve after the fifth anniversary of the Effective Date shall be returned to the Survivors' Trust for distribution to Holders of Class 4 Claims.

ii. The Restricted Assets Adversary

On November 20, 2024, the Committee filed Adversary No. 24-04051 which was styled, as later amended, *The Official Committee of Unsecured Creditors of the Roman Catholic Bishop of Oakland v. The Roman Catholic Bishop of Oakland and the Oakland Parochial Fund, Inc.* (the "Restricted Assets Adversary Proceeding"). Generally, the *First Amended Adversary Complaint* [Dkt. No. 36] seeks various forms of relief directed at approximately $38 million in assets that the Debtor asserted were restricted, held in trust, or otherwise unavailable for use to pay creditors on the Petition Date.

To date, the Restricted Assets Adversary Proceeding has not been tried or otherwise resolved, and only limited discovery has occurred. The Debtor has answered the First Amended Adversary Complaint, maintains its prior position with respect to the assets at issue, and will vigorously defend against the

Committee's assertions. More importantly, however, the Debtor and Committee now agree that the Restricted Assets Adversary Proceeding cannot be tried in the Bankruptcy Court in the timeframe established for potential confirmation of the Debtor Plan.

To address that reality, the Debtor Plan proposes to assign the claims and causes of action in the Restricted Assets Adversary Proceeding to the Survivors' Trust for resolution in due course post-confirmation. The Debtor Plan further contemplates that any still-existing funds or other property deemed to be unrestricted or otherwise available for use to pay creditors in the Restricted Assets Adversary Proceeding shall be contributed by the Debtor to the Survivors' Trust in order to accelerate—but not increase—the Debtor's post-Effective Date contributions; *provided, however*, that in no event shall the Debtor be required to contribute any amounts in the Debtor's reserve accounts necessary for preservation of existing insurance coverage or the payment of insurance premiums.

As an illustrative example: assume the Restricted Assets Adversary Proceeding generates a final, nonappealable order stating that $15 million in allegedly restricted funds are, in fact, unrestricted, exist, and are available for use to pay the Debtor's creditors. Assume also that the order issues before the second anniversary of the Effective Date. The Debtor would *increase* the contribution on the second anniversary from $5.9 million to $20.9 million, accelerating potential payments to Sexual Abuse Claimants. Later required contributions from the Debtor would decrease commensurately.

iii. Debtor Contribution Deeds of Trust.

As additional security for the Debtor's post-Effective Date contributions to the Survivors' Trust (anticipated to be approximately $110 million), the Debtor Plan contemplates that the Debtor shall grant the Survivors' Trust liens on certain real property. The liens shall be memorialized in deeds of trust to be executed and delivered on the Effective Date. Such real property shall be valued by Hilco Real Estate, LLC in an amount of no less than one hundred percent (100%) of the aggregate post-Effective Date Debtor contributions. At the closing of any sale of any property upon which the Survivors' Trust has a lien, the Survivors' Trust shall deliver and the Debtor (or its agent or representative) shall record a release of the applicable deed of trust. Upon completion of the Debtor's post-Effective Date contributions, all remaining deeds of trust (if any) shall be released.

The contemplated deeds of trust provide additional certainty and security for the Debtor's post-Effective Date contributions, reflecting the time necessary for the Debtor to market and sell the real estate and other property necessary to facilitate its future contributions. Section 9.3.1.4 also contemplates that the Debtor shall transfer the net proceeds (after reimbursement of closing costs and attorney's fees to the Debtor, if any) realized from the sale of any Trust Collateral Property (as defined therein) to the Survivors' Trust contemporaneously with the closing of such sale, potentially accelerating the Debtor's contributions.

iv. The RCWC Escrow.

RCWC is not a debtor in the Chapter 11 Case and will make its voluntary contributions into an escrow account managed by a third party (the "RCWC Escrow"). The Survivors' Trust may withdraw amounts from the RCWC Escrow in accordance with the Survivors' Trust Documents and the escrow agreement between the Survivors' Trust, RCWC, and the escrow agent. Those documents shall provide that distributions from the RCWC Escrow shall only be made on account of Holders of Class 4 Claims whom the Abuse Claims Reviewer determines asserted a valid, compensable Claim against RCWC in the Holder's Proof of Claim. Such withdrawals from the RCWC Escrow shall not commence until after the Preliminary Abuse Claim Allowance Deadline. The escrow agreement shall provide the Survivors' Trust may withdraw from the RCWC Escrow no more than the *pro rata* share of the RCWC Escrow balance designated for each Holder of an Abuse Claim asserted against RCWC who has executed and returned to RCWC a written form release of RCWC for all conduct occurring on or before the Effective Date of the

Debtor Plan (a "RCWC Release"). The *pro rata* share of each Holder shall be determined by the Survivors' Trustee.

RCWC is a non-debtor pursuant to the Supreme Court's decision in *Harrington v. Purdue Pharma L.P.*, 603 U.S. 204 (2024). The RCWC Escrow construct is designed to allow RCWC to obtain consensual releases from Abuse Claimants holding Claims against it while enhancing the recovery to all Abuse Claimants by approximately 20% (RCWC's contribution of $30 million being 20% of $150 million). In the event all Abuse Claimants holding Claims against RCWC execute a RCWC Release, any amount remaining in the RCWC Escrow shall thereupon be transferred to the Survivors' Trust for distribution to all Abuse Claimants. If any amount remains in the RCWC Escrow as of the three and a half-year anniversary of the Effective Date and not all RCWC Abuse Claimants have executed RCWC Releases, the escrow agent shall return such amount to RCWC no later than thirty (30) calendar days after the later of (i) the three and a half-year anniversary of the Effective Date or (ii) distribution to the Survivors' Trust of all payments to Holders of Allowed Class 4 Claims who executed and returned to RCWC a RCWC Release on or before the three and a half-year anniversary of the Effective Date.

v. Potential Settling Insurer Contributions and the Insurance Assignment.

Like the Debtor's Third Amended Plan, the Debtor Plan contemplates a complete, insurance-neutral assignment of the Debtor's rights and obligations under the Abuse Insurance Policies—but not the Policies themselves—to the Survivors' Trust upon the Effective Date. The Debtor Plan–chiefly, but not exclusively, Article VIII thereof–reflects, in the Debtor's view, the agreed-upon term sheet with the Insurers reached in November 2024.[5]

The Debtor Plan removes prior proposed settlements with various Insurers from the Fourth Amended Plan but retains the possibility that Non-Settling Insurers may become Settling Insurers if they agree to make a cash contribution to the Survivors' Trust. Settlement proceeds resulting therefrom to be used to further supplement recoveries to Trust Claims. To the extent no settlement with a particular Non-Settling Insurer is achieved, like every version of the Debtor's prior plans, the Debtor Plan establishes a framework for post-confirmation litigation for Trust Claimants seeking recovery from Non-Settling Insurers through the Litigation Option.

B. The Debtor Plan Is Fair And Equitable

The aggregate contributions from the Debtor, RCWC, and the Settling Insurers accomplish the dual goals of fairly compensating Holders of Abuse Claims and allowing the Debtor to continue its mission to serve the Catholic faithful and those who need its services and ministries in the East Bay area. The Debtor Plan is fair and equitable for three primary reasons:

First, the contributions from the Debtor, RCWC, and the Settling Insurers exceed, in the aggregate and on a per-Abuse Claim basis, contributions in recent diocesan bankruptcy cases comparable to this one. The total amount to be contributed to the Survivors' Trust under the Debtor Plan is approximately $180.0 million, including approximately $47.7 million on the Effective Date. These contributions compare as follows to similar diocesan or religious order bankruptcy cases:

[5] Certain Insurers have indicated that they do not agree with this assertion.

Case Name/No.	Date Plan confirmed	No. of survivor claims	Average per-claim recovery from Debtor/ NDCE[6]	Average per-survivor claim recovery from insurance	Average per-survivor claim recovery, total
In re The Roman Catholic Bishop of Helena, Montana, 14-60074 (Bankr. D. Mt.)	3/5/2015	388	$16,753	$37,081	$53,834
In re Archdiocese of Milwaukee, 11-20059 (Bankr. E.D. Wis.)	11/13/2015	352	$30,114	$30,966	$61,080
In re The Archdiocese of Saint Paul and Minneapolis, 15-30125 (Bankr. D. Minn.)	9/25/2018	450	$88,889	$377,778	$466,667
In re The Roman Catholic Archdiocese of Agana, 19-00010 (Bankr. D. Guam)	10/19/2022	255	$98,039	$107,059	$205,098
In re The Diocese of Camden, New Jersey, 20-21257 (Bankr. D.N.J.)	3/14/2024	324	$270,062	$285,494[7]	$555,556
In re The Roman Catholic Diocese of Rockville Centre, New York, 20-12345 (Bankr. S.D.N.Y.)	12/4/2024	565	$415,584	$151,372	$566,956
In re The Roman Catholic Diocese of Syracuse, New York, 20-30663 (Bankr. N.D.N.Y.)	9/26/2025	374	$267,380	unknown (insurance assignment)	unknown (insurance assignment)
In re The Diocese of Rochester, 19-20905 (Bankr. W.D.N.Y.)	9/5/2025	471	$116,773	$406,263	$523,036
In re The Roman Catholic Church of the Archdiocese of New Orleans, 20-10846 (Bankr. E.D. La.)	12/8/2025	660	$295,132[8]	unknown ($44,356 plus insurance assignment)	unknown ($339,488 plus insurance assignment)
In re Franciscan Friars of California, Inc., 23-41723 (Bankr. N.D. Cal.)	TBD	99	$202,020	unknown (insurance assignment)	unknown (insurance assignment)
In re The Roman Catholic Bishop of Oakland, 23-40523 (Bankr. N.D. Cal.)	**TBD (scheduling order to be entered)**	**345**	**$521,739[9]**	**unknown (insurance assignment)**	**unknown (insurance assignment)**

[6] "Debtor/NDCE" contribution includes amounts contributed by the Debtor entity and any other non-debtor Catholic entity (*e.g.*, separately incorporated parishes, Catholic Charities, schools entities, etc.) to the class of survivors.

[7] This information is based on press reports of a global settlement in that case providing for total contributions of $180 million from all sources, including all relevant insurers.

[8] In its First Amended Disclosure Statement, the Archdiocese of New Orleans provides a value range for survivor recoveries. The figures in the above chart reflect the "middle value" range. [Dkt. No. 4193 at 10-11, § 3.03.] The Archdiocese identified 660 non-duplicative survivor claims, of which it estimated

Second, many of the Debtor's assets are either necessary for it to maintain basic operations – including for Churches within the Diocese of Oakland – or were donated to the Debtor for a specific, restricted purpose. Because the Debtor is a charitable entity, California law imposes limitations on the use of property donated subject to a restriction on use.[10] Consequently, the Debtor may not use assets donated for a specific purpose for any other purpose. In other words, the Debtor cannot use assets donated for the purpose of corporal works of mercy (e.g. feeding the hungry, sheltering the homeless, visiting the sick or imprisoned) to pay operational expenses, or to pay its creditors. Many of the Debtor's cash assets are restricted in this manner.

Third, the Debtor Plan maximizes the Debtor's assets available to pay creditors while allowing the Debtor to continue its mission, as described more fully below. The Debtor is using the most it is able to use from its assets available to pay creditors. Remaining assets are essential to allow the Debtor to continue its mission. Perhaps most materially, the Debtor Plan reflects the Debtor's willingness to make deep sacrifices by liquidating assets, including certain real estate currently used for worship, in order to compensate survivors of sexual abuse.

As set forth above, the Debtor Plan contemplates the following contributions from the Debtor, totaling $150 million:

- The $40 million Initial Debtor Contribution reflects the maximum amount of cash the Debtor projects it can contribute to the Survivors' Trust on the Effective Date while allowing the Debtor to continue its mission.
    - To make the Initial Debtor Contribution, the Debtor will obtain a loan of $55 million from RCC on the Effective Date. This loan will refinance DIP borrowing in the amount of $15 million that the Debtor will use to fund administrative expenses over the next few months and provide $40 million in new-money financing. This is the largest amount RCC is willing and able to loan to the Debtor. RCC is the only viable and realistic exit financing party available to the Debtor. The entire $40 million in new money from the RCC loan will be transferred to the Survivors' Trust on the Effective Date.[11]
    - If any cash proceeds from the DIP loan remain on the Effective Date, such funds will first be used to pay outstanding administrative expenses incurred in the Chapter 11 Case, including professional fees, and thereafter any remaining DIP loan proceeds will be transferred to the Survivors' Trust on account of the Debtor Cash

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250 were filed after the applicable claims bar date. [Dkt. No. 4193 at 22, § 5.01.] If all 250 late-filed claims are disallowed, the average per-survivor claim recovery from Debtor/NDCE sources becomes $475,122, and $546,494 from all sources, again using the "middle value" range.

[9] If the RCWC contribution is removed, the average per-claim recovery is $434,783 ($150,000,000 divided by 345 claims) not including any insurance recoveries or contributions. Both this figure and the figure in the chart assumes all amounts in the Unknown Abuse Claims Reserve will be distributed to Class 4 Claims.

[10] *See* Cal. Bus. and Prof. Code § 17510.8 ("acceptance of charitable contributions by a charity . . . establishes a charitable trust and a duty on the part of the charity . . . to use those charitable contributions for the declared charitable purposes for which they are sought").

[11] The Third Amended Plan contemplated an Initial Debtor Contribution of $55 million. The difference between the two plans is the forthcoming request for $15 million in DIP financing from RCC, which will lower RCC's lending ability at the projected Effective Date.

Contribution. The Debtor anticipates it will have only the bare minimum cash reserves remaining, if any, on the Effective Date.

- The $110 million to be contributed by the Reorganized Debtor to the Survivors' Trust subsequent to the Effective Date reflects the maximum amount of cash the Debtor can contribute to the Survivors' Trust while allowing the Reorganized Debtor to continue its mission.
    - The Reorganized Debtor will meet its post-Effective Date contribution obligations – while servicing existing and contemplated debt obligations to RCC – primarily by selling real estate (including some Church property and including both vacant and non-vacant land) and contributing the proceeds. Notwithstanding the payment schedule set forth above, upon the sale of unencumbered real estate post-Effective Date, the Debtor *shall* contribute the proceeds of such sale, after payment of all necessary costs, to the Survivors' Trust upon closing of the sale.
    - The annual amounts to be paid by the Reorganized Debtor on the first and second anniversaries of the Plan are minimum contributions required by that date. The Debtor fully expects to contribute more than the stated minimums during each year following the Effective Date through the end of the plan payment period. To the extent it does so, the minimum payment due on the date that is three years and six months following the Effective Date shall be reduced accordingly.
- If possible, the Reorganized Debtor *may* also supplement contributions to the Survivors' Trust with additional unrestricted cash generated through operations to meet its subsequent contribution obligations.

Specifically, the Reorganized Debtor will liquidate the following real estate to support the funding of the Debtor Plan as either collateral for the RCC loan or to generate proceeds to fund contributions:

- All twelve vacant real estate parcels titled in the name of the Debtor which are not part of a larger parcel containing a Church or ministry-related building.
- Vacant portions of eighteen real estate parcels titled in the name of the Debtor which the Debtor has determined may be liquidated while allowing the Debtor to continue its mission, even though they are each part of a larger parcel which includes a Church or ministry-related building which is currently operating.
- The Debtor-owned portions of thirteen real property locations on which Churches currently operate either as primary or secondary locations.
- Five[12] residential homes owned by the Debtor and one residential home owned by Adventus, the proceeds of which will be contributed to the Reorganized Debtor, all of which are currently used in connection with the Debtor's ministry.

[12] The Third Amended Plan contemplated the sale of seven residential homes owned by the Debtor. Two such homes have been sold with Bankruptcy Court approval in recent months, the proceeds being used for payment of administrative expenses in the bankruptcy case.

- Other real estate currently being used in support of the Debtor's ministry but only as absolutely necessary following liquidation of the real estate described above to meet the Debtor's obligations under the Debtor Plan.

All told, the Debtor has committed to using not less than 48 parcels of real estate to fund its Plan obligations.

In addition, Furrer Properties, Inc. ("Furrer") will liquidate the three parcels of property on which Cooper's Mortuary operates and that include a four-unit apartment building, and contribute the proceeds to the Reorganized Debtor. Furrer is a wholly-owned subsidiary of the Debtor. Its only assets are the three parcels it intends to sell to support the Debtor Plan.

The Debtor Plan reflects the Debtor's careful analysis of its real estate assets, including how each asset contributes to the Debtor's mission and the measures that must be taken to make each asset salable, and inherently depends on the sale or encumbering of certain real estate. Some of the real estate to be sold will be vacant or mostly-vacant land adjacent to one of the Churches. Some of the real estate to be sold will include land on which Churches presently sit and operate. In the case of the latter, this means those locations would not be used for church services or any other purpose related to the Catholic faith and mission after they are sold.

The Debtor recognizes the sale of valuable real property, particularly "full sites" currently used in the Debtor's ministry, is a painful outcome for the Debtor and many parishioners and other Catholics. Indeed, many parishioners affected by the proposed closures have already made their displeasure about these agonizing choices heard. Nonetheless, the Debtor is making this sacrifice voluntarily for the benefit of Survivors in this bankruptcy case. The sale of real property on which a Church currently sits and operates, or which is used in its ministry, could not happen in a forced liquidation under chapter 7 of the Bankruptcy Code. Under applicable U.S. Supreme Court and Ninth Circuit case law, the Debtor cannot be forced to sell real estate on which it operates one of the Churches.[13] Here the Debtor is willing to sell some of its property, including Church property, pursuant to a confirmed Plan to achieve the dual goals of this Chapter 11 Case.

C. The Livermore Property

Prior Plans filed by the Debtor required the Debtor to cause title of certain real property owned by Adventus to be transferred to the Survivors' Trust. The real property is located at 3658 Las Colinas Road, Livermore, California (the "Livermore Property") and consists of approximately 122.5 acres of vacant land with no on-site improvements currently zoned for agricultural use. The Livermore Property is worth approximately $14 million in its current state. If re-entitled for residential development, it could be worth approximately $100 million, possibly more.

Adventus has spent considerable time working with the City of Livermore to permit the Livermore Property to be developed for residential use. On or about February 23, 2025, the Livermore City Council unanimously approved a request by the city's planning staff to negotiate a housing development agreement in relation to the Livermore Property. Those negotiations began in April 2025 and remain ongoing. While

[13] *See Security Farms v. Gen. Teamsters, Warehouseman and Helpers Union, Local 890 (In re Gen. Teamsters, Warehouseman and Helpers Union, Local 890)*, 265 F.3d 865, 877 (9th Cir. 2001); *see also Hosanna-Tabor Evangelical Lutheran Church and School v. E.E.O.C.*, 565 U.S. 171, 188-190) (in the context of the ministerial exception to federal employment discrimination laws, First Amendment Religion Clauses prohibit "government interference with an internal church decision that affects the faith and mission of the church itself").

it is anticipated the development agreement will establish a range of land uses and densities, the City will require more specific development details, such as the location of any structures, to undergo a separate approval process. Adventus has hired several professionals to assist it in understanding the developable area of the Livermore Property and how best to derive value while adhering to development constraints and City ordinances. Adventus believes it is close to finalizing sewer and trail easements with the City. It also applied for an extension of its existing development agreement pending the finalization of the new agreement.

The Debtor hopes these efforts will lead to a re-zoning of the Livermore Property to allow residential use and associated development. This will dramatically increase the value of the Livermore Property. Adventus will continue working to re-entitle the Livermore Property after the Effective Date.

If any part of the Livermore Property is sold before the 3.5-year anniversary of the Effective Date, Adventus has agreed that the net proceeds of each such sale(s) shall be distributed in the following sequence:

1. To Adventus in the amount of its closing costs, including without limitation professional fees;

2. To the Survivors' Trust, in the amount equal to the balance then owed on the Reorganized Debtor's required contribution under the Debtor Plan; then,

3. Should any funds remain, to Adventus.

To illustrate, assume that as of the date that is two years and six months after the Effective Date, the Debtor has contributed $70 million to the Survivors' Trust, and that Adventus closes a sale of the entire Livermore Property on that date for a gross sale price of $100 million with closing costs (including professional fees) of $2 million. The waterfall would be as follows:

1. $2 million to Adventus;

2. $80 million to the Survivors' Trust;

3. $18 million to Adventus.

Adventus has agreed to this arrangement.

The Debtor and Adventus have every incentive to maximize the value of the Livermore Property and proceed expeditiously through the re-entitlement process. If the Livermore Property is sold, the Debtor will not need to liquidate as much of its real property. This would mean Churches slated for sale and closure can remain open and available to worship and ministry.

D. Comparison to Other Diocesan/Religious Order Cases

The treatment proposed in the Debtor Plan is fair and equitable to its creditors and represents a greater average recovery for Abuse Claims based on contributions from church entities compared with prior, similar bankruptcy cases. At Confirmation the Debtor will present unassailable evidence demonstrating this.

i. Known Abuse Claimant Distribution.

Assuming: 1) the aggregate value of the contributions from the Debtor and RCWC is $172.3 million (which amount does not include the $7.7 million Unknown Abuse Claims Reserve described

below), and 2) approximately 345 unique Abuse Claims will ultimately receive distributions, the average per Claim distribution to Holders of Class 4 Claims is $499,420.29. If the Unknown Abuse Claims Reserve is ultimately distributed to Holders of Class 4 Claims (as discussed below), the aggregate available for distribution increases to $180.0 million and the average per Claim distribution increases to $521,739.13, consistent with the figure shown in the comparison table above.

ii. Unknown Abuse Claimant Distribution.

It is not possible to calculate an average per-claim distribution to Holders of Class 5 Claims (Unknown Abuse Claims) because the number of such claims is unknown. Holders of Class 5 Claims will be eligible to receive their pro rata share of the Unknown Abuse Claims Reserve ($7,700,000.00) within the first five years after the Effective Date. Thereafter, any remaining amount from the Unknown Abuse Claims Reserve will be absorbed into the Survivors' Trust Assets and made available for distribution to Holders of Class 4 Claims in accordance with the terms of the Debtor Plan. Should this happen, it will increase the average per-Claim recovery of Class 4 Claims accordingly.

Since the filing of the Fourth Amended Plan, the Debtor has worked closely with Joshua Hogan, the Bankruptcy Court-approved Unknown Abuse Claims Representative pursuant to the Debtor Plan. The Debtor understands that Mr. Hogan agrees with the amount and timing of contributions to the Unknown Abuse Claims Reserve.

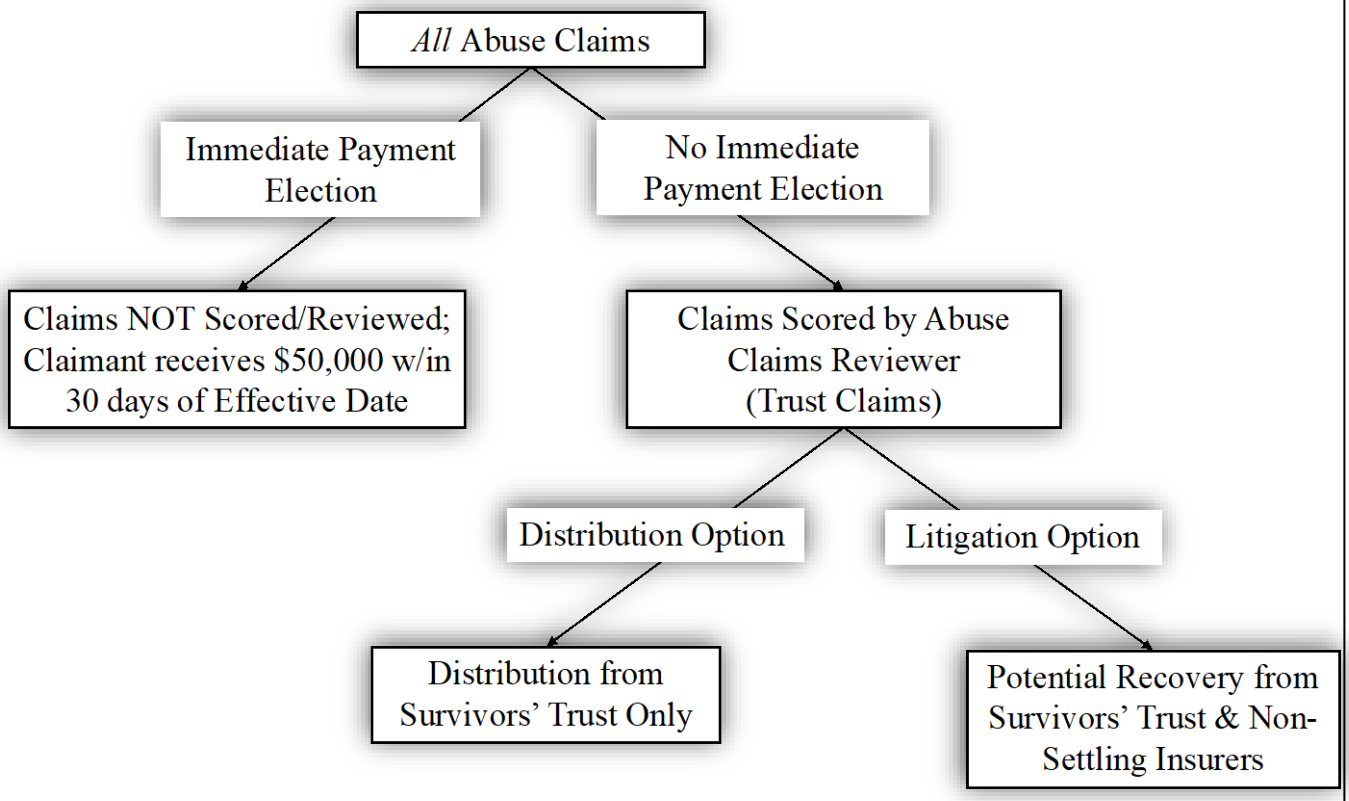
i. Additional Considerations.

These potential average per-Claim distributions described above do not include: 1) the value of the Assigned Insurance Interests and potential associated recoveries, including by Abuse Claimants that select the Litigation Option under Section 9.8.4 of the Debtor Plan, and 2) possible additional settlements with Settling Insurers prior to the Effective Date of the Debtor Plan, if any.

Because the Immediate Payment Option pays less ($50,000) than the projected per-claimant average values under the Debtor Plan, every Abuse Claimant that elects the Immediate Payment Option increases the projected per-claimant average for all other Abuse Claimants. For example, assuming total cash contributions on account of Class 4 Claims of $180.0 million (for ease of calculation), if ten Abuse Claimants elect the Immediate Payment Option, the per Claim distribution increases to $535,820.90 (an increase of approximately $14,000 per Claim). If twenty-five claimants elect the Immediate Payment Option, the per Claim distribution increases to $558,593.75 (an increase of approximately $37,000 per claim). The tradeoff, as described below, is that Abuse Claimants electing the Immediate Payment Option: 1) receive their payment within 30 days of the Effective Date of the Debtor Plan, and 2) do not have their Abuse Claims scored or reviewed in any way, as described below.

E. Plan Mechanics for Abuse Claims

The following subsections outline the decisions Abuse Claimants make under the Debtor Plan regarding their potential distributions from the Survivors' Trust. Those decisions (and the outcomes therefrom) can be represented graphically as follows:



i. Immediate Payments.

The Debtor Plan retains the option for Abuse Claimants to elect to receive an Immediate Payment within 30 days of the Effective Date in the amount of $50,000. If an Abuse Claimant elects to receive an Immediate Payment, all recovery on their Abuse Claim is limited to the Immediate Payment. For the avoidance of doubt, an Abuse Claimant who elects to receive an Immediate Payment shall not be permitted to seek any additional recovery on account of the Abuse Claim from the Debtor, the Reorganized Debtor, the Survivors' Trust, any Insurers, or RCWC (and the RCWC Escrow). Correspondingly, Abuse Claims of Claimants that elect the Immediate Payment will not be scored or subject to Claim objections, and the payment shall be irrevocable and indefeasible.

The form used for the Immediate Payment election shall be provided to Abuse Claimants by the Survivors' Trustee post-confirmation of the Debtor Plan and shall include conspicuous language indicating that acceptance of the Immediate Payment and return of the election form constitutes a release of the Debtor, Survivors' Trust, any Settling or Non-Settling Insurers, and RCWC (and the RCWC Escrow Agent) for any amount over and above the Immediate Payment ($50,000).

ii. Preliminary Distributions to Holders of Allowed Abuse Claims.

The Debtor Plan adds a provision allowing the Survivors' Trustee to make preliminary distributions of $5,000 to any Abuse Claimant the Survivors' Trustee determines has an Allowed Claim. Not later than 60 days after the Effective Date (the "Preliminary Abuse Claim Allowance Deadline"), the individual appointed to review Abuse Claims shall review the Proof of Claim for each Abuse Claim to (a) determine whether it is an Allowed Claim, and (b) determine whether it asserts a compensable claim against RCWC. Not later than the later of (i) ten (10) days after the Preliminary Abuse Claim Allowance

Deadline, and (ii) thirty (30) days after the Effective Date, the Survivors' Trustee shall make a Preliminary Distribution to the Holder of each Abuse Claim that is determined by the Abuse Claims Reviewer to be an Allowed Claim, in the amount of $5,000 from the Survivors' Trust Assets in accordance with the Survivors' Trust Documents.

The allowance of Abuse Claims by the Abuse Claims Reviewer shall have no effect on the amount of the contributions of the Debtor or RCWC. Neither the Determination by the Abuse Claims Reviewer that a Proof of Claim is an Allowed Claim, nor that a proof of claim asserts a compensable claim against RCWC, shall constitute a trial, an adjudication on the merits, or evidence of liability or damages in any litigation with any Non-Settling Insurer or any other Person.

iii. Initial Determination / Claims Scoring.

After the Effective Date, the Abuse Claims Reviewer will score all remaining Abuse Claims (defined as "Trust Claims") and issue a letter to each Holder of such Claims ("Trust Claimants") regarding the scoring of their specific Claim (the "Initial Determination"). The purpose of the scoring is to calculate each Trust Claimant's *pro rata* share of projected distributions. The Initial Determination will include a projected total recovery for the Trust Claimant based on the anticipated Survivors' Trust Assets available for distribution. The purpose of the Initial Determination is to provide information about *projected* distributions to Trust Claimants. Actual distributions may change based on, among other things, recoveries for Litigation Claimants from Non-Settling Insurers that free up additional funds for Distribution Claimants.

As set forth in the Trust Distribution Plan, the scoring process works as follows:

- First, the Abuse Claims Reviewer applies Initial Criteria to determine whether any incurable defects exist with respect to a Trust Claim. These criteria include whether the Trust Claim was timely submitted, substantially completed and signed, is duplicative of another Trust Claim, or was previously resolved through litigation or settlement;

- Second, the Abuse Claims Reviewer applies General Criteria intended to determine whether the Trust Claim adequately describes the alleged abuse, alleged perpetrator, location of abuse, and legal liability of the Debtor or another party; and,

- Third, the Abuse Claims Reviewer applies Evaluation Factors to score the claim on a scale from 1-100. The Evaluation Factors include the nature of the abuse (in terms of duration, frequency, level of severity and degree of intrusiveness, etc.), the impact of the abuse (in terms of mental and physical health, spiritual well-being, interpersonal relationships, etc.); prior recoveries, if any, from other parties; and the claimant's involvement in bringing the abuse to light for the benefit of all Trust Claimants.

After scoring each Trust Claim, the Abuse Claims Reviewer will calculate the value of an individual "point." The point value will be determined by dividing (a) the total dollars available for distribution to Trust Claims by (b) the total of points among the individual Trust Claims. For example:

- Assume 345 claimants hold Trust Claims with an average score of 50 points per claim.

- 50 points per claim multiplied by 345 claims yields 17,250 total points.

- Assuming a total distributable amount of $180 million (for ease of calculation), each point would be valued at $10,434.78 ($180 million divided by 17,250 points).

Accordingly, Trust Claims assigned 25, 50, and 75 points would receive projected total recoveries of $260,869.57, $521,739.13, and $782,608.70 from the Survivors' Trust, respectively.

Following receipt of the Initial Determination, Trust Claimants have 30 days to request re-review of the Initial Determination by the Abuse Claims Reviewer with the option to submit additional documentation or information that such Claimant believes should be considered (the "Review Determination"). If sought, the Review Determination shall be the "Final Determination." If no Review Determination is sought, the Initial Determination shall be the Final Determination.

iv. Litigation Option vs. Distribution Option.

All Trust Claimants will have until the later of: 1) 90 days from issuance of their respective Initial Determination, or 2) the first anniversary of the Effective Date to elect one of two paths as to their Trust Claim: 1) receive a distribution from the Survivors' Trust *and* pursue litigation that could yield additional recovery from an insurer, if any (the "Litigation Option") or 2) accept a distribution solely from the Survivors' Trust (the "Distribution Option") and forego litigation against the Debtor's insurers. Claimants that do not make an election will be deemed to have chosen the Distribution Option. For the avoidance of doubt, a Trust Claimant may make an election to pursue the Litigation Option and resume their state-court case against the Debtor (in name only) at any time *after* the Effective Date and prior to the deadline stated above through written notice provided to the Survivors' Trustee.

Assuming it occurs prior to the Effective Date, on the 91st day following issuance of all Initial Determinations by the Abuse Claims Reviewer, the Survivors' Trustee will know: 1) how many Trust Claimants chose or were deemed to have chosen the Distribution Option ("Distribution Claimants"), and 2) how many Trust Claimants chose the Litigation Option ("Litigation Claimants"). Following resolution of the last Review Determination, the Survivors' Trustee will know the total number of points of Trust Claims and be able to project *pro rata* shares of anticipated distributions to Trust Claimants.

At that point:

For all Trust Claimants:

- The Survivors' Trustee will make the Initial Distribution, which shall be comprised of such Trust Claimant's *pro rata* share of the Survivors' Trust Assets existing on that date, less reasonable reserves for the Survivors' Trust.

- Upon receipt of additional Cash Contributions, the Survivors' Trustee will make such Additional Distributions as are necessary and appropriate, which shall be comprised of such Trust Claimant's *pro rata* share thereof, less reasonable reserves for the Survivors' Trust. Whether and when to make Additional Distributions prior to the Final Distribution shall be within the discretion of the Survivors' Trustee.

For Trust Claimants that chose or were deemed to have chosen the Distribution Option, all payments from the Survivors' Trust shall be final and irrevocable.

For Trust Claimants that chose the Litigation Option:

- Upon the election of the Litigation Option, the Trust Claimant shall be allowed to resume or institute (as the case may be) litigation against the Debtor (in name only) to establish coverage liability and damages for the Trust Claimant's Abuse Claim as against the applicable Non-Settling Insurer(s). As to the liability of the Debtor (as assumed by the Survivors' Trust):

- If the litigation yields a judgment against the Debtor (sued in name only) (the "Judgment Amount") that is lower than Final Determination, the Judgment Amount controls. Any amount already distributed to Litigation Claimants in excess of the Judgment Amount shall be recoverable by the Survivors' Trustee. Any amount not already distributed in excess of the Judgment Amount will be reallocated for payment to all other Distribution Claimants.

- If the litigation yields a Judgment Amount against the Debtor (sued in name only) that is higher than the Final Determination, the Final Determination controls as to the liability of the Survivors' Trust.

- If the litigation yields a judgment covered by insurance, the amount of such coverage shall be paid by the responsible Insurer(s) directly to such Trust Claimant following recovery.

- Following resolution of each Litigation Option case, and after accounting for any recovery by the Litigation Claimant from another party, such as an Insurer, the Survivors' Trustee will make a Litigation Distribution to each such Litigation Claimant in an amount equal to the lesser of: 1) any unpaid portion of the Final Determination, or 2) the Judgment Amount, both amounts being subject to reasonable reserves.

- Each Non-Settling Insurer shall have all defenses against a Litigation Claimant available to the Non-Settling Insurer against the Debtor on account of such Claimant's Claim, including without limitation policy exclusions and other coverage defenses under the applicable policies, defenses available under state and federal law, and Orders of the Bankruptcy Court.

- **In no event can a Litigation Claimant receive more than the total amount of his or her judgment from all sources. For the avoidance of doubt, if, after accounting for recovery from parties other than the Survivors' Trust, a Litigation Claimant receives any amount in excess of the Judgment Amount, such amount shall be recoverable by the Survivors' Trustee.**

Following resolution of the last Trust Claim of the last Trust Claimant that chose the Litigation Option, the Survivors' Trustee will make the Final Distribution to Distribution Claimants, which shall be comprised of such Trust Claimants' *pro rata* shares of all remaining Survivors' Trust Assets, including reserves.

F. Non-Monetary Commitment to Healing and Reconciliation

The final key aspect of the Debtor Plan is the continuation and amplification of the Debtor's Mission to Effect Reconciliation and Compensation, described in detail below, which constitutes its non-monetary commitment pursuant to the Debtor Plan.

Bishop Michael Barber shares the conviction of His Holiness Pope Leo XIV, expressed on June 21, 2025, that "It is urgent to root in the whole church a culture of prevention that does not tolerate any form of abuse - neither of power or authority, nor abuse of conscience, spiritual or sexual abuse. … This culture will only be authentic if it is born of active vigilance, of transparent processes and sincere listening to those who have been hurt." Bishop Barber, on behalf of himself and the Debtor, pledges and agrees to both continue the good work outlined in Article IV, below, and adopt the *Child Protection Protocols for the Roman Catholic Bishop of Oakland, California* attached hereto as Exhibit A. These Protocols are among the most expansive adopted or proposed by any diocese or religious organization in the United States. Among the highlights of the Protocols are:

- The establishment of a new role within the Debtor, the Compliance Monitor, who will assume his or her position on the Effective Date and work with Bishop Barber to effectuate the Protocols. The initial term of the Compliance Monitor shall be 5 years.

- The reconstitution and enlargement of the Minor Diocesan Review Board, which shall include (i) a licensed social worker or a licensed psychologist with particular expertise in the treatment of the sexual abuse of Minors; (ii) a lay minister; (iii) an educator; (iv) a parent of a student attending any school operated by a Diocesan Entity; (v) a member of law enforcement; (vi) three Survivors, and (vii) a pastor currently serving in ministry in the Debtor.

- The creation of the Compliance Advisory Board, a consultative body to the Compliance Monitor comprised of 5 volunteers over whom Bishop Barber will have no authority. The Compliance Advisory Board shall be coterminous with the Compliance Monitor.

- Comprehensive measures regarding communication; safe environment training, background checks and prevention of potential abuse; reporting to appropriate authorities regarding allegations of abuse, whether substantiated or not; investigations into such allegations, and outreach and assistance for survivors.

The abuse of children and vulnerable adults has no place in the Diocese of Oakland or the Roman Catholic Church. The Debtor will do everything in its power to prevent such abuse.

ARTICLE II

GENERAL INFORMATION

The Debtor Plan sets forth, among other things, the proposed treatment of Claims and other interests in accordance with the Bankruptcy Code. The following is a summary of the classification of all Claims under the Debtor Plan. This summary is qualified in its entirety by reference to the Debtor Plan:

Class	Class Description	Number of Claimants	Status	Voting Rights
Class 1	RCC Secured Claim	1	Impaired	Eligible to vote
Class 2	Priority Unsecured Claims, other than non-classified claims set forth in Article III	36	Unimpaired	Non-voting Deemed to accept
Class 3	General Unsecured Claims	71	Impaired	Eligible to vote
Class 4	Abuse Claims	~345	Impaired	Eligible to vote
Class 5	Unknown Abuse Claims	Unknown	Impaired	Eligible to vote via the Unknown Abuse Claims Representative
Class 6	Non-Abuse Litigation Claims	2	Impaired	Eligible to vote
Class 7A	Contribution and Indemnification Claims Related to Class 4 Claims	Unknown	No recovery	Non-voting Deemed to reject

Class 7B	Contribution and Indemnification Claims Related to Class 5 Claims	Unknown	No recovery	Non-voting Deemed to reject

The Debtor Plan impairs the Secured Claim of RCC, the only creditor in Class 1, by altering the proposed treatment to *not* include: 1) the payment of default post-petition interest (the Debtor has been paying contract interest to RCC) and 2) the repayment of unpaid post-petition and pre-Effective Date principal amounts owed, if any, on the Effective Date. The Debtor will instead pay RCC's unpaid principal over the 3.5-year life of the Plan.

Otherwise, except with respect to the amount (increased) and timing (accelerated) of projected distributions by the Survivors' Trust, the proposed treatment of Classes 4 and 5 in the Debtor Plan has not changed from the Third Amended Plan.

The proposed treatment of all other Claims, including Claims not classified above, in the Debtor Plan has not changed from the Third Amended Plan.

The Debtor Plan provides for the financial restructuring of the Debtor and the resolution of all, or substantially all, Claims against the Debtor, including, without limitation, the resolution of all Abuse Claims against the Debtor.

ARTICLE III

QUESTIONS AND ANSWERS ABOUT THE DEBTOR PLAN

A. When will the Debtor Plan become effective?

"Confirmation" refers to the Bankruptcy Court's approval of the Debtor Plan, which is followed by the "Effective Date"—the date the Plan becomes effective. Certain conditions must be satisfied or waived before that can happen. The Debtor currently contemplates an Effective Date for the Debtor Plan, if confirmed expeditiously, on or about August 1, 2026.

B. Does the Debtor Plan contain releases and permanent injunctions in favor of the Debtor and the Churches?

Yes. The Debtor Plan contains releases and permanent injunctions that relate to and affect the rights, Claims, and/or Causes of Action that Holders of Claims, including Holders of Abuse Claims, may have against the Debtor or Reorganized Debtor. Because the Churches are not separately incorporated legal entities, as a matter of California law they are not separate from the Debtor, and they do not own or hold a legal or equitable interest in property separate from the Debtor. Thus, the Churches are included in the releases and permanent injunctions in favor of the Debtor and Reorganized Debtor, and the Churches are not receiving a release or permanent injunction separate from or in addition to the Debtor and Reorganized Debtor. The provisions relating to releases and permanent injunctions in favor of the Debtor and the Churches have not changed from the Third Amended Plan.

C. Does the Debtor Plan contain releases and permanent injunctions in favor of Third Parties?

No. The Debtor Plan contemplates the RCWC Escrow construct that is designed to facilitate post-confirmation releases for that entity in return for compensation to Abuse Claimants that hold claims against RCWC in addition to the Debtor, but the Debtor Plan no longer contains any other releases or

injunctions that relate to and affect the rights, Claims, and/or Causes of Action that "Releasing Parties" may have against entities who are not the Debtor, the Reorganized Debtor, or the Churches.

"Released Parties" as defined in the Debtor Plan includes: (a) the Debtor, (b) the Reorganized Debtor (i.e., the Debtor after the Effective Date of the Debtor Plan), and (c) the Churches (as discussed above, none of whom are separately incorporated from the Debtor and whose releases under the Debtor Plan shall be one and the same as, and not separate from or in addition to, the releases of the Debtor and Reorganized Debtor). In order to effectuate this release of the foregoing, "Released Parties" also includes each of their "current and former directors, managers, officers, employees, predecessors, successors, assigns, managed accounts or funds, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, and other professionals." The Debtor Plan does not purport or attempt to release or grant permanent injunctions to any other diocese, archdiocese, or religious organization. The Debtor Plan also expressly excludes from the release the perpetrators of abuse identified in Abuse Claims.

D. As the Holder of an Abuse Claim, will I be bound by the Third-Party Releases and Third-Party Permanent Injunctions?

Only those Holders of Abuse Claims that: 1) the Abuse Claims Reviewer determines hold Claims against RCWC, and 2) execute and return a written general release to RCWC, will be bound by the contemplated post-confirmation releases in favor of RCWC.

E. As the Holder of any Claim other than an Abuse Claim, will I be bound by the Third-Party Releases and Third-Party Permanent Injunctions?

Holders of Claims other than Class 4 or Class 5 Claims are not subject to contemplated post-confirmation releases in favor of RCWC. Such Holders will not be releasing claims against any non-debtors.

F. Are there any Exculpation Provisions contained in the Debtor Plan?

Yes. The Debtor Plan also contains provisions (the "Exculpation Clause," as set forth and defined in the Debtor Plan in Article 13.6) exculpating or limiting the liability of certain parties, including the Debtor, the Reorganized Debtor, the Committee, and numerous other parties (the "Exculpated Parties," as set forth and defined in the Debtor Plan in Article 1.1.54). The Exculpation Clause may affect the rights, Claims, and/or Causes of Action of Holders of Claims, including Holders of Abuse Claims, in relation to the Exculpated Parties. The Exculpated Parties shall receive the benefits of the Exculpation Clause to the extent permitted under applicable Ninth Circuit law, including without limitation *Blixseth v. Credit Suisse*, 961 F.3d 1074 (9th Cir. 2020).

G. Does the Debtor Plan contain Provisions Designed to Foster the Protection of Children from Sexual Abuse?

Yes. As set forth above, the Debtor Plan's Non-Monetary Commitment to Healing and Reconciliation reinforces and continues the Debtor's existing policies and procedures, as described herein, for the protection of children and vulnerable adults.

H. What is the Effect of the Debtor Plan on the Debtor's Ongoing Religious and Charitable Endeavors?

On and after the Effective Date, the Reorganized Debtor will continue its charitable, non-profit operations and, except as otherwise provided by the Debtor Plan, may use, acquire, or dispose of property and compromise or settle any Non-Abuse Litigation Claims without supervision or approval by the

Bankruptcy Court, free of any restrictions of the Bankruptcy Code or Bankruptcy Rules. Additionally, upon the occurrence of the Effective Date, all actions contemplated by the Debtor Plan will be deemed authorized and approved.

I. Is the Debtor Preserving Claims, Estate Causes of Action, Defenses and Counterclaims under the Debtor Plan?

Yes, except to the extent such rights, Claims, Estate Causes of Action, defenses, and counterclaims are otherwise dealt with in the Debtor Plan or are expressly and specifically released in connection with the Debtor Plan, the Confirmation Order, or any settlement agreement approved during the Chapter 11 Case, the Debtor Plan provides that, as of the Effective Date, the Reorganized Debtor reserves any and all rights, Claims, Estate Causes of Action, defenses, and counterclaims of or accruing to the Debtor or Reorganized Debtor, whether or not litigation relating thereto is pending on the Effective Date.

ARTICLE IV

THE DEBTOR'S MISSION TO EFFECT RECONCILIATION AND COMPENSATION

The needs of survivors of clergy sexual abuse (the "Survivors") and the protection of children have long been priorities of the Debtor. Since the 1990s, the Debtor has provided counseling, therapy, support and outreach to Survivors.

More than a decade before the U.S. Conference of Catholic Bishops adopted in the Spring of 2002 the *Charter for the Protection of Children and Young People* (the "USCCB Charter"), the Debtor established a "Sensitive Issues Committee" to assist the bishop in reviewing and handling allegations of sexual abuse by persons acting in the name of the Roman Catholic Church. During that time, the Sensitive Issues Committee assisted in the evaluation of the credibility of claims and made recommendations to the bishop regarding assistance to Survivors, including monetary assistance, counseling and pastoral care.

Following the USCCB Charter's adoption, the Sensitive Issues Committee was renamed the Diocesan Review Board in 2003 and again updated to the Minor Diocesan Review Board in 2022 (the "MDRB"). The MDRB actively functions today. Its five lay members (including an Abuse Survivor and business consultant, a former district attorney, a social worker, a retired educational administrator, and a lay pastoral associate) and three clergy members meet at least quarterly to assess allegations and make recommendations on the handling of those allegations of sexual abuse of children and vulnerable adults by clergy. This consultative body is critical to the work of the Debtor to address crimes against children and vulnerable adults. As with the Sensitive Issues Committee, the MDRB works with Bishop Barber to analyze and properly respond to claims so credibility can be determined and acted upon in the best interest of the Abuse Survivor.

In line with the Charter and the mission and teachings of the Roman Catholic Church, the Debtor offers (i) counseling, treatment, and programming for those who both claim to have been and have been credibly found to be survivors of abuse by members of the clergy along with (ii) safe environment training and classes for prevention. These programs (collectively, the "Survivors' Assistance and Safe Environment Programs") are important and necessary to the Debtor's ongoing obligations and to its moral and ethical responsibility to support Survivors.

In 2004, the Debtor began developing specific training and background check programs that provide a safe environment for parishioners and visitors to diocesan facilities ("Safe Environment"). Through its Safe Environment programs, the Debtor ensures and requires the training of all adults – whether volunteer or employed – who serve in the Debtor. The Debtor gives rigorous attention to training materials and teaches adult parish and school leaders to facilitate the training program. Processes are also

in place to refer anyone with claims regarding clergy sexual abuse to law enforcement and Debtor representatives for assistance.

All volunteers and employees over age 18 in any parish, school, or other diocesan site, regardless of ministry, must be trained every three years in safe environment. All children in Catholic school or parish faith formation programs must also be trained annually to recognize and report abuse. As part of this process, the Office of Safe Environment conducts annual statistical audits of each location in the diocese and trains the coordinators annually to ensure the policies are met and followed.

The Office of Safe Environment has continually improved the content of its trainings and, as online platforms became available, former Bishop Cummins approved their use. In 2016, Bishop Barber moved the training program to an online synchronous platform provided by The National Catholic Risk Retention Group known as "Virtus," an international leader in abuse awareness training. The Debtor now has local safe environment coordinators in every parish and school.

The Debtor also operates an Office for Victims Assistance ("OVA") and employs a Victims Assistance Coordinator ("VAC") to directly address the needs of Survivors and coordinate support services for them. The goals of the OVA, as administered by the VAC, are to support Survivors and their families through counseling, spiritual direction, and support groups. The OVA also arms Church leaders with the tools to develop support, promote healing, and empower Survivors in the diocesan community.

Through the OVA, and the hotline established by the Debtor, counseling and spiritual direction are offered to Survivors of clergy abuse and their families and the Debtor is committed to reporting, investigating, and responding to such claims. The Debtor also pays for Survivors to receive psychological counseling and related medical treatment, including medications where appropriate ("Survivors' Assistance").

Survivors' Assistance is available for any requesting individual who makes an allegation of abuse by clergy or non-clergy affiliated with the Debtor. In some cases, the Debtor makes these programs available to family members who have been affected by the abuse of a loved one.

Survivors' Assistance is administered by psychologists, psychiatrists, licensed clinical social workers, and licensed marriage and family therapists selected by the recipient (each a "Counselor"). Before engaging a Counselor, the Debtor requires the Counselor to provide evidence that he or she is a state-licensed mental health professional with at least a master's degree in a relevant field. The Debtor recommends Counselors who have a background in trauma therapy but does not require that background. The Counselors are not employed by or otherwise affiliated with the Debtor.

Education on the issue of clergy sexual abuse is also a cornerstone of the Debtor's mission to address and eradicate this problem. The Debtor actively educates clergy, Church employees and the community around the realities of clergy sexual abuse through workshops and presentations aimed at bringing awareness to the problem. This forum also provides opportunities for Survivors to tell their stories to help effect change regarding clergy sexual abuse. The Debtor's ministry also includes Survivors working together with priests and deacons regarding what it means to be sexually abused by a member of the clergy.

Ultimately, the Debtor understands that in order to address the problem of clergy sexual abuse, it must amplify the voice of Survivors and provide necessary resources to the public to understand when and how to report incidents of abuse. The Debtor's website (www.oakdiocese.org) has five main sections: Debtor, Bishop, Ministries, Giving and Survivors. The Survivors section contains five pages full of resources, information and links to policies and procedures to further the cause of identifying, addressing, reporting and responding to clergy sexual abuse. The website contains, among other things:

a. Contact information for the VAC, Chancellor and the number/email for the dedicated Survivor Advocacy Hotline;

b. Information regarding the Debtor's Minor Diocesan Review Board and steps for reporting abuse;

c. A parish infographic detailing the steps the Debtor will take to respond to and investigate a claim of clergy sexual abuse;

d. Access to the Virtus registration and login in both English and Spanish, as well as retraining instructions, so that safe environment training can be easily accomplished;

e. Policies related to *Background Screening and Training*, *Sexual Misconduct*, and *Minors Volunteering or Working with Younger Children*;

f. Links to the *Code of Conduct Involving Interactions with Minors and Vulnerable Adults* (in both Spanish and English), *Live Scan Requests* (for both employees and volunteers), *Approved Safe Environment Curriculum for Children and Youth*, the forms for both schools and churches regarding their *Safe Environment Reporting*, the *USCCB Charter for the Protection of Children and Young People* and the *On Site Safe Environment Training Schedule*; and

g. The "Credibly Accused List" of diocesan priests, religious order priests, deacons and brothers (as well as some priests from other dioceses who had worked in the Debtor) who have been credibly accused of the sexual abuse of minors.

The Debtor, through its programs, offices, coordinators and trainings, is committed to serving those affected by historical clergy sexual abuse and to prevent future abuse from occurring. The Debtor is bound by the USCCB Charter, a comprehensive set of procedures originally established by the United States Conference of Catholic Bishops in June 2002, and modified in 2005, 2011, and most recently in 2018. The purpose of the USCCB Charter is to address allegations of sexual abuse of minors by Catholic clergy. The USCCB Charter also includes guidelines for reconciliation, healing, accountability, and prevention of future acts of abuse.

Finally, the Debtor continues to support the No More Secrets Ministry ("NMSM"), which was formed by survivors of clergy sexual abuse in 2000 with the mission to provide an opportunity for personal sharing, prayerful reflection, and spiritual renewal. NMSM has joined forces with the VAC and Licensed Clinical Social Workers to further support survivors and to launch a new initiative called "**Lifting Survivors' Voices at the Oakland Diocese**." Its work has been ongoing for nearly a quarter of a century.

The Debtor Plan provides the Debtor shall continue these efforts as part of its Non-Monetary Commitment to Healing and Reconciliation.

ARTICLE V

THE PLAN PROCESS

A. The Debtor's Original Plan and Disclosure Statement.

On November 8, 2024, the Debtor filed *Debtor's Plan of Reorganization* [Docket No. 1444] (the "Original Plan") and accompanying *Disclosure Statement for the Debtor's Plan of Reorganization* [Docket No. 1445] (the "Original Disclosure Statement").

On November 13, 2024, the Debtor filed *Motion for Order (I) Approving Disclosure Statement; and (II) Establishing Procedures for Plan Solicitation, Notice, and Balloting* [Docket No. 1453] (the "Approval Motion"). The Committee objected to approval of the Disclosure Statement on various bases, arguing that Survivors (and other creditors) should not even get the chance to express their opinion by voting. Among other things, the Committee also requested that, should the Bankruptcy Court ultimately approve the Disclosure Statement, the confirmation hearing in this case be delayed significantly to allow certain alternatives that the Committee prefers to proceed.

On December 18, 2024, the Bankruptcy Court conducted an initial hearing on the Approval Motion and related matters. The Debtor filed an amended Plan and Disclosure Statement on January 3, 2025, and the Bankruptcy Court held additional hearings on the amended Plan and Disclosure Statement on January 16, 21, and 30, 2025. Following the hearing on January 30, 2025, the Bankruptcy Court, at the Debtor's request, set a further hearing for March 3, 2025, and directed the Debtor to file a further amended Plan and Disclosure Statement not later than February 18, 2025. The Debtor filed a further amended Plan and Disclosure Statement on February 18, 2025. The March 3, 2025 hearing was converted to a status conference, at which the Debtor informed the Bankruptcy Court it intended to file a Third Amended Plan and Disclosure Statement on March 17, 2025, which it did. [Docket No. 1830 and 1831, respectively]. The Debtor further revised the Third Amended Disclosure Statement on April 3, 2025 [Docket No. 1874].

On April 4, 2025, the Bankruptcy Court approved the Third Amended Disclosure Statement and permitted the Debtor to solicit acceptances on the Third Amended Plan [Docket No. 1877]. The deadline to vote on the Third Amended Plan was May 30, 2025. Ultimately, the majority of Class 4 Claimants voted against the Third Amended Plan, though the other classes voted in favor of it. *See Declaration of Andres A. Estrada with Respect to Solicitation and the Tabulation of Votes on the Debtor's Third Amended Plan of Reorganization* [Docket No. 2040].

B. The Debtor's Attempt to Confirm the Third Amended Plan

After solicitation of the Third Amended Plan, the Debtor and the Committee engaged in extensive and costly discovery regarding confirmation of the Third Amended Plan. The Debtor served discovery requests on the Committee and responded to the Committee's 98 Requests for Production of Documents and 19 Interrogatories. Responding to the Committee's discovery requests was a massive project for the Debtor and its professionals, especially in light of the accelerated timeframe made necessary by the urgency of getting to Plan confirmation. The Debtor and its counsel collected approximately 430,000 emails, whittled down to approximately 130,000 by use of search terms. These were reviewed by a dedicated document review team of fourteen associates and two partners. The Debtor made four separate, significant document productions to the Committee:

1. On May 14, 2025, approximately 3,500 documents and 42,000 pages.

2. On May 23, 2025, approximately 5,500 documents and 40,000 pages.

3. On May 29, 2025, approximately 25,000 documents and 138,000 pages; and,

4. On June 1, 2025, approximately 9,000 documents and 53,000 pages.

In addition to the Debtor documents, Debtor's counsel processed and produced approximately 3,000 emails on behalf of VeraCruz in response to the Committee's subpoena directed to VeraCruz. As part of the Debtor document production, Debtor's counsel also deployed a team of 12 attorneys to determine whether any additional documents were located at any of the Churches.

In addition to the requests directed to the Debtor, the Committee also served 85 separate subpoenas directed to individual priests serving as Pastors of Churches within the Diocese. To address this massive

overreach, the Debtor filed a motion to quash on April 25, 2025. [Docket No. 1924.] The Bankruptcy Court granted that motion at a hearing on May 13, 2025. At the same time, the Committee moved for a protective order regarding certain requests for production and interrogatories served by the Debtor seeking the basis for the Committee's decision-making in opposing the Third Amended Plan [Docket No. 1922]. This motion was granted in part and denied in part at the May 13 hearing.

Between late May and mid-June 2025, the Committee conducted ten depositions of fact witnesses, and the Debtor conducted its single deposition of the Committee's designated representative. The Debtor also worked with five expert witnesses who provided expert reports in support of confirmation and reviewed and analyzed the expert reports provided by the Committee's experts.

Due to the escalating costs of Plan-related discovery and its financial position, the Debtor filed its *Motion to Continue Confirmation Hearing and to Reset Confirmation Schedule* [Docket No. 2147] (the "Motion to Continue"). This motion was necessary due to the unexpected high costs of litigation regarding the Third Amended Plan, to allow the Debtor sufficient time to sell certain real estate and other assets to generate needed cash reserves for professional fees and effective date obligations. Following a hearing on July 18, 2025, the Bankruptcy Court granted the Motion to Continue and set a status conference regarding Plan confirmation for November 12, 2025. [Docket No. 2162].

C. The Debtor's Motion to Dismiss the Bankruptcy Case.

After the Debtor determined that the cost of pursuing a contested confirmation was too high, and that the prospects of settlement with either the Insurers or the Committee was not possible in the short term, and after extensive discussions with its professional advisors, the Debtor determined that remaining in the Bankruptcy Case was not in its best interests. Therefore, on September 9, 2025, the Debtor filed its Motion to Dismiss Chapter 11 Case [Docket No. 2293] (the "Motion to Dismiss Case"). The Committee did not oppose dismissal of the case but argued that the dismissal should be with prejudice, meaning that the Debtor would not be able to file a future bankruptcy case. [Docket No. 2329]. The Debtor responded to the Committee's filing on October 20, 2025 [Docket No. 2413]. The Committee further responded on October 27, 2025 [Docket No. 2423]. On October 29, 2025, the Bankruptcy Court held a hearing on the Motion to Dismiss Case. The Bankruptcy Court granted the Motion to Dismiss Case without prejudice, concluding that "it has not been presented with any evidence of bad faith by the Debtor which would cause the Bankruptcy Court to dismiss the Chapter 11 Case with prejudice or with a bar to the Debtor filing another bankruptcy case." [Docket No. 2467]. Ultimately, dismissal was to be effective as of November 26, 2025 unless the Debtor filed a settlement term sheet "signed by the Debtor and any party who is in support of that term sheet."

After the Bankruptcy Court's ruling on the Motion to Dismiss Case, the Debtor, the Committee, the Insurers, and the Mediators continued their efforts to negotiate a consensual resolution to the case. The November 26, 2025 dismissal date was then extended several times at the request of either the parties or the Mediators, and on December 11, 2025, the Debtor filed its first *Non-Binding Term Sheet* contemplating what eventually became the Debtor Plan. [Docket No. 2504]. The December 11 term sheet was updated on December 17 with additional contributions from Settling Insurers, and the December 17 term sheet [Docket No. 2521], as well as subsequent discussions with various parties, forms the basis of the Debtor Plan.

On January 16, 2026, the Mediators convened another mediation session in Los Angeles, California involving the Debtor, the Committee, and the Insurers. That mediation did not yield a settlement between the Debtor and the Committee, the Committee and the Insurers, or all three parties globally.

On January 20, February 4, and February 17, 2026, the Bankruptcy Court convened status conferences regarding the Chapter 11 Case, the Motion to Dismiss Case, and the Plan process, generally. Prior to and during the February 4 status conference, the Debtor announced its intention to move forward

with a Fourth Amended Plan rather than seek dismissal of the Chapter 11 Case at this time. The Debtor's Fourth Amended Plan and certain other documents were filed on February 20, 2026, following which they were modified by the filing of the Debtor Plan described herein.

D. The Competing Plan Process

i. The Debtor Plan.

The Debtor's Fourth Amended Plan and certain other documents were filed on February 20, 2026, following which they were modified by the filing of the Debtor Plan described herein on March 29 at Docket No. 2758.

At the status conference on March 13, the Court praised the Debtor's efforts culminating in the Fourth Amended Plan:

> I have enormous respect for the efforts that the debtor has put into this and for, frankly, the distance they have moved in trying to get this resolved. And were I to look at this solely comparing this to the examples they've given me of other bankruptcy cases, this is a very significant, very significant undertaking by the debtor, no doubt about it.

Transcript of Proceedings dated March 13, 2026 at 15:22–16:3. The Court continued:

> [I]t's also a very significant undertaking — and the debtor is agreeing to liquidate assets, which does not happen in every diocese case. I can tell you that. I get all that, and I have enormous respect for it.

Id. at 16:3-7. Specifically referring to the proposed Child Protection Protocols, on April 10, the Court observed:

> I am enormously respectful of both sides' efforts to make sure that we come into a better world after this plan is confirmed.

Transcript of Proceedings dated April 10, 2026 at 63:5–7.

ii. The Committee Plan.

At the status conference on February 17, the Committee indicated its intent to file a competing plan of reorganization. On March 6, it did so, filing its *Notice of Filing of the Official Committee of Unsecured Creditors' Plan of Reorganization* [Dkt. No. 2705]. The Committee's initial plan was attached to the notice as Exhibit A. The Court conducted additional status conferences on March 10, 13, 20, and 25 to discuss, among other things, potential confirmation scheduling and additional filings. On March 27, 2026, the Committee filed *The Official Committee of Unsecured Creditors' Plan of Reorganization, Dated March 27, 2026* [Docket No. 2752] and a Disclosure Statement [Docket No. 2753] in support thereof. On April 6, the Court entered a scheduling order outlining the competing plan process. *See* Docket No. 2790.

On April 9, 2026, the Committee filed its *First Amended Disclosure Statement* at Docket No. 2812, indicating it would amend its original plan of reorganization accordingly. Then, following an additional status conference on April 10, the Committee filed its *Second Amended Disclosure Statement* [Docket No. 2833] (the "Committee Disclosure Statement") and a *First Amended Plan of Reorganization* [Docket No. 2832] (the "Committee Plan")

Generally, the final version of the Committee Plan contemplated:

- Contributions from the Debtor to the Survivors' Trust totaling approximately $195.2 million over 3.5 years, with anniversary payments tied to the March 6 filing date of the Committee Plan, not the Effective Date;
- "Optional" contributions from RCWC totaling approximately $118.9 million over 3.5 years with anniversary payments timed similarly;
- The use of the Livermore Property, owned by Adventus, to satisfy *the Debtor's* required future contributions;
- A modified form of insurance assignment that did not reflect any agreement as between the Debtor, its Insurers, and the Committee; and,
- The Committee's proposed Child Protection Protocols, which are similar in many respects to those crafted by the Debtor but not entirely aligned.

The Court convened another status conference on April 17 regarding approval of the Committee Disclosure Statement. At that status conference, the Court allowed the Committee another opportunity to amend its Disclosure Statement and Plan, with those amendments due at 5:00 PM (PT) on April 24 and a further hearing scheduled for April 29. Including that hearing, and beginning on January 20 when the Debtor announced its intention to file another plan, the Court will have conducted nine (9) separate hearings and/or status conferences to discuss a competing plan process, scheduling, and approval of related disclosure statements.

At approximately 2:10 PM (PT) on April 24, the Committee filed its *Notice of Withdrawal of (I) Official Committee of Unsecured Creditors' First Amended Plan of Reorganization, Dated April 15, 2026 and (II) Second Amended Disclosure Statement for the Official Committee of Unsecured Creditors' Plan of Reorganization, Dated April 15, 2026* [Docket No. 2854] (the "Committee Withdrawal"). Thus, rather than further amend its Plan or Disclosure Statement, the Committee chose to withdraw both, stating that the outcome of the Woodall Trial, in particular, caused it to determine that "dismissal of this Chapter 11 Case to allow Survivors to pursue their state law rights is a far more fair and equitable method to resolve Abuse Claims than what is proposed in the Diocese Plan, *or even in the Committee Plan*, which the Debtor and its affiliates have made clear they would never support." *Id*. at 2:25-3:3 (emphasis added). At the same time, the Committee indicated its intent to file a motion to dismiss the bankruptcy case to be "heard after June 4, 2026" but also stated that it does not oppose a trial on confirmation of the Debtor Plan. *Id*. at 2:16-21.

Attached to the Committee Withdrawal was an Exhibit A outlining ten (10) different steps the Debtor could take to provide "substantially more" than that proposed in the Debtor Plan. It fails to mention that: 1) the Debtor is taking each of those steps, or 2) those steps are simply unavailable to it. In particular, the Committee proposes that the Debtor could:

1. Sell real estate—the Debtor Plan contemplates utilizing approximately 48 Debtor-owned parcels, including thirteen Churches or pastoral centers;
2. Cluster, merge, or close certain Churches—on April 28, the Debtor announced its intention to do exactly that through the Debtor Plan (https://www.oakdiocese.org/aligning-our-reality-with-our-mission/);
3. Take action on the CCCEB Note—the Debtor Plan does that through a settlement that will see it take ownership of the Cathedral of Christ the Light;

4. Reduce its operating reserves for a period of time—the Debtor's projections already contemplate reduced operating reserves while the Debtor sells property to fund the Debtor Plan;

5. Use restricted assets for their intended purpose, freeing up other cash—the Debtor's projections already contemplate exactly this;

6. Borrow funds from "affiliates"—RCC has agreed to loan the Debtor $55 million on the Effective Date, $40 million of which (or more, if funds remain from the DIP) will go to the Survivors' Trust;

7. Obtain a traditional commercial loan—the Debtor is already borrowing what it can from those willing to lend;

8. Restructure its operations to achieve cost savings—the Debtor Plan does this through the closure and sale of thirteen Churches or pastoral centers;

9. Request that the Catholic Telemedia Network increase its historical grants—A "request" is not a guarantee, and the Debtor does not control CTN;

10. Execute the actions described by the Bishop on May 8, 2023—Again, the Debtor Plan does exactly those things, as announced on April 28 to parishioners, through agonizing choices that will affect a half-million parishioners.

With the Committee Plan formally withdrawn, the confirmation hearing on the Debtor Plan will commence on or about June 15, 2026.

E. Additional Relevant Events.

i. The Subcon Adversary Proceeding.

As described in the Third Amended Disclosure Statement, on December 11, 2024, the Committee filed a second adversary proceeding against the Debtor, Adventus, RCWC, and RCC seeking (i) declaratory relief that all property of Adventus, RCWC, and RCC is property of the estate and (ii) substantive consolidation of Adventus, RCWC, and RCC into the Debtor's Chapter 11 bankruptcy [Adv. No. 24-04053] (the "Subcon Adversary Proceeding"). On July 25, 2025, the Bankruptcy Court entered its *Order Dismissing First Amended Adversary Complaint* [Dkt. No. 55] dismissing the Subcon Adversary Proceeding with prejudice against refiling. On August 8, 2025, the Committee filed: 1) a motion seeking reconsideration of that dismissal [Dkt. No. 57] to which the Debtor and RCWC objected [Dkt. Nos. 67 and 65, respectively], and 2) an appeal to the District Court for the Northern District of California of the dismissal order. The Bankruptcy Court conducted oral argument on the motion for reconsideration on September 10, 2025.

On March 20, 2026, the Bankruptcy Court denied the motion for reconsideration in an oral ruling. The recording is available at Docket No. 73 in the Subcon Adversary Proceeding.

ii. The Woodall Trial and Verdict.

As the Court conducted hearings and status conferences in March and April 2026, the first of six (6) trials for which the Court lifted the automatic stay last year, proceeded in Alameda County state court alongside multiple mandatory settlement conferences and related proceedings. That case involved the claims brought by the Committee's chairperson, Steven Woodall (the "Woodall Trial"). On April 22, the jury in the Woodall Trial returned a verdict against the Debtor in the amount of $16 million. According to

the Committee, it was this "material and meaningful development" that caused the Committee Withdrawal described above.

ARTICLE VI

SUMMARY OF AMENDMENTS IN THE DEBTOR PLAN

The Debtor submits that the Debtor Plan is in the best interests of all creditors, including Abuse Claimants. The below summary of significant amendments (or the lack thereof) embodied in the current Debtor Plan, the Modified Fourth Amended Plan, as compared to the Third Amended Plan, below is provided for the convenience of all parties. The summary does not describe every element of the Debtor Plan and is not intended as a substitute for a thorough and complete review of the Debtor Plan. This summary is subject to, and is qualified in its entirety by reference to, the full text of the Debtor Plan.

A. The Survivors' Trust

The primary changes with respect to the Survivors' Trust in the Debtor Plan as compared to the Third Amended Plan concern the amount (increased) and timing (accelerated) of contributions thereto, as well as establishment of the RCWC Escrow, which allowed RCWC to increase its voluntary contribution. Additional changes from the Debtor Plan concerning the Restricted Assets Adversary Proceeding and the provision of deeds of trust to the Survivors' Trust securing the Debtor's post-Effective Date contributions, are described in more detail above.

In addition, the Debtor Plan modifies the proposed treatment of Trust Claimants that elect to pursue the Litigation Option. Whereas the Third Amended Plan provided that the Survivors' Trust would reserve any amounts that may ultimately be distributed to Litigation Claimants (meaning such claimants would not receive any distributions until after the resolution of their litigation), the Debtor Plan aligns distributions to Litigation Claimants with Distribution Claimants, such that Litigation Claimants will receive distributions more expeditiously. The main difference between Distribution Claimants and Litigation Claimants in the Debtor Plan is that any distributions made to Distribution Claimants are indefeasible and irrevocable once made, while distributions to Litigation Claimants by the Survivors' Trust may be clawed back based on the outcome of their litigation. For example, if a Litigation Claimant receives a distribution from the Survivors' Trust of $500,000, but the claimant's Abuse Claim is satisfied in full from insurance, the Survivors' Trust shall be entitled to seek recovery from the claimant for the excess amount paid.

Additionally, the Debtor Plan modifies the Immediate Payment Election such that the election shall be made by Abuse Claimants post-confirmation, not through a balloting process. The Survivors' Trustee shall provide a form for the Immediate Payment election that shall include conspicuous language indicating that acceptance of the Immediate Payment and return of the election form constitutes a release of the Debtor, Survivors' Trust, any Settling or Non-Settling Insurers, and RCWC (and the RCWC Escrow) for any amount over and above the Immediate Payment ($50,000).

The Debtor Plan contains no further material changes to provisions relating to the treatment of Abuse Claims and Unknown Abuse Claims. It does, however, establish that any residual amount remaining following the final distribution to Holders of Abuse Claims and Unknown Abuse Claims shall be transferred to a charity to support sexual abuse survivors chosen by the Survivors' Trustee.

B. Settling Insurers

As compared to the Fourth Amended Plan, the Debtor Plan removes prior proposed settlements (totaling $44.3 million) with certain insurers that would contribute funds to the Survivors' Trust on the

Effective Date. In other words, as of the date hereof, all of the Insurers are Non-Settling Insurers subject to the Insurance Assignment.

However, if, before Confirmation, an Insurer enters into an Insurance Settlement Agreement with the Debtor under which the Insurer would become a Settling Insurer under the Debtor Plan upon entry of the Confirmation Order, the Debtor shall file with the Debtor Plan Supplement a notice setting forth any additional provisions required by the proposed Settling Insurer, and agreed to by the Debtor, to be made a part of the Debtor Plan. Any such provisions set forth in the Debtor Plan Supplement shall be deemed incorporated into the Debtor Plan. Any Insurer that becomes a Settling Insurer shall receive the treatment as may be provided in any Insurer Settlement Agreement approved by a Final Order.

All other provisions of the Third Amended Plan with respect to (potential) Settling Insurers have not been changed.

C. Non-Settling Insurers

The provisions in the Debtor Plan relating to Non-Settling Insurers have not changed materially from the Third Amended Plan.

D. Means for Implementation of the Debtor Plan

The provisions in Article XII of the Debtor Plan setting forth the means of implementation thereof have not materially changed.

E. Disputed Claims and Claims Distributions

Parties Permitted to Object to Claims

The Debtor Plan provides that after the Effective Date, all parties in interest may object to Abuse Claims to the extent permitted under Section 502(a) of the Bankruptcy Code; provided, however, with respect to Litigation Claimants (Trust Claimants that elect the Litigation Option): (i) any determinations of the dollar amount of liability, and any defense based upon non-bankruptcy law, shall be made in a court of competent jurisdiction as determined under applicable non-bankruptcy law, and (ii) all determinations regarding coverage shall be made in a court of competent jurisdiction or such other venue as the affected parties (including without limitation any Non-Settling Insurer) may agree. Nothing in the Debtor Plan compromises or otherwise affects any defense that the Debtor or a Non-Settling Insurer may raise or assert in response to any Litigation Claimant. The Holder of any Claim to which an objection is made is entitled to assert their defenses to such objection. For the avoidance of doubt, any party in interest may object to Non-Abuse Claims, and the Debtor may file objections to Non-Abuse Claims at any time through the closing of the case.

Time Limits for Objections

Parties in interest may File an objection to any Claim at any time through the closing of the Chapter 11 Case.

Except with respect to the foregoing, all other provisions of the Debtor Plan relating to Disputed Claims and the treatment thereof, including distributions, have not changed from the Third Amended Plan.

F. Effective Date

The provisions in Articles 10 and 13 of the Debtor Plan setting forth the conditions for and effect of the Effective Date of the Debtor Plan have not materially changed from the Third Amended Plan, except

that the Debtor Plan no longer provides for third-party releases as part of the Plan (as reflected in Article 13.9 of the Third Amended Plan).

G. Retention of Jurisdiction

Article XV of the Debtor Plan provides that the Bankruptcy Court will retain jurisdiction over the Chapter 11 Case after the Effective Date for all purposes provided by the Bankruptcy Code, including the specific purposes set forth in more detail therein. Generally speaking, these provisions have not changed from the Third Amended Plan.

H. Tax Consequences of the Debtor Plan

The tax consequences of the Debtor Plan arising from the provisions of the Internal Revenue Code and the Treasury Regulations promulgated thereunder have not changed from the Third Amended Plan. All claimants are advised to refer to Article XV of the Third Amended Disclosure Statement [Dkt. No. 1874] for further discussion.

ARTICLE VII

ALTERNATIVES TO THE DEBTOR PLAN

The Debtor Plan is in the best interests of the Creditors and should be confirmed. If the Debtor Plan as proposed, however, is not confirmed, the following two alternatives shall be available: (a) an alternative plan of reorganization may be proposed and confirmed, or (b) the Chapter 11 Case may be dismissed. As discussed below, two other options, liquidation under chapter 7 and the appointment of a chapter 11 trustee, are not viable alternatives in this Chapter 11 Case.

A. Alternative Plan Pursuant to Chapter 11 of the Bankruptcy Code

As of April 24 with the filing of the Committee Withdrawal, the Committee has indicated it has no further intent to seek confirmation of the Committee Plan or any similar competing plan of reorganization. No other party has indicated an intent to seek confirmation of an alternative plan to the Debtor Plan, meaning no other plan of reorganization will be confirmed in this bankruptcy case. The Debtor Plan is scheduled to proceed to confirmation hearings beginning June 15, less than two months from now.

Even if the Committee reversed course, or another party expressed an interest in filing a plan of reorganization, the Debtor would oppose those efforts. The Debtor believes strongly that the competing plan process in which the parties engaged over the last two months (prior to April 24) already added substantial administrative expense with little, if any, gain. Any similar process in the face of a confirmable Debtor Plan would serve only to destroy value that could otherwise go to Survivors.

B. Dismissal of the Chapter 11 Case

The Bankruptcy Court provisionally granted the Debtor's *prior* motion to dismiss the Chapter 11 Case, though that dismissal was not given effect. [Dkt. No. 2467.] If the Debtor Plan is not confirmed, the Debtor has previously stated that it will seek entry of an order dismissing the Chapter 11 Case as of that date. Dismissal of the Chapter 11 Case would have the effect of reverting, or attempting to revert, all parties to the position they were in immediately prior to the Petition Date. This will necessarily result in some Abuse Claimants—including certain members of the Committee—having preferential placement by virtue of having their claims heard first. By contrast, the Debtor Plan sets up a mechanism for all Abuse Claimants to receive substantial payment, if not payment in full, on their respective Claims. It is possible

individual members of the Committee prefer a value-destructive dismissal over a value-constructive consensual settlement. In other words, a Committee opposed to the Debtor Plan may not be one representative of, or represented by, parties with the best interests of Abuse Claimants in mind.

Upon dismissal of the Chapter 11 Case, the protection of the Bankruptcy Code would be lost. Expensive, protracted litigation between the Debtor, its Insurers, and individual Abuse Claimants would immediately ensue. In addition to the expense and delay, the Debtor believes this path will lead to an inequitable recovery for Abuse Claimants, with the first Abuse Claimants to obtain and enforce judgments against the Debtor depleting the Debtor's assets and resulting in insufficient assets to satisfy later judgments. Therefore, dismissal of the Debtor's Chapter 11 Case is not a preferable alternative to confirming the Debtor Plan.

With the filing of the Committee Withdrawal, the Committee has officially endorsed dismissal of the Chapter 11 Case over confirmation of *any* plan of reorganization, even its own prior Committee Plan. In other words, according to the Committee, a global resolution of this bankruptcy case through a confirmed plan is not merely impossible but an outcome that is less "fair and equitable" than confirmation of *any* plan.

As described above, Survivors must understand that dismissal would likely eliminate any meaningful recovery for the vast majority of their number. There is nothing equitable about a result that sends more than three hundred people back into the state-court system to wait decades for their share of assets dwindling every time a verdict similar to that in the Woodall Trial is rendered. The only people that benefit from dismissal of the Chapter 11 Case at this point in time are those that can get to trial first, execute any resulting judgments first, and leave nothing for those at the end of the line.

C. Chapter 7 Liquidation Not a Viable Alternative

Pursuant to 11 U.S.C. § 1112(c), if a debtor is "not a moneyed corporation", a debtor's chapter 11 case cannot be converted to a chapter 7 case without the debtor's consent. The Debtor, as a non-profit entity, is not a moneyed corporation, and may not be forced to convert its Chapter 11 Case to a chapter 7 case. Moreover, the Debtor will not consent. Thus, conversion to chapter 7 is not a viable alternative to the Debtor Plan.

D. Appointment of a Chapter 11 Trustee is Not a Viable Alternative

As a result of limitations imposed by the First Amendment to the United States Constitution and the Religious Freedom and Restoration Act, a chapter 11 trustee cannot be appointed to replace Bishop Barber's administration of the Debtor.

ARTICLE VIII

CONFIRMATION OF THE DEBTOR PLAN

A. General Confirmation Requirements

The Bankruptcy Code requires that, in order to confirm the Debtor Plan, the Bankruptcy Court must make a series of findings concerning the Debtor Plan and the Debtor, including that (i) the Debtor Plan classifies Claims in a permissible manner; (ii) the Debtor Plan complies with applicable provisions of the Bankruptcy Code; (iii) the Debtor has complied with applicable provisions of the Bankruptcy Code; (iv) the Debtor proposed the Debtor Plan in good faith and not by any means forbidden by law; (v) the disclosures required by section 1125 of the Bankruptcy Code have been made; (vi) the Debtor Plan has been accepted by the requisite votes of Creditors (except to the extent that cramdown is available under

section 1129(b) of the Bankruptcy Code); (vii) the Debtor Plan is feasible and confirmation is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor; (viii) the Debtor Plan is in the "best interests" of all holders of Claims in an Impaired Class by providing to such holders on account of their Claims property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain in a chapter 7 liquidation, unless each holder of a Claim in such Class has accepted the Debtor Plan; and (ix) all U.S. Trustee Fees and expenses payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the Confirmation Hearing, have been paid or the Debtor Plan provides for the payment of such fees on the Effective Date.

B. Confirmation Hearing

The Bankruptcy Code requires the Bankruptcy Court, after notice, to conduct a hearing regarding whether the Debtor and the Debtor Plan have fulfilled the confirmation requirements of section 1129 of the Bankruptcy Code. The Confirmation Hearing has been scheduled to commence on **June 15, 2026 at 9:00 a.m. (prevailing Pacific Time)**, before the Honorable William J. Lafferty III, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Northern District of California, United States Courthouse, 1300 Clay Street, Courtroom 220, Oakland, CA 94612. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement in open court at the Confirmation Hearing of the date to which the Confirmation Hearing has been adjourned.

C. Confirmation

At the Confirmation Hearing, the Bankruptcy Court will confirm the Debtor Plan only if the requirements of section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation are that the Debtor Plan (i) be accepted by the requisite holders of Claims or, if not so accepted, that it be "fair and equitable" and "not discriminate unfairly" as to each non-accepting Class of Claims, (ii) be in the "best interests" of each holder of a Claim that does not vote to accept the Debtor Plan in each Impaired Class under the Debtor Plan, (iii) be feasible, and (iv) comply with the applicable provisions of the Bankruptcy Code. No legal prerequisite exists for approval of a certain class of claimants notwithstanding the provenance of their Claims.

D. Cramdown

The Bankruptcy Code contains provisions for confirming a plan even if the Debtor Plan is not accepted by all impaired classes, as long as at least one impaired class of claims has accepted the Debtor Plan. These so-called "cramdown" provisions are set forth in section 1129(b) of the Bankruptcy Code.

A plan may be confirmed under the cramdown provisions if, in addition to satisfying other requirements of section 1129(a) of the Bankruptcy Code, it (a) "does not discriminate unfairly" and (b) is "fair and equitable," with respect to each class of claims that is impaired under, and has not accepted, the Debtor Plan. As used by the Bankruptcy Code, the phrases "discriminate unfairly" and "fair and equitable" have specific meanings unique to bankruptcy law.

In general, the "fair and equitable" standard, also known as the "absolute priority rule," requires that a dissenting class receive full compensation for its allowed claims before any junior class receives any distribution. More specifically, section 1129(b) of the Bankruptcy Code provides that a plan can be confirmed under that section if: (a) with respect to a secured class (i) the holders of such claims retain the liens securing such claims to the extent of the allowed amount of such claims and that each holder of a claim of such class receive deferred cash payments equaling the allowed amount of such claim as of the Debtor Plan's effective date, or (ii) such holders realize the indubitable equivalent of such claims; (b) with respect to an unsecured claim, either (i) the impaired unsecured creditor must receive property of a value equal to the amount of its allowed claim, or (ii) the holders of claims and interests that are junior to the

claims of the dissenting class may not receive any property under the Debtor Plan on account of such junior claim or interest; and (c) with respect to a class of interests, either (i) each holder of an interest of such class must receive or retain on account of such interest property of a value, equal to the greater of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled or the value of such interest, or (ii) the holder of any interest that is junior to the interest of such class may not receive or retain any property on account of such junior interest.

The requirement that a plan not "discriminate unfairly" means, among other things, that a dissenting class must be treated substantially equally with respect to other classes of equal priority.

Given that Class 4 previously voted against the Third Amended Plan at the strong urging of the Committee, and the Debtor has, to date, been unable to reach a consensual resolution of all outstanding issues with the Committee such that it is likely to alter its recommendation to Abuse Claimants, the Debtor assumes that Class 4 would vote against the Debtor Plan in a similar manner, requiring that the Debtor proceed with confirmation of the Debtor Plan via cramdown. The Debtor anticipates that Classes 1, 3, 5, and 6 under the Debtor Plan would vote in favor of it (or have already), making cramdown of the Debtor Plan possible. With respect to Class 4, as outlined above, the Debtor Plan is fair and equitable.

E. Best Interests Test

To confirm a plan, the Bankruptcy Court must independently determine that the Debtor Plan is in the best interests of each holder of a claim in any impaired class who has not voted to accept the Debtor Plan. Accordingly, if an impaired class does not unanimously accept the Debtor Plan, the best interests test requires the Bankruptcy Court to find that the Debtor Plan provides to each member of such impaired class a recovery on account of the class member's claim that has a value, as of the effective date of the Debtor Plan, at least equal to the value of the distribution that each such member would receive if the debtor were liquidated under chapter 7 of the Bankruptcy Code on such date.

A chapter 7 liquidation of its remaining Assets would result in a diminution of the value realized by holders of Claims. That belief is based upon, among other factors: (a) the reduced value of Debtor's remaining Assets in a chapter 7 case; (b) the additional administrative expenses involved in the appointment of a chapter 7 trustee, attorneys, accountants, and other chapter 7 professionals; (c) the substantial time that would elapse before Creditors would receive any Distribution in respect of their Claims, due to a chapter 7 trustee's need to become familiar with the Debtor's books and records and the chapter 7 trustee's administration of the case; (d) the additional Claims that may be asserted against the Debtor, and (e) the lack of contributions from other parties, notably RCWC and Adventus, as well as exit and other financing from RCC in a liquidation scenario.

F. Feasibility

In connection with confirmation of the Debtor Plan, the Bankruptcy Court must determine that the Debtor Plan is feasible pursuant to section 1129(a)(11) of the Bankruptcy Code, which means that the confirmation of the Debtor Plan is not likely to be followed by the need for liquidation or further financial reorganization of the Debtor, except as proposed in the Debtor Plan.

In this case, the Debtor has previously prepared cash flow projections demonstrating that the Debtor, together with the Contributing Non-Debtor Catholic Entities, will be able to fund the Contributing Entities' Cash Contribution, that the Debtor and the Reorganized Debtor will be able to meet their other respective obligations under the Debtor Plan, and that the Reorganized Debtor will have sufficient resources to support ongoing ministries and operations. The cash flow projections demonstrated that the Debtor will be able to fund the Debtor Plan on the Effective Date and that the Reorganized Debtor will be able to make all payments required pursuant to the Debtor Plan so that no further financial restructuring

will be necessary. Accordingly, the Debtor Plan satisfies the feasibility test. At or prior to confirmation of the Debtor Plan, the Debtor shall produce revised cash flow projections.

G. Compliance with the Applicable Provisions of the Bankruptcy Code

Section 1129(a)(1) of the Bankruptcy Code requires that the Debtor Plan comply with the applicable provisions of the Bankruptcy Code. The Debtor has considered each of these provisions in the development of the Debtor Plan, and the Debtor Plan complies with all applicable provisions of the Bankruptcy Code.

ARTICLE IX

CONCLUSION

The Debtor Plan is in the best interests of all Creditors. The Debtor Plan as structured allows Creditors to participate in Distributions in excess of those which would otherwise be available were the Chapter 11 Case dismissed and provides an opportunity to maximize insurance recoveries through settlements with the Settling Insurers and post-confirmation litigation of Assigned Insurance Interests against Non-Settling Insurers.

DATED: May 1, 2026.

Respectfully submitted,

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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 Chapter 11 Judge: Hon. William J. Lafferty

FIRST AMENDED DISCLOSURE STATEMENT IN SUPPORT OF DEBTOR'S MODIFIED FOURTH AMENDED PLAN OF REORGANIZATION

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ARTICLE I

EXECUTIVE SUMMARY

The Roman Catholic Bishop of Oakland, a California corporation sole (the "Debtor" or "RCBO") is responsible for coordinating the mission of the Roman Catholic Church within the geographical boundary of the Diocese of Oakland. Beginning in the late Twentieth Century, it came to light that some people working for or associated with the Roman Catholic Church—priests, bishops, laypersons, and volunteers—had been sexually abusing children and vulnerable adults for decades. This crisis shocked the world. It also exposed Church institutions worldwide, including the Debtor, to significant tort liability. As will be described in greater detail, the Debtor filed bankruptcy as a means of addressing its liability for these depraved actions against some of the most vulnerable members of society.

Providing fair and equitable compensation for survivors of abuse and reorganizing to enable the Debtor to continue its mission to serve the needs of the faithful within the Diocese of Oakland are the focal points of the *Debtor's Modified Fourth Amended Plan of Reorganization* (the "~~Modified Fourth Amended~~Debtor Plan").[1]

The tragedy of the abuse perpetrated by those purporting to do the missionary work of the Church is impossible to overstate. Instead of fulfilling the Church's mission, these perpetrators inflicted harm and suffering. The abuse was and is inexcusable. It not only deeply impacted the survivors, but it also affected the faithful and the community the Debtor serves.

The Debtor filed its bankruptcy case on May 8, 2023. The ~~Modified Fourth Amended~~Debtor Plan is the product of years of reflection by the Debtor on its past, present, and future missions, its acknowledged need to financially and spiritually atone for the crimes of others, and its desire to bolster its already-strong protocols and policies for ensuring the protection of the most vulnerable members of our community from abuse and to remove perpetrators from ministry. The Debtor is prepared to pay a significant, nine-figure settlement to survivors over a period of three-and-a-half years. It is willing to sell a considerable percentage of its real estate~~—~~—including up to ~~twelve~~thirteen houses of worship ~~—~~or pastoral centers—to generate sufficient funds to pay fair compensation to survivors. The ~~Modified Fourth Amended~~Debtor Plan will, if confirmed, provide the highest per-claim average payout ~~to~~(not including insurance recoveries) to survivors of any similarly-sized diocesan bankruptcy filed in the United States. It will also permit all parties ~~to this case~~, including the Debtor and all survivors, to continue the healing and reconciliation process that has been ongoing for decades and may never truly end.

This bankruptcy case has two possible outcomes: (i) **confirmation of the Debtor Plan**, in which case *all* Abuse Claimants will receive a cash distribution from a trust set up for their benefit and be granted the right to pursue, if they choose, additional recovery from the Debtor's insurers or (ii) **dismissal of the bankruptcy case**, in which case no trust will be established and over 330 Abuse Claimants will return to the state court system to wait their turn for a jury trial. The Committee embraced dismissal when it withdrew its own proposed plan, asserting in its *Notice* filed at Docket No. 2854, that "dismissal of this Chapter 11 Case to allow Survivors to pursue their state law rights is a far more fair and equitable method to resolve Abuse Claims than what is proposed in the Diocese Plan, or even in the Committee Plan…" *Id.* at 2:25-3:3. The Committee Letter attached hereto argues directly in favor of dismissal.

Survivors must understand that dismissal of the bankruptcy case would likely eliminate any meaningful recovery for the vast majority of Survivors and would set them back years, possibly decades,

[1] Capitalized terms not defined herein shall have the meanings ascribed to them in the ~~Modified Fourth Amended~~Debtor Plan.

by sending them back into the state-court system with no guarantee of recovery. Those at the front of the line—whose trials are scheduled first—will necessarily recover more from the Debtor's limited resources, including insurance, than those at the back of the line. In a pool of more than 330 claimants, the "back of the line" is most of you. Moreover, currently only *one* trial against the Debtor by a Survivor has occurred. No more trials are scheduled to proceed in 2026, and only five are scheduled to proceed to trial in 2027. At this pace, Survivors at the back of the line could wait decades for their day in court, let alone a financial recovery. Some may never recover anything at all, not because their claims lack merit, but because the Debtor's assets and insurance will have been consumed by those who reached the courthouse first.

The Committee asserts the Debtor has over a billion dollars in assets. It does not, but assume it did. If the outcome of the Woodall Trial—a $16 million verdict subject to remittitur and appeal—is the floor for similar claims, approximately 60 *might* get paid from the Debtor's alleged assets, probably significantly fewer. That leaves hundreds of Survivors only pursuing insurance recoveries, which itself requires proving coverage, potentially proving bad faith (including with possible appeals), and navigating finite policy limits, all of which takes years and money that Survivors at the back of the line may not have. Thus, for the vast majority, the realistic outcome of dismissal is not a $16 million verdict. It is no verdict, no settlement, and no recovery. Zero. The math is indisputable: if claims are worth what the Woodall verdict suggests, the Debtor's assets—all of them—cannot satisfy all claims. Some Survivors will be left with nothing. And, this still assumes every single Church is closed, and every asset is sold. The Debtor would be liquidated and cease to exist as a religious entity, leaving half a million parishioners in the East Bay without a home to practice their faith.

The Debtor Plan, by contrast, provides a mechanism for *all* Survivors to recover from the Survivors' Trust within 3.5 years ***and*** to pursue insurance through the Litigation Option, avoiding an inequitable race-to-the-courthouse outcome by pooling contributions into a trust that distributes equitably to all Survivors, regardless of when their claims are processed, while preserving every Survivor's right to pursue insurance recoveries individually. Given what the Committee has said is its guiding principle, allowing "Survivors to pursue their state law rights," *see* Committee Withdrawal at 2:26-3:1, Survivors might expect the Committee to embrace a Debtor Plan that does exactly that while providing the certainty of equitable cash distributions to all Survivors. The unilateral decision by the nine members of the Committee to reject this treatment, jeopardizing the claims of hundreds likely behind them in the state-court jury trial queue, should be evaluated carefully by every Survivor before casting a vote.

The Committee has told the Bankruptcy Court that if the Debtor Plan is confirmed, it will appeal, dragging out recoveries for all. This is an outcome it can control, and it wants to use your vote to justify its intent. This outcome only injects further delay and prejudices recoveries to Survivors. Every vote in favor of the Debtor Plan is a vote for certainty, equity for all claimants not some lucky few, and an end to decades of waiting. A vote against the Debtor Plan, or no vote at all, moves the case closer to a dismissal in which the only certainty is that most Survivors will receive nothing.

A. Survivors' Trust Assets / Plan Contributions

The ~~Modified Fourth Amended~~Debtor Plan contemplates certain cash contributions to a trust established to compensate abuse survivors (the "Survivors' Trust") over a 3.5-year period of not less than approximately $180.0 million, of which not less than $47.7 million will be contributed on the Effective Date. As part of this effort, a non-debtor, the Roman Catholic Welfare Corporation of Oakland ("RCWC") shall make a contribution on the Effective Date of approximately $7.7 million. This money, and an additional $22.3 million in contributions from RCWC, will be placed in the RCWC Escrow for eventual distribution to Abuse Claimants on the condition that those holding Claims against it execute the RCWC Release. The Effective Date is anticipated to occur on or about August 1, 2026.

The ~~Modified Fourth Amended~~Debtor Plan further contemplates assignments to the Survivors'

Trust of: 1) the Debtor's rights and obligations under its insurance policies with Non-Settling Insurers,[2] 2) the Causes of Action asserted in the Restricted Assets Adversary Proceeding, and 3) existing (as of the Effective Date) extracontractual (*i.e.*, bad faith) claims brought in the Coverage Action against certain insurers, to the Survivors' Trust. The insurance assignment, in particular, will allow Abuse Claimants to immediately pursue additional recoveries against Non-Settling Insurers through litigation in state court. Under the Debtor Plan, ***every*** Survivor may proceed with their state-court case to pursue additional individual recoveries from Insurers if they so choose. There are no exceptions to this maxim and no gatekeeping by the Survivors' Trustee. Survivors do not need anyone's permission or to be selected or prioritized. If a Survivor chooses the Litigation Option, he or she may go forward.

The ~~Modified Fourth Amended~~Debtor Plan further contemplates enhancements to the Debtor's existing protocols and practices for the protection of youth and vulnerable adults embodied in the *Child Protection Protocols for the Roman Catholic Bishop of Oakland, California* attached hereto as **Exhibit A** and summarized below.

i. Contributions from the Debtor and RCWC.

To compensate the victims and survivors of sexual abuse, the ~~Modified Fourth Amended~~Debtor Plan establishes a Survivors' Trust funded with the Survivors' Trust Assets. The Survivors' Trustee will liquidate the Survivors' Trust Assets and distribute the proceeds to the Holders of Abuse Claims and Unknown Abuse Claims pursuant to the procedures contained in the Survivors' Trust Distribution Plan (previously filed at Dkt. No. 2004), as modified.[3] The Survivors' Trust will be created on the Effective Date of the ~~Modified Fourth Amended~~Debtor Plan for the purpose of paying distributions to Holders of Class 4 and Class 5 Claims, the two Classes of Abuse Claims under the ~~Modified Fourth Amended~~Debtor Plan.

The Survivors' Trust will be funded with (a) $150 million in cash contributed by the Reorganized Debtor over a 3.5-year period, (b) $30 million in cash contributed by RCWC through an escrow arrangement which will distribute funds to be made available to Abuse Claimants if those Abuse Claimants asserting claims against RCWC grant RCWC post-confirmation releases,[4] and (c) the proceeds of any settlements by and between the Debtor and any Non-Settling Insurers that become Settling Insurers. The Debtor will also contribute and assign to the Survivors' Trust the rights and obligations of the Debtor in the Non-Settling Insurer Policies. Generally, except with respect to the amount (increased) and timing (accelerated) of contributions thereto, the provisions in the ~~Modified Fourth Amended~~Debtor Plan relating to the establishment, rights, duties, and obligations of the Survivors' Trust have not changed from the Third Amended Plan.

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[2] For the avoidance of doubt, "Insurers" under the ~~Modified Fourth Amended~~Debtor Plan does not include the California Insurance Guarantee Association ("CIGA").

[3] Distributions to Abuse Claimants may be subject to fee agreements between Holders of Abuse Claims and their legal counsel. The Debtor has no information on any such agreements. Legal counsel to Holders of Abuse Claims must comply with Rules 1.5 and 1.5.1 of the California Rules of Professional Conduct and Cal. Bus. & Prof. Code § 6147 in connection with any fees charged to Holders of Abuse Claims.

[4] The Non-Binding Term Sheet filed at Docket No. 2521 contemplated a $50 million contribution by RCWC contingent on RCWC receiving support for, and filing, a pre-negotiated bankruptcy case and joining in a consensual Plan of Reorganization. That Plan did not materialize. Importantly, RCWC's contribution of $30 million is more than the $28.5 million it proposed to contribute in the Debtor's Third Amended Plan.

More specifically, the Survivors' Trust or RCWC Escrow will receive the following contributions from the Debtor or RCWC on the following schedule:

- On the Effective Date:
  - From the Debtor: $40.0 million in cash plus any remaining balance of the proposed DIP borrowing after satisfaction of all professional and administrative claims (the "Initial Debtor Contribution"); and,
  - From RCWC: $7.7 million in cash.
- On or before the first anniversary of the Effective Date:
  - From the Debtor: no less than $6.0 million in cash; and,
  - From RCWC: no less than $3.0 million in cash.
- On or before the second anniversary of the Effective Date:
  - From the Debtor: no less than $5.9 million in cash; and,
  - From RCWC: no less than $6.0 million in cash; and,
- On or before the date that is six months after the third anniversary of the Effective Date:
  - From the Debtor: the lesser of the remaining amount of the Debtor's $150 million aggregate contribution or approximately $98.1 million in cash; and,
  - From RCWC: the lesser of the remaining amount of the RCWC's $30 million aggregate contribution or approximately $13.3 million in cash.

The Debtor's contribution to the Survivors' Trust will be facilitated in part by an additional $40 million new-money loan from Roman Catholic Cemeteries of the Diocese of Oakland ("RCC"), a non-profit religious corporation that is voluntarily participating in the ~~Debtor's Modified Fourth Amended~~Debtor Plan, as part of a refinance of a total of $55 million in new money provided to the Debtor after the Petition Date. Remaining amounts will come from the Debtor's unrestricted cash and proceeds raised from future sales of real estate owned by the Debtor or Adventus, one of the Non-Debtor Catholic Entities. RCWC's contribution will come from unrestricted cash and proceeds raised from the future sale of real estate owned by RCWC. ~~Should RCWC make its full contribution, the~~The contributions from the Debtor and RCWC to the Survivors' Trust will be $180.0 million in the aggregate.

On the Effective Date, the Survivors' Trust will segregate $3.7 million of the Initial Debtor Contribution into the Unknown Abuse Claims Reserve for the benefit of Holders of Class 5 Claims. Thereafter, the Survivors' Trust will segregate the following into the Unknown Abuse Claims Reserve:

- On the second anniversary of the Effective Date: no less than $1.0 million in cash; and,
- On the date that is three years and six months after the Effective Date: the lesser of $3.0 million in cash or the remaining amount necessary for the total amount segregated for Holders of Class 5 Claims to be $7.7 million.

Any amounts remaining in the Unknown Abuse Claims Reserve after the fifth anniversary of the Effective Date shall be returned to the Survivors' Trust for distribution to Holders of Class 4 Claims.

ii. The Restricted Assets Adversary

On November 20, 2024, the Committee filed Adversary No. 24-04051 which was styled, as later amended, *The Official Committee of Unsecured Creditors of the Roman Catholic Bishop of Oakland v.*

The Roman Catholic Bishop of Oakland and the Oakland Parochial Fund, Inc. (the "Restricted Assets Adversary Proceeding"). Generally, the *First Amended Adversary Complaint* [Dkt. No. 36] ~~case~~ seeks various forms of relief directed at approximately $38 million in assets that the Debtor asserted were restricted, held in trust, or otherwise unavailable for use to pay creditors on the Petition Date.

To date, the Restricted Assets Adversary Proceeding has not been tried or otherwise resolved, and only limited discovery has occurred. The Debtor has answered the First Amended Adversary Complaint, maintains its prior position with respect to the assets at issue, and will vigorously defend against the Committee's assertions. More importantly, however, the Debtor and Committee now agree that the Restricted Assets Adversary Proceeding cannot be tried in the Bankruptcy Court in the timeframe established for potential confirmation of the ~~Modified Fourth Amended~~Debtor Plan.

To address that reality, the ~~Modified Fourth Amended~~Debtor Plan proposes to assign the claims and causes of action in the Restricted Assets Adversary Proceeding to the Survivors' Trust for resolution in due course post-confirmation. The ~~Modified Fourth Amended~~Debtor Plan further contemplates that any still-existing funds or other property deemed to be unrestricted or otherwise available for use to pay creditors in the Restricted Assets Adversary Proceeding shall be contributed by the Debtor to the Survivors' Trust in order to accelerate—but not increase—the Debtor's post-Effective Date contributions; *provided, however*, that in no event shall the Debtor be required to contribute any amounts in the Debtor's reserve accounts necessary for preservation of existing insurance coverage or the payment of insurance premiums.

As an illustrative example: assume the Restricted Assets Adversary Proceeding generates a final, nonappealable order stating that $15 million in allegedly restricted funds are, in fact, unrestricted, exist, and are available for use to pay the Debtor's creditors. Assume also that the order issues before the second anniversary of the Effective Date. The Debtor would *increase* the contribution on the second anniversary from $~~7.2~~5.9 million to $~~22.2~~20.9 million, accelerating potential payments to Sexual Abuse Claimants. Later required contributions from the Debtor would decrease commensurately.

iii. Debtor Contribution Deeds of Trust.

As additional security for the Debtor's post-Effective Date contributions to the Survivors' Trust (anticipated to be approximately $110 million), the ~~Modified Fourth Amended~~Debtor Plan contemplates that the Debtor shall grant the Survivors' Trust liens on certain real property. The liens shall be memorialized in deeds of trust to be executed and delivered on the Effective Date. Such real property shall be valued by Hilco Real Estate, LLC in an amount of no less than one hundred percent (100%) of the aggregate post-Effective Date Debtor contributions. At the closing of any sale of any property upon which the Survivors' Trust has a lien, the Survivors' Trust shall deliver and the Debtor (or its agent or representative) shall record a release of the applicable deed of trust. Upon completion of the Debtor's post-Effective Date contributions, all remaining deeds of trust (if any) shall be released.

The contemplated deeds of trust provide additional certainty and security for the Debtor's post-Effective Date contributions, reflecting the time necessary for the Debtor to market and sell the real estate and other property necessary to facilitate its future contributions. Section 9.3.1.4 also contemplates that the Debtor shall transfer the net proceeds (after reimbursement of closing costs and attorney's fees to the Debtor, if any) realized from the sale of any Trust Collateral Property (as defined therein) to the Survivors' Trust contemporaneously with the closing of such sale, potentially accelerating the Debtor's contributions.

iv. The RCWC Escrow.

RCWC is not a debtor in the Chapter 11 Case and will make its voluntary contributions into an escrow account managed by a third party (the "RCWC Escrow"). The Survivors' Trust may withdraw amounts from the RCWC Escrow in accordance with the Survivors' Trust Documents and the escrow

agreement between the Survivors' Trust, RCWC, and the escrow agent. Those documents shall provide that distributions from the RCWC Escrow shall only be made on account of Holders of Class 4 Claims whom the Abuse Claims Reviewer determines asserted a valid, compensable Claim against RCWC in the Holder's Proof of Claim. Such withdrawals from the RCWC Escrow shall not commence until after the Preliminary Abuse Claim Allowance Deadline. The escrow agreement shall provide the Survivors' Trust may withdraw from the RCWC Escrow no more than the *pro rata* share of the RCWC Escrow balance designated for each Holder of an Abuse Claim asserted against RCWC who has executed and returned to RCWC a written form release of RCWC for all conduct occurring on or before the Effective Date of the ~~Modified Fourth Amended~~Debtor Plan (a "RCWC Release"). The *pro rata* share of each Holder shall be determined by the Survivors' Trustee.

RCWC is a non-debtor pursuant to the Supreme Court's decision in *Harrington v. Purdue Pharma L.P.*, 603 U.S. 204 (2024). The RCWC Escrow construct is designed to allow RCWC to obtain consensual releases from Abuse Claimants holding Claims against it while enhancing the recovery to all Abuse Claimants by approximately 20% (RCWC's contribution of $30 million being 20% of $150 million). In the event all Abuse Claimants holding Claims against RCWC execute a RCWC Release, any amount remaining in the RCWC Escrow shall thereupon be transferred to the Survivors' Trust for distribution to all Abuse Claimants. If any amount remains in the RCWC Escrow as of the three and a half-year anniversary of the Effective Date and not all RCWC Abuse Claimants have executed RCWC Releases, the escrow agent shall return such amount to RCWC no later than thirty (30) calendar days after the later of (i) the three and a half-year anniversary of the Effective Date or (ii) distribution to the Survivors' Trust of all payments to Holders of Allowed Class 4 Claims who executed and returned to RCWC a RCWC Release on or before the ~~five-year~~three and a half-year anniversary of the Effective Date.

v. Potential Settling Insurer Contributions and the Insurance Assignment.

Like the Debtor's Third Amended Plan, the ~~Modified Fourth Amended~~Debtor Plan contemplates a complete, insurance-neutral[5] assignment of the Debtor's rights and obligations under the Abuse Insurance Policies—but not the Policies themselves—to the Survivors' Trust upon the Effective Date. The ~~Modified Fourth Amended~~Debtor Plan–chiefly, but not exclusively, Article VIII thereof–reflects, in the Debtor's view, the agreed-upon term sheet with the Insurers reached in November 2024.[5]

The ~~Modified Fourth Amended~~Debtor Plan removes prior proposed settlements with various Insurers from the Fourth Amended Plan but retains the possibility that Non-Settling Insurers may become Settling Insurers if they agree to make a cash contribution to the Survivors' Trust. Settlement proceeds resulting therefrom to be used to further supplement recoveries to Trust Claims. To the extent no settlement with a particular Non-Settling Insurer is achieved, like every version of the Debtor's prior plans, the ~~Modified Fourth Amended~~Debtor Plan establishes a framework for post-confirmation litigation for Trust Claimants seeking recovery from Non-Settling Insurers through the Litigation Option.

B. The ~~Modified Fourth Amended~~Debtor Plan Is Fair And Equitable

The aggregate contributions from the Debtor, RCWC, and the Settling Insurers accomplish the dual goals of fairly compensating Holders of Abuse Claims and allowing the Debtor to continue its mission to serve the Catholic faithful and those who need its services and ministries in the East Bay area. The ~~Modified Fourth Amended~~Debtor Plan is fair and equitable for three primary reasons:

First, the contributions from the Debtor, RCWC, and the Settling Insurers exceed, in the aggregate

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~~[5] Certain Insurers disagree with the Debtor's characterization of the insurance assignment as "insurance neutral."~~

[5] Certain Insurers have indicated that they do not agree with this assertion.

and on a per-Abuse Claim basis, ~~comparable~~ contributions in recent diocesan bankruptcy cases comparable to this one. The total amount to be contributed to the Survivors' Trust under the ~~Modified Fourth Amended~~Debtor Plan is approximately $180.0 million, including approximately $47.7 million on the Effective Date. ~~As set forth in the Debtor's *Status Conference Statement for Bankruptcy Case* [Dkt. No. 2291] and updated, the~~These contributions ~~in the Modified Fourth Amended Plan~~ compare as follows to similar diocesan or religious order bankruptcy cases:

Case Name/No.	Date Plan confirmed	No. of survivor claims	Average per-claim recovery from Debtor/ NDCE[6]	Average per-survivor claim recovery from insurance	Average per-survivor claim recovery, total
In re The Roman Catholic Bishop of Helena, Montana, 14-60074 (Bankr. D. Mt.)	3/5/2015	388	$16,753	$37,081	$53,834
In re Archdiocese of Milwaukee, 11-20059 (Bankr. E.D. Wis.)	11/13/2015	352	$30,114	$30,966	$61,080
In re The Archdiocese of Saint Paul and Minneapolis, 15-30125 (Bankr. D. Minn.)	9/25/2018	450	$88,889	$377,778	$466,667
In re The Roman Catholic Archdiocese of Agana, 19-00010 (Bankr. D. Guam)	10/19/2022	255	$98,039	$107,059	$205,098
In re The Diocese of Camden, New Jersey, 20-21257 (Bankr. D.N.J.)	3/14/2024	324	$270,062	$285,494[7]	$555,556
In re The Roman Catholic Diocese of Rockville Centre, New York, 20-12345 (Bankr. S.D.N.Y.)	12/4/2024	565	$415,584	$151,372	$566,956
In re The Roman Catholic Diocese of Syracuse, New York, 20-30663 (Bankr. N.D.N.Y.)	9/26/2025	374	$267,380	unknown (insurance assignment)	unknown (insurance assignment)
In re The Diocese of Rochester, 19-20905 (Bankr. W.D.N.Y.)	9/5/2025	471	$116,773	$406,263	$523,036
In re The Roman Catholic Church of the Archdiocese of New Orleans, 20-10846 (Bankr. E.D. La.)	12/8/2025	660	$295,132[8]	unknown ($44,356 plus insurance assignment)	unknown ($339,488 plus insurance assignment)
In re Franciscan ~~Frairs~~Friars of California, Inc., 23-41723 (Bankr. N.D. Cal.)	TBD	99	$202,020	unknown (insurance assignment)	unknown (insurance assignment)
In re The Roman Catholic Bishop of Oakland, 23-40523 (Bankr. N.D. Cal.)	**TBD (scheduling order to be entered)**	**345**	**$521,739[9]**	**unknown (insurance assignment)**	**unknown (insurance assignment)**

[6] "Debtor/NDCE" contribution includes amounts contributed by the Debtor entity and any other non-debtor Catholic entity (*e.g.*, separately incorporated parishes, Catholic Charities, schools entities, etc.) to the class of survivors.

[7] This information is based on ~~recent~~ press reports of a global settlement in that case providing for total contributions of $180 million from all sources, including all relevant insurers~~. *See, e.g.*, https://6abc.com/post/camden-diocese-announces-180-million-settlement-clergy-abuse-survivors/18614108/~~.

[8] In its First Amended Disclosure Statement, the Archdiocese of New Orleans provides a value range for

Second, many of the Debtor's assets are either necessary for it to maintain basic operations – including for Churches within the Diocese of Oakland – or were donated to the Debtor for a specific, restricted purpose. Because the Debtor is a charitable entity, California law imposes limitations on the use of property donated subject to a restriction on use.[10] Consequently, the Debtor may not use assets donated for a specific purpose for any other purpose. In other words, the Debtor cannot use assets donated for the purpose of corporal works of mercy (e.g. feeding the hungry, sheltering the homeless, visiting the sick or imprisoned) to pay operational expenses, or to pay its creditors. Many of the Debtor's cash assets are restricted in this manner.

Third, the ~~Modified Fourth Amended~~Debtor Plan maximizes the Debtor's assets available to pay creditors while allowing the Debtor to continue its mission, as described more fully below. The Debtor is using the most it is able to use from its assets available to pay creditors. Remaining assets are essential to allow the Debtor to continue its mission. Perhaps most materially, the ~~Modified Fourth Amended~~Debtor Plan reflects the Debtor's willingness to make deep sacrifices by liquidating assets, including certain real estate currently used for worship, in order to compensate survivors of sexual abuse.

As set forth above, the ~~Modified Fourth Amended~~Debtor Plan contemplates the following contributions from the Debtor, totaling $150 million:

- The $40 million Initial Debtor Contribution reflects the maximum amount of cash the Debtor projects it can contribute to the Survivors' Trust on the Effective Date while allowing the Debtor to continue its mission.
    - To make the Initial Debtor Contribution, the Debtor will obtain a loan of $55 million from RCC on the Effective Date. This loan will refinance DIP borrowing in the amount of $15 million that the Debtor will use to fund administrative expenses over the next few months and provide $40 million in new-money financing. This is the largest amount RCC is willing and able to loan to the Debtor. RCC is the only viable and realistic exit financing party available to the Debtor. The entire $40 million in new money from the RCC loan will be transferred to the Survivors' Trust on the Effective Date.[11]
    - If any cash proceeds from the DIP loan remain on the Effective Date, such funds will first be used to pay outstanding administrative expenses incurred in the Chapter

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survivor recoveries. The figures in the above chart reflect the "middle value" range. [Dkt. No. 4193 at 10-11, § 3.03.] The Archdiocese identified 660 non-duplicative survivor claims, of which it estimated 250 were filed after the applicable claims bar date. [Dkt. No. 4193 at 22, § 5.01.] If all 250 late-filed claims are disallowed, the average per-survivor claim recovery from Debtor/NDCE sources becomes $475,122, and $546,494 from all sources, again using the "middle value" range.

[9] If the RCWC contribution is removed, the average per-claim recovery is $434,783 ($150,000,000 divided by 345 claims) not including any insurance recoveries or contributions. Both this figure and the figure in the chart assumes all amounts in the Unknown Abuse Claims Reserve will be distributed to Class 4 Claims.

[10] *See* Cal. Bus. and Prof. Code § 17510.8 ("acceptance of charitable contributions by a charity . . . establishes a charitable trust and a duty on the part of the charity . . . to use those charitable contributions for the declared charitable purposes for which they are sought").

[11] The Third Amended Plan contemplated an Initial Debtor Contribution of $55 million. The difference between the two plans is the forthcoming request for $15 million in DIP financing from RCC, which will lower RCC's lending ability at the projected Effective Date.

11 Case, including professional fees, and thereafter any remaining DIP loan proceeds will be transferred to the Survivors' Trust on account of the Debtor Cash Contribution. The Debtor anticipates it will have only the bare minimum cash reserves remaining, if any, on the Effective Date.

- The $110 million to be contributed by the Reorganized Debtor to the Survivors' Trust subsequent to the Effective Date reflects the maximum amount of cash the Debtor can contribute to the Survivors' Trust while allowing the Reorganized Debtor to continue its mission.
    - The Reorganized Debtor will meet its post-Effective Date contribution obligations – while servicing existing and contemplated debt obligations to RCC – primarily by selling real estate (including some Church property and including both vacant and non-vacant land) and contributing the proceeds. Notwithstanding the payment schedule set forth above, upon the sale of unencumbered real estate post-Effective Date, the Debtor *shall* contribute the proceeds of such sale, after payment of all necessary costs, to the Survivors' Trust upon closing of the sale.
    - The annual amounts to be paid by the Reorganized Debtor on the first and second anniversaries of the Plan are minimum contributions required by that date. The Debtor fully expects to contribute more than the stated minimums during each year following the Effective Date through the end of the plan payment period. To the extent it does so, the minimum payment due on the date that is three years and six months following the Effective Date shall be reduced accordingly.
- If possible, the Reorganized Debtor *may* also supplement contributions to the Survivors' Trust with additional unrestricted cash generated through operations to meet its subsequent contribution obligations.

Specifically, the Reorganized Debtor will liquidate the following real estate to support the funding of the ~~Modified Fourth Amended~~Debtor Plan as either collateral for the RCC loan or to generate proceeds to fund contributions:

- All twelve vacant real estate parcels titled in the name of the Debtor which are not part of a larger parcel containing a Church or ministry-related building.
- Vacant portions of eighteen real estate parcels titled in the name of the Debtor which the Debtor has determined may be liquidated while allowing the Debtor to continue its mission, even though they are each part of a larger parcel which includes a Church or ministry-related building which is currently operating.
- The Debtor-owned portions of ~~twelve~~thirteen real property locations on which Churches currently operate either as primary or secondary locations.
- Five[12] residential homes owned by the Debtor and one residential home owned by Adventus, the proceeds of which will be contributed to the Reorganized Debtor, all of which are currently used in connection with the Debtor's ministry.

[12] The Third Amended Plan contemplated the sale of seven residential homes owned by the Debtor. Two such homes have been sold with Bankruptcy Court approval in recent months, the proceeds being used

- Other real estate currently being used in support of the Debtor's ministry but only as absolutely necessary following liquidation of the real estate described above to meet the Debtor's obligations under the ~~Modified Fourth Amended~~Debtor Plan.

All told, the Debtor has committed to using not less than 48 parcels of real estate to fund its Plan obligations.

In addition, Furrer Properties, Inc. ("Furrer") will liquidate the three parcels of property on which Cooper's Mortuary operates and that include a four-unit apartment building, and contribute the proceeds to the Reorganized Debtor. Furrer is a wholly-owned subsidiary of the Debtor. Its only assets are the three parcels it intends to sell to support the ~~Modified Fourth Amended~~Debtor Plan.

The ~~Modified Fourth Amended~~Debtor Plan reflects the Debtor's careful analysis of its real estate assets, including how each asset contributes to the Debtor's mission and the measures that must be taken to make each asset salable, and inherently depends on the sale or encumbering of certain real estate. Some of the real estate to be sold will be vacant or mostly-vacant land adjacent to one of the Churches. Some of the real estate to be sold will include land on which Churches presently sit and operate. In the case of the latter, this means those locations would not be used for church services or any other purpose related to the Catholic faith and mission after they are sold.

The Debtor recognizes the sale of valuable real property, particularly "full sites" currently used in the Debtor's ministry, is a painful outcome for the Debtor and many parishioners and other Catholics. Indeed, many parishioners affected by the proposed closures have already made their displeasure about these agonizing choices heard. Nonetheless, the Debtor is making this sacrifice voluntarily for the benefit of Survivors in this bankruptcy case. The sale of real property on which a Church currently sits and operates, or which is used in its ministry, could not happen in a forced liquidation under chapter 7 of the Bankruptcy Code. Under applicable U.S. Supreme Court and Ninth Circuit case law, the Debtor cannot be forced to sell real estate on which it operates one of the Churches.[13] Here the Debtor is willing to sell some of its property, including Church property, pursuant to a confirmed Plan to achieve the dual goals of this Chapter 11 Case.

C. The Livermore Property

Prior Plans filed by the Debtor required the Debtor to cause title of certain real property owned by Adventus to be transferred to the Survivors' Trust. The real property is located at 3658 Las Colinas Road, Livermore, California (the "Livermore Property") and consists of approximately 122.5 acres of vacant land with no on-site improvements currently zoned for agricultural use. The Livermore Property is worth approximately $14 million in its current state. If re-entitled for residential development, it could be worth approximately $100 million, possibly more.

Adventus has spent considerable time working with the City of Livermore to permit the Livermore Property to be developed for residential use. On or about February 23, 2025, the Livermore City Council unanimously approved a request by the city's planning staff to negotiate a housing development agreement

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for payment of administrative expenses in the bankruptcy case.

[13] *See Security Farms v. Gen. Teamsters, Warehouseman and Helpers Union, Local 890 (In re Gen. Teamsters, Warehouseman and Helpers Union, Local 890)*, 265 F.3d 865, 877 (9th Cir. 2001); *see also Hosanna-Tabor Evangelical Lutheran Church and School v. E.E.O.C.*, 565 U.S. 171, 188-190) (in the context of the ministerial exception to federal employment discrimination laws, First Amendment Religion Clauses prohibit "government interference with an internal church decision that affects the faith and mission of the church itself").

in relation to the Livermore Property. Those negotiations began in April 2025 and remain ongoing. While it is anticipated the development agreement will establish a range of land uses and densities, the City will require more specific development details, such as the location of any structures, to undergo a separate approval process. Adventus has hired several professionals to assist it in understanding the developable area of the Livermore Property and how best to derive value while adhering to development constraints and City ordinances. Adventus believes it is close to finalizing sewer and trail easements with the City. It also applied for an extension of its existing development agreement pending the finalization of the new agreement.

The Debtor hopes these efforts will lead to a re-zoning of the Livermore Property to allow residential use and associated development. This will dramatically increase the value of the Livermore Property. Adventus will continue working to re-entitle the Livermore Property after the Effective Date.

If any part of the Livermore Property is sold before the 3.5-year anniversary of the Effective Date, Adventus has agreed that the net proceeds of each such sale(s) shall be distributed in the following sequence:

1. To Adventus in the amount of its closing costs, including without limitation professional fees;

2. To the Survivors' Trust, in the amount equal to the balance then owed on the Reorganized Debtor's required contribution under the ~~Modified Fourth Amended~~Debtor Plan; then,

3. Should any funds remain, to Adventus.

To illustrate, assume that as of the date that is two years and six months after the Effective Date, the Debtor has contributed $70 million to the Survivors' Trust, and that Adventus closes a sale of the entire Livermore Property on that date for a gross sale price of $100 million with closing costs (including professional fees) of $2 million. The waterfall would be as follows:

1. $2 million to Adventus;

2. $80 million to the Survivors' Trust;

3. $18 million to Adventus.

Adventus has agreed to this arrangement.

The Debtor and Adventus have every incentive to maximize the value of the Livermore Property and proceed expeditiously through the re-entitlement process. If the Livermore Property is sold, the Debtor will not need to liquidate as much of its real property. This would mean Churches slated for sale and closure can remain open and available to worship and ministry.

D. Comparison to Other Diocesan/Religious Order Cases

The treatment proposed in the ~~Modified Fourth Amended~~Debtor Plan is fair and equitable to its creditors and represents a greater average recovery for Abuse Claims based on contributions from church entities compared with prior, similar bankruptcy cases. At Confirmation the Debtor will present unassailable evidence demonstrating this.

i. Known Abuse Claimant Distribution.

Assuming: 1) the aggregate value of the contributions from the Debtor and RCWC~~,~~ ~~(~~ is $172.3 million~~,~~ (which amount does not include the $7.7 million Unknown Abuse Claims Reserve described below), and 2) approximately 345 unique Abuse Claims will ultimately receive distributions, the average per Claim distribution to Holders of Class 4 Claims is $499,420.29 ~~(based on total cash contributions from all sources of $172.3 million).~~ . If the Unknown Abuse Claims Reserve is ultimately distributed to Holders of Class 4 Claims (as discussed below), the aggregate available for distribution increases to $180.0 million and the average per Claim distribution increases to $521,739.13, consistent with the figure shown in the comparison table above.

ii. Unknown Abuse Claimant Distribution.

It is not possible to calculate an average per-claim distribution to Holders of Class 5 Claims (Unknown Abuse Claims) because the number of such claims is unknown. Holders of Class 5 Claims will be eligible to receive their pro rata share of the Unknown Abuse Claims Reserve ($7,700,000.00) within the first five years after the Effective Date. Thereafter, any remaining amount from the Unknown Abuse Claims Reserve will be absorbed into the Survivors' Trust Assets and made available for distribution to Holders of Class 4 Claims in accordance with the terms of the ~~Modified Fourth Amended~~Debtor Plan. Should this happen, it will increase the average per-Claim recovery of Class 4 Claims accordingly.

Since the filing of the Fourth Amended Plan, the Debtor has worked closely with Joshua Hogan, the Bankruptcy Court-approved Unknown Abuse Claims Representative pursuant to the ~~Modified Fourth Amended~~Debtor Plan. The Debtor understands that Mr. Hogan agrees with the amount and timing of contributions to the Unknown Abuse Claims Reserve.

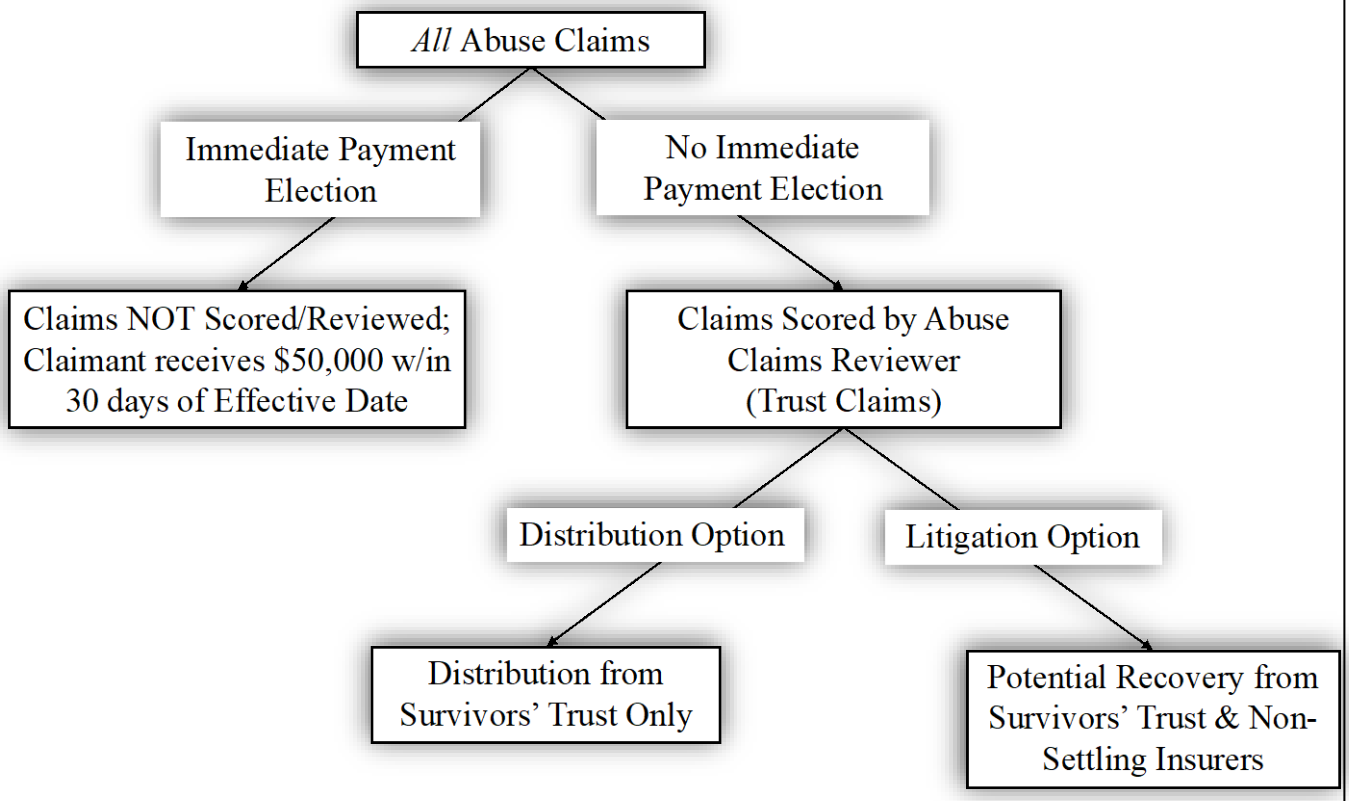
i. Additional Considerations.

These potential average per-Claim distributions described above do not include: 1) the value of the Assigned Insurance Interests and potential associated recoveries, including by Abuse Claimants that select the Litigation Option under Section 9.8.4 of the ~~Modified Fourth Amended~~Debtor Plan, and 2) possible additional settlements with Settling Insurers prior to the Effective Date of the ~~Modified Fourth Amended~~Debtor Plan, if any.

Because the Immediate Payment Option pays less ($50,000) than the projected per-claimant average values under the ~~Modified Fourth Amended~~Debtor Plan, every Abuse Claimant that elects the Immediate Payment Option increases the projected per-claimant average for all other Abuse Claimants. For example, assuming total cash contributions on account of Class 4 Claims of $180.0 million (for ease of calculation), if ten Abuse Claimants elect the Immediate Payment Option, the per Claim distribution increases to $535,820.90 (an increase of approximately $14,000 per Claim). If twenty-five claimants elect the Immediate Payment Option, the per Claim distribution increases to $558,593.75 (an increase of approximately $37,000 per claim). The tradeoff, as described below, is that Abuse Claimants electing the Immediate Payment Option: 1) receive their payment within 30 days of the Effective Date of the ~~Modified Fourth Amended~~Debtor Plan, and 2) do not have their Abuse Claims scored or reviewed in any way, as described below.

E. Plan Mechanics for Abuse Claims

The following subsections outline the decisions Abuse Claimants make under the ~~Modified Fourth Amended~~Debtor Plan regarding their potential distributions from the Survivors' Trust. Those decisions (and the outcomes therefrom) can be represented graphically as follows:



i. Immediate Payments.

The ~~Modified Fourth Amended~~Debtor Plan retains the option for Abuse Claimants to elect to receive an Immediate Payment within 30 days of the Effective Date in the amount of $50,000. If an Abuse Claimant elects to receive an Immediate Payment, all recovery on their Abuse Claim is limited to the Immediate Payment. For the avoidance of doubt, an Abuse Claimant who elects to receive an Immediate Payment shall not be permitted to seek any additional recovery on account of the Abuse Claim from the Debtor, the Reorganized Debtor, the Survivors' Trust, any Insurers, or RCWC (and the RCWC Escrow). Correspondingly, Abuse Claims of Claimants that elect the Immediate Payment will not be scored or subject to Claim objections, and the payment shall be irrevocable and indefeasible.

The form used for the Immediate Payment election shall be provided to Abuse Claimants by the Survivors' Trustee post-confirmation of the ~~Modified Fourth Amended~~Debtor Plan and shall include conspicuous language indicating that acceptance of the Immediate Payment and return of the election form constitutes a release of the Debtor, Survivors' Trust, any Settling or Non-Settling Insurers, and RCWC (and the RCWC Escrow Agent) for any amount over and above the Immediate Payment ($50,000).

ii. Preliminary Distributions to Holders of Allowed Abuse Claims.

The ~~Modified Fourth Amended~~Debtor Plan adds a provision allowing the Survivors' Trustee to make preliminary distributions of $5,000 to any Abuse Claimant the Survivors' Trustee determines has an Allowed Claim. Not later than 60 days after the Effective Date (the "Preliminary Abuse Claim Allowance Deadline"), the individual appointed to review Abuse Claims shall review the Proof of Claim for each Abuse Claim to (a) determine whether it is an Allowed Claim, and (b) determine whether it asserts a compensable claim against RCWC. Not later than the later of (i) ten (10) days after the Preliminary

Abuse Claim Allowance Deadline, and (ii) thirty (30) days after the Effective Date, the Survivors' Trustee shall make a Preliminary Distribution to the Holder of each Abuse Claim that is determined by the Abuse Claims Reviewer to be an Allowed Claim, in the amount of $5,000 from the Survivors' Trust Assets in accordance with the Survivors' Trust Documents.

The allowance of Abuse Claims by the Abuse Claims Reviewer shall have no effect on the amount of the contributions of the Debtor or RCWC. Neither the Determination by the Abuse Claims Reviewer that a Proof of Claim is an Allowed Claim, ~~not~~nor that a proof of claim asserts a compensable claim against RCWC, shall constitute a trial, an adjudication on the merits, or evidence of liability or damages in any litigation with any Non-Settling Insurer or any other Person.

iii. Initial Determination / Claims Scoring.

After the Effective Date, the Abuse Claims Reviewer will score all remaining Abuse Claims (defined as "Trust Claims") and issue a letter to each Holder of such Claims ("Trust Claimants") regarding the scoring of their specific Claim (the "Initial Determination"). The purpose of the scoring is to calculate each Trust Claimant's *pro rata* share of projected distributions. The Initial Determination will include a projected total recovery for the Trust Claimant based on the anticipated Survivors' Trust Assets available for distribution. The purpose of the Initial Determination is to provide information about *projected* distributions to Trust Claimants. Actual distributions may change based on, among other things, recoveries for Litigation Claimants from Non-Settling Insurers that free up additional funds for Distribution Claimants.

As set forth in the Trust Distribution Plan, the scoring process works as follows:

- First, the Abuse Claims Reviewer applies Initial Criteria to determine whether any incurable defects exist with respect to a Trust Claim. These criteria include whether the Trust Claim was timely submitted, substantially completed and signed, is duplicative of another Trust Claim, or was previously resolved through litigation or settlement;

- Second, the Abuse Claims Reviewer applies General Criteria intended to determine whether the Trust Claim adequately describes the alleged abuse, alleged perpetrator, location of abuse, and legal liability of the Debtor or another party; and,

- Third, the Abuse Claims Reviewer applies Evaluation Factors to score the claim on a scale from 1-100. The Evaluation Factors include the nature of the abuse (in terms of duration, frequency, level of severity and degree of intrusiveness, etc.), the impact of the abuse (in terms of mental and physical health, spiritual well-being, interpersonal relationships, etc.); prior recoveries, if any, from other parties; and the claimant's involvement in bringing the abuse to light for the benefit of all Trust Claimants.

After scoring each Trust Claim, the Abuse Claims Reviewer will calculate the value of an individual "point." The point value will be determined by dividing (a) the total dollars available for distribution to Trust Claims by (b) the total of points among the individual Trust Claims. For example:

- Assume 345 claimants hold Trust Claims with an average score of 50 points per claim.

- 50 points per claim multiplied by 345 claims yields 17,250 total points.

- Assuming a total distributable amount of $180 million (for ease of calculation), each point would be valued at $10,434.78 ($180 million divided by 17,250 points).

Accordingly, Trust Claims assigned 25, 50, and 75 points would receive projected total recoveries of $260,869.57, $521,739.13, and $782,608.70 from the Survivors' Trust, respectively.

Following receipt of the Initial Determination, Trust Claimants have 30 days to request re-review of the Initial Determination by the Abuse Claims Reviewer with the option to submit additional documentation or information that such Claimant believes should be considered (the "Review Determination"). If sought, the Review Determination shall be the "Final Determination." If no Review Determination is sought, the Initial Determination shall be the Final Determination.

iv. Litigation Option vs. Distribution Option.

All Trust Claimants will have until the later of: 1) 90 days from issuance of their respective Initial Determination, or 2) the first anniversary of the Effective Date to elect one of two paths as to their Trust Claim: 1) receive a distribution from the Survivors' Trust *and* pursue litigation that could yield additional recovery from an insurer, if any (the "Litigation Option") or 2) accept a distribution solely from the Survivors' Trust (the "Distribution Option") and forego litigation against the Debtor's insurers. Claimants that do not make an election will be deemed to have chosen the Distribution Option. For the avoidance of doubt, a Trust Claimant may make an election to pursue the Litigation Option and resume their state-court case against the Debtor (in name only) at any time *after* the Effective Date and prior to the deadline stated above through written notice provided to the Survivors' Trustee.

Assuming it occurs prior to the Effective Date, on the 91st day following issuance of all Initial Determinations by the Abuse Claims Reviewer, the Survivors' Trustee will know: 1) how many Trust Claimants chose or were deemed to have chosen the Distribution Option ("Distribution Claimants"), and 2) how many Trust Claimants chose the Litigation Option ("Litigation Claimants"). Following resolution of the last Review Determination, the Survivors' Trustee will know the total number of points of Trust Claims and be able to project *pro rata* shares of anticipated distributions to Trust Claimants.

At that point:

For all Trust Claimants:

- The Survivors' Trustee will make the Initial Distribution, which shall be comprised of such Trust Claimant's *pro rata* share of the Survivors' Trust Assets existing on that date, less reasonable reserves for the Survivors' Trust.

- Upon receipt of additional Cash Contributions, the Survivors' Trustee will make such Additional Distributions as are necessary and appropriate, which shall be comprised of such Trust Claimant's *pro rata* share thereof, less reasonable reserves for the Survivors' Trust. Whether and when to make Additional Distributions prior to the Final Distribution shall be within the discretion of the Survivors' Trustee.

For Trust Claimants that chose or were deemed to have chosen the Distribution Option, all payments from the Survivors' Trust shall be final and irrevocable.

For Trust Claimants that chose the Litigation Option:

- Upon the election of the Litigation Option, the Trust Claimant shall be allowed to resume or institute (as the case may be) litigation against the Debtor (in name only) to establish coverage liability and damages for the Trust Claimant's Abuse Claim as against the applicable Non-Settling Insurer(s). As to the liability of the Debtor (as assumed by the Survivors' Trust):

- If the litigation yields a judgment against the Debtor (sued in name only) (the "Judgment Amount") that is lower than Final Determination, the Judgment Amount controls. Any amount already distributed to Litigation Claimants in excess of the Judgment Amount shall be recoverable by the Survivors' Trustee. Any amount not already distributed in excess of the Judgment Amount will be reallocated for payment to all other Distribution Claimants.

- If the litigation yields a Judgment Amount against the Debtor (sued in name only) that is higher than the Final Determination, the Final Determination controls as to the liability of the Survivors' Trust.

- If the litigation yields a judgment covered by insurance, the amount of such coverage shall be paid by the responsible Insurer(s) directly to such Trust Claimant following recovery.

- Following resolution of each Litigation Option case, and after accounting for any recovery by the Litigation Claimant from another party, such as an Insurer, the Survivors' Trustee will make a Litigation Distribution to each such Litigation Claimant in an amount equal to the lesser of: 1) any unpaid portion of the Final Determination, or 2) the Judgment Amount, both amounts being subject to reasonable reserves.

- Each Non-Settling Insurer shall have all defenses against a Litigation Claimant available to the Non-Settling Insurer against the Debtor on account of such Claimant's Claim, including without limitation policy exclusions and other coverage defenses under the applicable policies, defenses available under state and federal law, and Orders of the Bankruptcy Court.

- **In no event can a Litigation Claimant receive more than the total amount of his or her judgment from all sources. For the avoidance of doubt, if, after accounting for recovery from parties other than the Survivors' Trust, a Litigation Claimant receives any amount in excess of the Judgment Amount, such amount shall be recoverable by the Survivors' Trustee.**

Following resolution of the last Trust Claim of the last Trust Claimant that chose the Litigation Option, the Survivors' Trustee will make the Final Distribution to Distribution Claimants, which shall be comprised of such Trust Claimants' *pro rata* shares of all remaining Survivors' Trust Assets, including reserves.

F. Non-Monetary Commitment to Healing and Reconciliation

The final key aspect of the ~~Modified Fourth Amended~~Debtor Plan is the continuation and amplification of the Debtor's Mission to Effect Reconciliation and Compensation, described in detail below, which constitutes its non-monetary commitment pursuant to the ~~Modified Fourth Amended~~Debtor Plan.

Bishop Michael Barber shares the conviction of His Holiness Pope Leo XIV, expressed on June 21, 2025, that "It is urgent to root in the whole church a culture of prevention that does not tolerate any form of abuse - neither of power or authority, nor abuse of conscience, spiritual or sexual abuse. … This culture will only be authentic if it is born of active vigilance, of transparent processes and sincere listening to those who have been hurt." Bishop Barber, on behalf of himself and the Debtor, pledges and agrees to both continue the good work outlined in Article IV, below, and adopt the *Child Protection Protocols for the Roman Catholic Bishop of Oakland, California* attached hereto as Exhibit A. These Protocols are among the most expansive adopted or proposed by any diocese or religious organization in the United States. Among the highlights of the Protocols are:

- The establishment of a new role within the Debtor, the Compliance Monitor, who will assume his or her position on the Effective Date and work with Bishop Barber to effectuate the Protocols. The initial term of the Compliance Monitor shall be 5 years.

- The reconstitution and enlargement of the Minor Diocesan Review Board, which shall include (i) a licensed social worker or a licensed psychologist with particular expertise in the treatment of the sexual abuse of Minors; (ii) a lay minister; (iii) an educator; (iv) a parent of a student attending any school operated by a Diocesan Entity; (v) a member of law enforcement; (vi) three Survivors, and (vii) a pastor currently serving in ministry in the Debtor.

- The creation of the Compliance Advisory Board, a consultative body to the Compliance Monitor comprised of 5 volunteers over whom Bishop Barber will have no authority. The Compliance Advisory Board shall be coterminous with the Compliance Monitor.

- Comprehensive measures regarding communication; safe environment training, background checks and prevention of potential abuse; reporting to appropriate authorities regarding allegations of abuse, whether substantiated or not; investigations into such allegations, and outreach and assistance for survivors.

The abuse of children and vulnerable adults has no place in the Diocese of Oakland or the Roman Catholic Church. The Debtor will do everything in its power to prevent such abuse.

ARTICLE II

GENERAL INFORMATION

The ~~Modified Fourth Amended~~Debtor Plan sets forth, among other things, the proposed treatment of Claims and other interests in accordance with the Bankruptcy Code. The following is a summary of the classification of all Claims under the ~~Modified Fourth Amended~~Debtor Plan. This summary is qualified in its entirety by reference to the ~~Modified Fourth Amended~~Debtor Plan:

Class	Class Description	Number of Claimants	Status	Voting Rights
Class 1	RCC Secured Claim	1	Impaired	Eligible to vote
Class 2	Priority Unsecured Claims, other than non-classified claims set forth in Article III	36	Unimpaired	Non-voting Deemed to accept
Class 3	General Unsecured Claims	71	Impaired	Eligible to vote
Class 4	Abuse Claims	~345	Impaired	Eligible to vote
Class 5	Unknown Abuse Claims	Unknown	Impaired	Eligible to vote via the Unknown Abuse Claims Representative
Class 6	Non-Abuse Litigation Claims	2	Impaired	Eligible to vote
Class 7A	Contribution and Indemnification Claims	Unknown	No recovery	Non-voting

	Related to Class 4 Claims			Deemed to reject
Class 7B	Contribution and Indemnification Claims Related to Class 5 Claims	Unknown	No recovery	Non-voting Deemed to reject

The ~~Modified Fourth Amended~~Debtor Plan impairs the Secured Claim of RCC, the only creditor in Class 1, by altering the proposed treatment to *not* include: 1) the payment of default post-petition interest (the Debtor has been paying contract interest to RCC) and 2) the repayment of unpaid post-petition and pre-Effective Date principal amounts owed, if any, on the Effective Date. The Debtor will instead pay RCC's unpaid principal over the 3.5-year life of the Plan.

Otherwise, except with respect to the amount (increased) and timing (accelerated) of projected distributions by the Survivors' Trust, the proposed treatment of Classes 4 and 5 in the ~~Modified Fourth Amended~~Debtor Plan has not changed from the Third Amended Plan.

The proposed treatment of all other Claims, including Claims not classified above, in the ~~Modified Fourth Amended~~Debtor Plan has not changed from the Third Amended Plan.

The ~~Modified Fourth Amended~~Debtor Plan provides for the financial restructuring of the Debtor and the resolution of all, or substantially all, Claims against the Debtor, including, without limitation, the resolution of all Abuse Claims against the Debtor.

ARTICLE III

QUESTIONS AND ANSWERS ABOUT THE ~~MODIFIED FOURTH AMENDED~~DEBTOR PLAN

A. When will the ~~Modified Fourth Amended~~Debtor Plan become effective?

"Confirmation" refers to the Bankruptcy Court's approval of the ~~Modified Fourth Amended~~Debtor Plan, which is followed by the "Effective Date"—the date the Plan becomes effective. Certain conditions must be satisfied or waived before that can happen. The Debtor currently contemplates an Effective Date for the ~~Modified Fourth Amended~~Debtor Plan, if confirmed expeditiously, on or about August 1, 2026.

B. Does the ~~Modified Fourth Amended~~Debtor Plan contain releases and permanent injunctions in favor of the Debtor and the Churches?

Yes. The ~~Modified Fourth Amended~~Debtor Plan contains releases and permanent injunctions that relate to and affect the rights, Claims, and/or Causes of Action that Holders of Claims, including Holders of Abuse Claims, may have against the Debtor or Reorganized Debtor. Because the Churches are not separately incorporated legal entities, as a matter of California law they are not separate from the Debtor, and they do not own or hold a legal or equitable interest in property separate from the Debtor. Thus, the Churches are included in the releases and permanent injunctions in favor of the Debtor and Reorganized Debtor, and the Churches are not receiving a release or permanent injunction separate from or in addition to the Debtor and Reorganized Debtor. The provisions relating to releases and permanent injunctions in favor of the Debtor and the Churches have not changed from the Third Amended Plan.

C. Does the ~~Modified Fourth Amended~~Debtor Plan contain releases and permanent injunctions in favor of Third Parties?

No. The ~~Modified Fourth Amended~~Debtor Plan contemplates the RCWC Escrow construct that is designed to facilitate post-confirmation releases for that entity in return for compensation to Abuse Claimants that hold claims against RCWC in addition to the Debtor, but the ~~Modified Fourth Amended~~Debtor Plan no longer contains any other releases or injunctions that relate to and affect the rights, Claims, and/or Causes of Action that "Releasing Parties" may have against entities who are not the Debtor, the Reorganized Debtor, or the Churches.

"Released Parties" as defined in the ~~Modified Fourth Amended~~Debtor Plan includes: (a) the Debtor, (b) the Reorganized Debtor (i.e., the Debtor after the Effective Date of the ~~Modified Fourth Amended~~Debtor Plan), and (c) the Churches (as discussed above, none of whom are separately incorporated from the Debtor and whose releases under the ~~Modified Fourth Amended~~Debtor Plan shall be one and the same as, and not separate from or in addition to, the releases of the Debtor and Reorganized Debtor). In order to effectuate this release of the foregoing, "Released Parties" also includes each of their "current and former directors, managers, officers, employees, predecessors, successors, assigns, managed accounts or funds, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, and other professionals." The ~~Modified Fourth Amended~~Debtor Plan does not purport or attempt to release or grant permanent injunctions to any other diocese, archdiocese, or religious organization. The ~~Modified Fourth Amended~~Debtor Plan also expressly excludes from the release the perpetrators of abuse identified in Abuse Claims.

D. As the Holder of an Abuse Claim, will I be bound by the Third-Party Releases and Third-Party Permanent Injunctions?

Only those Holders of Abuse Claims that: 1) the Abuse Claims Reviewer determines hold Claims against RCWC, and 2) execute and return a written general release to RCWC, will be bound by the contemplated post-confirmation releases in favor of RCWC.

E. As the Holder of any Claim other than an Abuse Claim, will I be bound by the Third-Party Releases and Third-Party Permanent Injunctions?

Holders of Claims other than Class 4 or Class 5 Claims are not subject to contemplated post-confirmation releases in favor of RCWC. Such Holders will not be releasing claims against any non-debtors.

F. Are there any Exculpation Provisions contained in the ~~Modified Fourth Amended~~Debtor Plan?

Yes. The ~~Modified Fourth Amended~~Debtor Plan also contains provisions (the "Exculpation Clause," as set forth and defined in the ~~Modified Fourth Amended~~Debtor Plan in Article 13.6) exculpating or limiting the liability of certain parties, including the Debtor, the Reorganized Debtor, the Committee, and numerous other parties (the "Exculpated Parties," as set forth and defined in the ~~Modified Fourth Amended~~Debtor Plan in Article 1.1.54). The Exculpation Clause may affect the rights, Claims, and/or Causes of Action of Holders of Claims, including Holders of Abuse Claims, in relation to the Exculpated Parties. The Exculpated Parties shall receive the benefits of the Exculpation Clause to the extent permitted under applicable Ninth Circuit law, including without limitation *Blixseth v. Credit Suisse*, 961 F.3d 1074 (9th Cir. 2020).

G. Does the ~~Modified Fourth Amended~~Debtor Plan contain Provisions Designed to Foster the Protection of Children from Sexual Abuse?

Yes. As set forth above, the ~~Modified Fourth Amended~~Debtor Plan's Non-Monetary Commitment to Healing and Reconciliation ~~reinforce and continue~~reinforces and continues the Debtor's existing policies and procedures, as described herein, for the protection of children and vulnerable adults.

H. What is the Effect of the ~~Modified Fourth Amended~~Debtor Plan on the Debtor's Ongoing Religious and Charitable Endeavors?

On and after the Effective Date, the Reorganized Debtor will continue its charitable, non-profit operations and, except as otherwise provided by the ~~Modified Fourth Amended~~Debtor Plan, may use, acquire, or dispose of property and compromise or settle any Non-Abuse Litigation Claims without supervision or approval by the Bankruptcy Court, free of any restrictions of the Bankruptcy Code or Bankruptcy Rules. Additionally, upon the occurrence of the Effective Date, all actions contemplated by the ~~Modified Fourth Amended~~Debtor Plan will be deemed authorized and approved.

I. Is the Debtor Preserving Claims, Estate Causes of Action, Defenses and Counterclaims under the ~~Modified Fourth Amended~~Debtor Plan?

Yes, except to the extent such rights, Claims, Estate Causes of Action, defenses, and counterclaims are otherwise dealt with in the ~~Modified Fourth Amended~~Debtor Plan or are expressly and specifically released in connection with the ~~Modified Fourth Amended~~Debtor Plan, the Confirmation Order, or any settlement agreement approved during the Chapter 11 Case, the ~~Modified Fourth Amended~~Debtor Plan provides that, as of the Effective Date, the Reorganized Debtor reserves any and all rights, Claims, Estate Causes of Action, defenses, and counterclaims of or accruing to the Debtor or Reorganized Debtor, whether or not litigation relating thereto is pending on the Effective Date.

ARTICLE IV

THE DEBTOR'S MISSION TO EFFECT RECONCILIATION AND COMPENSATION

The needs of survivors of clergy sexual abuse (the "Survivors") and the protection of children have long been priorities of the Debtor. Since the 1990s, the Debtor has provided counseling, therapy, support and outreach to Survivors.

More than a decade before the U.S. Conference of Catholic Bishops adopted in the Spring of 2002 the *Charter for the Protection of Children and Young People* (the "USCCB Charter"), the Debtor established a "Sensitive Issues Committee" to assist the bishop in reviewing and handling allegations of sexual abuse by persons acting in the name of the Roman Catholic Church. During that time, the Sensitive Issues Committee assisted in the evaluation of the credibility of claims and made recommendations to the bishop regarding assistance to Survivors, including monetary assistance, counseling and pastoral care.

Following the USCCB Charter's adoption, the Sensitive Issues Committee was renamed the Diocesan Review Board in 2003 and again updated to the Minor Diocesan Review Board in 2022 (the "MDRB"). The MDRB actively functions today. Its five lay members (including an Abuse Survivor and business consultant, a former district attorney, a social worker, a retired educational administrator, and a lay pastoral associate) and three clergy members meet at least quarterly to assess allegations and make recommendations on the handling of those allegations of sexual abuse of children and vulnerable adults by clergy. This consultative body is critical to the work of the Debtor to address crimes against children and vulnerable adults. As with the Sensitive Issues Committee, the MDRB works with Bishop Barber to

analyze and properly respond to claims so credibility can be determined and acted upon in the best interest of the Abuse Survivor.

In line with the Charter and the mission and teachings of the Roman Catholic Church, the Debtor offers (i) counseling, treatment, and programming for those who both claim to have been and have been credibly found to be survivors of abuse by members of the clergy along with (ii) safe environment ~~scanning~~ training and classes for prevention. These programs (collectively, the "Survivors' Assistance and Safe Environment Programs") are important and necessary to the Debtor's ongoing obligations and to its moral and ethical responsibility to support Survivors.

In 2004, the Debtor began developing specific training and background check programs that provide a safe environment for parishioners and visitors to diocesan facilities ("Safe Environment"). Through its Safe Environment programs, the Debtor ensures and requires the training of all adults – whether volunteer or employed – who serve in the Debtor. The Debtor gives rigorous attention to training materials and teaches adult parish and school leaders to facilitate the training program. Processes are also in place to refer anyone with claims regarding clergy sexual abuse to law enforcement and Debtor representatives for assistance.

All volunteers and employees over age 18 in any parish, school, or other diocesan site, regardless of ministry, must be trained every three years in safe environment. All children in Catholic school or parish faith formation programs must also be trained annually to recognize and report abuse. As part of this process, the Office of Safe Environment conducts annual statistical audits of each location in the diocese and trains the coordinators annually to ensure the policies are met and followed.

The Office of Safe Environment has continually improved the content of its trainings and, as online platforms became available, former Bishop Cummins approved their use. In 2016, Bishop Barber moved the training program to an online synchronous platform provided by The National Catholic Risk Retention Group known as "Virtus," an international leader in abuse awareness training. The Debtor now has local safe environment coordinators in every parish and school.

The Debtor also operates an Office for Victims Assistance ("OVA") and employs a Victims Assistance Coordinator ("VAC") to directly address the needs of Survivors and coordinate support services for them. The goals of the OVA, as administered by the VAC, are to support Survivors and their families through counseling, spiritual direction, and support groups. The OVA also arms Church leaders with the tools to develop support, promote healing, and empower Survivors in the diocesan community.

Through the OVA, and the hotline established by the Debtor, counseling and spiritual direction are offered to Survivors of clergy abuse and their families and the Debtor is committed to reporting, investigating, and responding to such claims. The Debtor also pays for Survivors to receive psychological counseling and related medical treatment, including medications where appropriate ("Survivors' Assistance").

Survivors' Assistance is available for any requesting individual who makes an allegation of abuse by clergy or non-clergy affiliated with the Debtor. In some cases, the Debtor makes these programs available to family members who have been affected by the abuse of a loved one.

Survivors' Assistance is administered by psychologists, psychiatrists, licensed clinical social workers, and licensed marriage and family therapists selected by the recipient (each a "Counselor"). Before engaging a Counselor, the Debtor requires the Counselor to provide evidence that he or she is a state-licensed mental health professional with at least a master's degree in a relevant field. The Debtor recommends Counselors who have a background in trauma therapy but does not require that background. The Counselors are not employed by or otherwise affiliated with the Debtor.

Education on the issue of clergy sexual abuse is also a cornerstone of the Debtor's mission to address and eradicate this problem. The Debtor actively educates clergy, Church employees and the community around the realities of clergy sexual abuse through workshops and presentations aimed at bringing awareness to the problem. This forum also provides opportunities for Survivors to tell their stories to help effect change regarding clergy sexual abuse. The Debtor's ministry also includes Survivors working together with priests and deacons regarding what it means to be sexually abused by a member of the clergy.

Ultimately, the Debtor understands that in order to address the problem of clergy sexual abuse, it must amplify the voice of Survivors and provide necessary resources to the public to understand when and how to report incidents of abuse. The Debtor's website (www.oakdiocese.org) has five main sections: Debtor, Bishop, Ministries, Giving and Survivors. The Survivors section contains five pages full of resources, information and links to policies and procedures to further the cause of identifying, addressing, reporting and responding to clergy sexual abuse. The website contains, among other things:

a. Contact information for the VAC, Chancellor and the number/email for the dedicated Survivor Advocacy Hotline;

b. Information regarding the Debtor's Minor Diocesan Review Board and steps for reporting abuse;

c. A parish infographic detailing the steps the Debtor will take to respond to and investigate a claim of clergy sexual abuse;

d. Access to the Virtus registration and login in both English and Spanish, as well as retraining instructions, so that safe environment training can be easily accomplished;

e. Policies related to *Background Screening and Training*, *Sexual Misconduct*, and *Minors Volunteering or Working with Younger Children*;

f. Links to the *Code of Conduct Involving Interactions with Minors and Vulnerable Adults* (in both Spanish and English), *Live Scan Requests* (for both employees and volunteers), *Approved Safe Environment Curriculum for Children and Youth*, the forms for both schools and churches regarding their *Safe Environment Reporting*, the *USCCB Charter for the Protection of Children and Young People* and the *On Site Safe Environment Training Schedule*; and

g. The "Credibly Accused List" of diocesan priests, religious order priests, deacons and brothers (as well as some priests from other dioceses who had worked in the Debtor) who have been credibly accused of the sexual abuse of minors.

The Debtor, through its programs, offices, coordinators and trainings, is committed to serving those affected by historical clergy sexual abuse and to prevent future abuse from occurring. The Debtor is bound by the USCCB Charter, a comprehensive set of procedures originally established by the United States Conference of Catholic Bishops in June 2002, and modified in 2005, 2011, and most recently in 2018. The purpose of the USCCB Charter is to address allegations of sexual abuse of minors by Catholic clergy. The USCCB Charter also includes guidelines for reconciliation, healing, accountability, and prevention of future acts of abuse.

Finally, the Debtor continues to support the No More Secrets Ministry ("NMSM"), which was formed by survivors of clergy sexual abuse in 2000 with the mission to provide an opportunity for personal sharing, prayerful reflection, and spiritual renewal. NMSM has joined forces with the VAC and Licensed

Clinical Social Workers~~,~~ to further support survivors~~.~~ and to launch a new initiative called "**Lifting Survivors' Voices at the Oakland Diocese**." Its work has been ongoing for nearly a quarter of a century.

The ~~Modified Fourth Amended~~Debtor Plan provides the Debtor shall continue these efforts as part of its Non-Monetary Commitment to Healing and Reconciliation.

ARTICLE V

THE PLAN PROCESS

A. The Debtor's Original Plan and Disclosure Statement.

On November 8, 2024, the Debtor filed *Debtor's Plan of Reorganization* [Docket No. 1444] (the "Original Plan") and accompanying *Disclosure Statement for the Debtor's Plan of Reorganization* [Docket No. 1445] (the "Original Disclosure Statement").

On November 13, 2024, the Debtor filed *Motion for Order (I) Approving Disclosure Statement; and (II) Establishing Procedures for Plan Solicitation, Notice, and Balloting* [Docket No. 1453] (the "Approval Motion"). The Committee objected to approval of the Disclosure Statement on various bases, arguing that Survivors (and other creditors) should not even get the chance to express their opinion by voting. Among other things, the Committee also requested that, should the Bankruptcy Court ultimately approve the Disclosure Statement, the confirmation hearing in this case be delayed significantly to allow certain alternatives that the Committee prefers to proceed.

On December 18, 2024, the Bankruptcy Court conducted an initial hearing on the Approval Motion and related matters. The Debtor filed an amended Plan and Disclosure Statement on January 3, 2025, and the Bankruptcy Court held additional hearings on the amended Plan and Disclosure Statement on January 16, 21, and 30, 2025. Following the hearing on January 30, 2025, the Bankruptcy Court, at the Debtor's request, set a further hearing for March 3, 2025, and directed the Debtor to file a further amended Plan and Disclosure Statement not later than February 18, 2025. The Debtor filed a further amended Plan and Disclosure Statement on February 18, 2025. The March 3, 2025 hearing was converted to a status conference, at which the Debtor informed the Bankruptcy Court it intended to file a Third Amended Plan and Disclosure Statement on March 17, 2025, which it did. [Docket No. 1830 and 1831, respectively]. The Debtor further revised the Third Amended Disclosure Statement on April 3, 2025 [Docket No. 1874].

On April 4, 2025, the Bankruptcy Court approved the Third Amended Disclosure Statement and permitted the Debtor to solicit acceptances on the Third Amended Plan [Docket No. 1877]. The deadline to vote on the Third Amended Plan was May 30, 2025. Ultimately, the majority of Class 4 Claimants voted against the Third Amended Plan, though the other classes voted in favor of it. *See Declaration of Andres A. Estrada with Respect to Solicitation and the Tabulation of Votes on the Debtor's Third Amended Plan of Reorganization* [Docket No. 2040].

B. The Debtor's Attempt to Confirm the Third Amended Plan

After solicitation of the Third Amended Plan, the Debtor and the Committee engaged in extensive and costly discovery regarding confirmation of the Third Amended Plan. The Debtor served discovery requests on the Committee and responded to the Committee's 98 Requests for Production of Documents and 19 Interrogatories. Responding to the Committee's discovery requests was a massive project for the Debtor and its professionals, especially in light of the accelerated timeframe made necessary by the urgency of getting to Plan confirmation. The Debtor and its counsel collected approximately 430,000 emails, whittled down to approximately 130,000 by use of search terms. These were reviewed by a

dedicated document review team of fourteen associates and two partners. The Debtor made four separate, significant document productions to the Committee:

1. On May 14, 2025, approximately 3,500 documents and 42,000 pages.

2. On May 23, 2025, approximately 5,500 documents and 40,000 pages.

3. On May 29, 2025, approximately 25,000 documents and 138,000 ~~documents~~pages; and,

4. On June 1, 2025, approximately 9,000 documents and 53,000 pages.

In addition to the Debtor documents, Debtor's counsel processed and produced approximately 3,000 emails on behalf of VeraCruz in response to the Committee's subpoena directed to VeraCruz. As part of the Debtor document production, Debtor's counsel also deployed a team of 12 attorneys to determine whether any additional documents were located at any of the Churches.

In addition to the requests directed to the Debtor, the Committee also served 85 separate subpoenas directed to individual priests serving as Pastors of Churches within the Diocese. To address this massive overreach, the Debtor filed a motion to quash on April 25, 2025. [Docket No. 1924.] The Bankruptcy Court granted that motion at a hearing on May 13, 2025. At the same time, the Committee moved for a protective order regarding certain requests for production and interrogatories served by the Debtor seeking the basis for the Committee's decision-making in opposing the Third Amended Plan [Docket No. 1922]. This motion was granted in part and denied in part at the May 13 hearing.

Between late May and mid-June 2025, the Committee conducted ten depositions of fact witnesses, and the Debtor conducted its single deposition of the Committee's designated representative. The Debtor also worked with five expert ~~witness~~witnesses who provided expert reports in support of confirmation and reviewed and analyzed the expert reports provided by the Committee's experts.

Due to the escalating costs of Plan-related discovery and its financial position, the Debtor filed its *Motion to Continue Confirmation Hearing and to Reset Confirmation Schedule* [Docket No. 2147] (the "Motion to Continue"). This motion was necessary due to the unexpected high costs of litigation regarding the Third Amended Plan, to allow the Debtor sufficient time to sell certain real estate and other assets to generate needed cash reserves for professional fees and effective date obligations. Following a hearing on July 18, 2025, the Bankruptcy Court granted the Motion to Continue and set a status conference regarding Plan confirmation for November 12, 2025. [Docket No. 2162].

C. The Debtor's Motion to Dismiss the Bankruptcy Case.

After the Debtor determined that the cost of pursuing a contested confirmation was too high, and that the prospects of settlement with either the Insurers or the Committee was not possible in the short term, and after extensive discussions with its professional advisors, the Debtor determined that remaining in the Bankruptcy Case was not in its best interests. Therefore, on September 9, 2025, the Debtor filed its Motion to Dismiss Chapter 11 Case [Docket No. 2293] (the "Motion to Dismiss Case"). The Committee did not oppose dismissal of the case but argued that the dismissal should be with prejudice, meaning that the Debtor would not be able to file a future bankruptcy case. [Docket No. 2329]. The Debtor responded to the Committee's filing on October 20, 2025 [Docket No. 2413]. The Committee further responded on October 27, 2025 [Docket No. 2423]. On October 29, 2025, the Bankruptcy Court held a hearing on the Motion to Dismiss Case. The Bankruptcy Court granted the Motion to Dismiss Case without prejudice, concluding that "it has not been presented with any evidence of bad faith by the Debtor which would cause the Bankruptcy Court to dismiss the Chapter 11 Case with prejudice or with a bar to the Debtor filing another bankruptcy case." [Docket No. 2467]. Ultimately, dismissal was to be effective as of November

26, 2025 unless the Debtor filed a settlement term sheet "signed by the Debtor and any party who is in support of that term sheet."

After the Bankruptcy Court's ruling on the Motion to Dismiss Case, the Debtor, the Committee, the Insurers, and the Mediators continued their efforts to negotiate a consensual resolution to the case. The November 26, 2025 dismissal date was then extended several times at the request of either the parties or the Mediators, and on December 11, 2025, the Debtor filed its first *Non-Binding Term Sheet* contemplating what eventually became the ~~Modified Fourth Amended~~Debtor Plan. [Docket No. 2504]. The December 11 term sheet was updated on December 17 with additional contributions from Settling Insurers, and the December 17 term sheet [Docket No. 2521], as well as subsequent discussions with various parties, forms the basis of the ~~Modified Fourth Amended~~Debtor Plan.

On January 16, 2026, the Mediators convened another mediation session in Los Angeles, California involving the Debtor, the Committee, and the Insurers. That mediation did not yield a settlement between the Debtor and the Committee, the Committee and the Insurers, or all three parties globally.

On January 20, February 4, and February 17, 2026, the Bankruptcy Court convened status conferences regarding the Chapter 11 Case, the Motion to Dismiss Case, and the Plan process, generally. Prior to and during the February 4 status conference, the Debtor announced its intention to move forward with a Fourth Amended Plan rather than seek dismissal of the Chapter 11 Case at this time. The Debtor's Fourth Amended Plan and certain other documents were filed on February 20, 2026, following which they were modified by the filing of the ~~Modified Fourth Amended~~Debtor Plan described herein.

D. ~~Additional Relevant Events.~~The Competing Plan Process

i. The ~~Subcon Adversary Proceeding~~Debtor Plan.

~~As described in the Third Amended Disclosure Statement, on December 11, 2024, the Committee filed a second adversary proceeding against the Debtor, Adventus, RCWC, and RCC seeking (i) declaratory relief that all property of Adventus, RCWC, and RCC is property of the estate and (ii) substantive consolidation of Adventus, RCWC, and RCC into the Debtor's Chapter 11 bankruptcy [Adv. No. 24-04053] (the "Subcon Adversary Proceeding"). On July 25, 2025, the Bankruptcy Court entered its *Order Dismissing First Amended Adversary Complaint* [Dkt. No. 55] dismissing the Subcon Adversary Proceeding with prejudice against refiling. On August 8, 2025, the Committee filed: 1) a motion seeking reconsideration of that dismissal [Dkt. No. 57] to which the Debtor and RCWC objected [Dkt. Nos. 67 and 65, respectively], and 2) an appeal to the District Court for the Northern District of California of the dismissal order. The Bankruptcy Court conducted oral argument on the motion for reconsideration on September 10, 2025.~~

~~On March 20, 2026, the Bankruptcy Court denied the motion for reconsideration in an oral ruling. The recording is available at Docket No. 73 in the Subcon Adversary Proceeding.~~

The Debtor's Fourth Amended Plan and certain other documents were filed on February 20, 2026, following which they were modified by the filing of the Debtor Plan described herein on March 29 at Docket No. 2758.

At the status conference on March 13, the Court praised the Debtor's efforts culminating in the Fourth Amended Plan:

> I have enormous respect for the efforts that the debtor has put into this and for, frankly, the distance they have moved in trying to get this resolved. And were I to look at this solely comparing this to the examples they've given me of other bankruptcy cases, this is a very significant, very significant undertaking by the debtor, no doubt about it.

Transcript of Proceedings dated March 13, 2026 at 15:22–16:3. The Court continued:

> [I]t's also a very significant undertaking — and the debtor is agreeing to liquidate assets, which does not happen in every diocese case. I can tell you that. I get all that, and I have enormous respect for it.

Id. at 16:3-7. Specifically referring to the proposed Child Protection Protocols, on April 10, the Court observed:

> I am enormously respectful of both sides' efforts to make sure that we come into a better world after this plan is confirmed.

Transcript of Proceedings dated April 10, 2026 at 63:5–7.

ii. The ~~Committee's~~Committee Plan ~~of Reorganization~~.

At the status conference on February 17, the Committee indicated its intent to file a competing plan of reorganization. On March 6, it did so, filing its *Notice of Filing of the Official Committee of Unsecured Creditors' Plan of Reorganization* [Dkt. No. 2705]. The Committee's initial plan was attached to the notice as Exhibit A. The Court conducted additional status conferences on March 10, 13, 20, and 25 to discuss, among other things, potential confirmation scheduling and additional filings. On March 27, 2026, the Committee filed *The Official Committee of Unsecured Creditors' Plan of Reorganization, Dated March 27, 2026* [Docket No. 2752] and a Disclosure Statement [Docket No. 2753] in support thereof. On April 6, the Court entered a scheduling order outlining the competing plan process. *See* Docket No. 2790.

On ~~March 6~~April 9, 2026, the Committee filed its ~~*Notice of Filing of the Official Committee of Unsecured Creditors'*~~*First Amended Disclosure Statement* at Docket No. 2812, indicating it would amend its original plan of reorganization accordingly. Then, following an additional status conference on April 10, the Committee filed its *Second Amended Disclosure Statement* [Docket No. 2833] (the "Committee Disclosure Statement") and a *First Amended* *Plan of Reorganization* [~~Dkt. No. 2705]. The~~ Docket No. 2832] (the "Committee Plan ~~was attached to the notice as Exhibit A. Generally, the Committee Plan contemplates:~~")

Generally, the final version of the Committee Plan contemplated:

- Contributions from the Debtor to the Survivors' Trust totaling approximately $195.2 million over 3.5 years, with anniversary payments tied to the March 6 filing date of the Committee Plan, not the Effective Date;
- "Optional" contributions from RCWC totaling approximately $118.9 million over 3.5 years with anniversary payments timed similarly;
- The use of the Livermore Property, owned by Adventus, to satisfy *the Debtor's* required future contributions;
- A modified form of insurance assignment that ~~does~~did not reflect any agreement as between the Debtor, its Insurers, and the Committee; and,
- The Committee's proposed Child Protection Protocols, which are similar in many respects to those crafted by the Debtor but not entirely aligned.

~~On March 10, 2026, the Bankruptcy Court convened another status conference regarding the proposed "competing" plans: the Debtor's Fourth Amended Plan filed February 20 and the Committee~~

~~Plan filed March 6. Notably, prior to that status conference, RCWC and Adventus indicated their support for the Debtor's Fourth Amended Plan and also stated unequivocally that they did not support the Committee Plan in a *Statement* filed at Docket No. 2708 and would not contribute on its terms.~~

~~The Committee Plan is both infeasible in light of the Debtor's required contributions—which contemplate the use of funds on the Effective Date that the Debtor does not have—and patently unconfirmable given certain aspects of the Committee's Child Protection Protocols and the insurance provisions of the Committee Plan. Moreover, the Committee Plan is completely devoid of any explanation for how the Debtor would make the required contributions or why those amounts are fair and equitable. At the Debtor's strong urging that the Committee be required to explain the guiding principles underlying the Committee Plan, the Court instructed that the Committee file something akin to this document on or before March 27, 2026.~~

The Court convened another status conference on April 17 regarding approval of the Committee Disclosure Statement. At that status conference, the Court allowed the Committee another opportunity to amend its Disclosure Statement and Plan, with those amendments due at 5:00 PM (PT) on April 24 and a further hearing scheduled for April 29. Including that hearing, and beginning on January 20 when the Debtor announced its intention to file another plan, the Court will have conducted nine (9) separate hearings and/or status conferences to discuss a competing plan process, scheduling, and approval of related disclosure statements.

At approximately 2:10 PM (PT) on April 24, the Committee filed its *Notice of Withdrawal of (I) Official Committee of Unsecured Creditors' First Amended Plan of Reorganization, Dated April 15, 2026 and (II) Second Amended Disclosure Statement for the Official Committee of Unsecured Creditors' Plan of Reorganization, Dated April 15, 2026* [Docket No. 2854] (the "Committee Withdrawal"). Thus, rather than further amend its Plan or Disclosure Statement, the Committee chose to withdraw both, stating that the outcome of the Woodall Trial, in particular, caused it to determine that "dismissal of this Chapter 11 Case to allow Survivors to pursue their state law rights is a far more fair and equitable method to resolve Abuse Claims than what is proposed in the Diocese Plan, *or even in the Committee Plan*, which the Debtor and its affiliates have made clear they would never support." *Id*. at 2:25-3:3 (emphasis added). At the same time, the Committee indicated its intent to file a motion to dismiss the bankruptcy case to be "heard after June 4, 2026" but also stated that it does not oppose a trial on confirmation of the Debtor Plan. *Id*. at 2:16-21.

Attached to the Committee Withdrawal was an Exhibit A outlining ten (10) different steps the Debtor could take to provide "substantially more" than that proposed in the Debtor Plan. It fails to mention that: 1) the Debtor is taking each of those steps, or 2) those steps are simply unavailable to it. In particular, the Committee proposes that the Debtor could:

1. Sell real estate—the Debtor Plan contemplates utilizing approximately 48 Debtor-owned parcels, including thirteen Churches or pastoral centers;

2. Cluster, merge, or close certain Churches—on April 28, the Debtor announced its intention to do exactly that through the Debtor Plan (https://www.oakdiocese.org/aligning-our-reality-with-our-mission/);

3. Take action on the CCCEB Note—the Debtor Plan does that through a settlement that will see it take ownership of the Cathedral of Christ the Light;

4. Reduce its operating reserves for a period of time—the Debtor's projections already contemplate reduced operating reserves while the Debtor sells property to fund the Debtor Plan;

5. Use restricted assets for their intended purpose, freeing up other cash—the Debtor's projections already contemplate exactly this;

6. Borrow funds from "affiliates"—RCC has agreed to loan the Debtor $55 million on the Effective Date, $40 million of which (or more, if funds remain from the DIP) will go to the Survivors' Trust;

7. Obtain a traditional commercial loan—the Debtor is already borrowing what it can from those willing to lend;

8. Restructure its operations to achieve cost savings—the Debtor Plan does this through the closure and sale of thirteen Churches or pastoral centers;

9. Request that the Catholic Telemedia Network increase its historical grants—A "request" is not a guarantee, and the Debtor does not control CTN;

10. Execute the actions described by the Bishop on May 8, 2023—Again, the Debtor Plan does exactly those things, as announced on April 28 to parishioners, through agonizing choices that will affect a half-million parishioners.

~~Confirmation of the Debtor's Modified Fourth Amended Plan and~~With the Committee Plan ~~dated March 6 is anticipated to move forward in tandem with a~~formally withdrawn, the confirmation hearing ~~to~~on the Debtor Plan will commence on or about June 15, 2026.

~~**For the avoidance of doubt, the Debtor does not agree to the Committee Plan, opposes it, and will not agree to be bound by the terms of a plan that is not fair and equitable or feasible, cannot be confirmed, and (if it were confirmed over the Debtor's objection) invites inevitable future appeals from both the Debtor and the Insurers**~~.

E. Additional Relevant Events.

i. The Subcon Adversary Proceeding.

As described in the Third Amended Disclosure Statement, on December 11, 2024, the Committee filed a second adversary proceeding against the Debtor, Adventus, RCWC, and RCC seeking (i) declaratory relief that all property of Adventus, RCWC, and RCC is property of the estate and (ii) substantive consolidation of Adventus, RCWC, and RCC into the Debtor's Chapter 11 bankruptcy [Adv. No. 24-04053] (the "Subcon Adversary Proceeding"). On July 25, 2025, the Bankruptcy Court entered its *Order Dismissing First Amended Adversary Complaint* [Dkt. No. 55] dismissing the Subcon Adversary Proceeding with prejudice against refiling. On August 8, 2025, the Committee filed: 1) a motion seeking reconsideration of that dismissal [Dkt. No. 57] to which the Debtor and RCWC objected [Dkt. Nos. 67 and 65, respectively], and 2) an appeal to the District Court for the Northern District of California of the dismissal order. The Bankruptcy Court conducted oral argument on the motion for reconsideration on September 10, 2025.

On March 20, 2026, the Bankruptcy Court denied the motion for reconsideration in an oral ruling. The recording is available at Docket No. 73 in the Subcon Adversary Proceeding.

ii. The Woodall Trial and Verdict.

As the Court conducted hearings and status conferences in March and April 2026, the first of six (6) trials for which the Court lifted the automatic stay last year, proceeded in Alameda County state court alongside multiple mandatory settlement conferences and related proceedings. That case involved the

claims brought by the Committee's chairperson, Steven Woodall (the "Woodall Trial"). On April 22, the jury in the Woodall Trial returned a verdict against the Debtor in the amount of $16 million. According to the Committee, it was this "material and meaningful development" that caused the Committee Withdrawal described above.

ARTICLE VI

SUMMARY OF AMENDMENTS IN THE ~~MODIFIED FOURTH AMENDED~~DEBTOR PLAN

The Debtor submits that the ~~Modified Fourth Amended~~Debtor Plan is in the best interests of all creditors, including Abuse Claimants. The below summary of significant amendments (or the lack thereof) embodied in the current Debtor Plan, the Modified Fourth Amended Plan, as compared to the Third Amended Plan, below is provided for the convenience of all parties. The summary does not describe every element of the ~~Modified Fourth Amended~~Debtor Plan and is not intended as a substitute for a thorough and complete review of the ~~Modified Fourth Amended~~Debtor Plan. This summary is subject to, and is qualified in its entirety by reference to, the full text of the ~~Modified Fourth Amended~~Debtor Plan.

A. The Survivors' Trust

The primary changes with respect to the Survivors' Trust in the ~~Modified Fourth Amended~~Debtor Plan as compared to the Third Amended Plan concern the amount (increased) and timing (accelerated) of contributions thereto, as well as establishment of the RCWC Escrow, which allowed RCWC to increase its voluntary contribution. Additional changes from the ~~Modified Fourth Amended~~Debtor Plan concerning the Restricted Assets Adversary Proceeding and the provision of deeds of trust to the Survivors' Trust securing the Debtor's post-Effective Date contributions, are described in more detail above.

In addition, the ~~Modified Fourth Amended~~Debtor Plan modifies the proposed treatment of Trust Claimants that elect to pursue the Litigation Option. Whereas the Third Amended Plan provided that the Survivors' Trust would reserve any amounts that may ultimately be distributed to Litigation Claimants (meaning such claimants would not receive any distributions until after the resolution of their litigation), the ~~Modified Fourth Amended~~Debtor Plan aligns distributions to Litigation Claimants with Distribution Claimants, such that Litigation Claimants will receive distributions more expeditiously. The main difference between Distribution Claimants and Litigation Claimants in the ~~Modified Fourth Amended~~Debtor Plan is that any distributions made to Distribution Claimants are indefeasible and irrevocable once made, while distributions to Litigation Claimants by the Survivors' Trust may be clawed back based on the outcome of their litigation. For example, if a Litigation Claimant receives a distribution from the Survivors' Trust of $500,000, but the claimant's Abuse Claim is satisfied in full from insurance, the Survivors' Trust shall be entitled to seek recovery from the claimant for the excess amount paid.

Additionally, the ~~Modified Fourth Amended~~Debtor Plan modifies the Immediate Payment Election such that the election shall be made by Abuse Claimants post-confirmation, not through a balloting process. The Survivors' Trustee shall provide a form for the Immediate Payment election that shall include conspicuous language indicating that acceptance of the Immediate Payment and return of the election form constitutes a release of the Debtor, Survivors' Trust, any Settling or Non-Settling Insurers, and RCWC (and the RCWC Escrow) for any amount over and above the Immediate Payment ($50,000).

The ~~Modified Fourth Amended~~Debtor Plan contains no further material changes to provisions relating to the treatment of Abuse Claims and Unknown Abuse Claims. It does, however, establish that any residual amount remaining following the final distribution to Holders of Abuse Claims and Unknown Abuse Claims shall be transferred to a charity to support sexual abuse survivors chosen by the Survivors' Trustee.

B. Settling Insurers

As compared to the Fourth Amended Plan, the ~~Modified Fourth Amended~~Debtor Plan removes prior proposed settlements (totaling $44.3 million) with certain insurers that would contribute funds to the Survivors' Trust on the Effective Date. In other words, as of the date hereof, all of the Insurers are Non-Settling Insurers subject to the Insurance Assignment.

However, if, before Confirmation, an Insurer enters into an Insurance Settlement Agreement with the Debtor under which the Insurer would become a Settling Insurer under the ~~Modified Fourth Amended~~Debtor Plan upon entry of the Confirmation Order, the Debtor shall file with the ~~Modified Fourth Amended~~Debtor Plan Supplement a notice setting forth any additional provisions required by the proposed Settling Insurer, and agreed to by the Debtor, to be made a part of the ~~Modified Fourth Amended~~Debtor Plan. Any such provisions set forth in the ~~Modified Fourth Amended~~Debtor Plan Supplement shall be deemed incorporated into the ~~Modified Fourth Amended~~Debtor Plan. Any Insurer that becomes a Settling Insurer shall receive the treatment as may be provided in any Insurer Settlement Agreement approved by a Final Order.

All other provisions of the Third Amended Plan with respect to (potential) Settling Insurers have not been changed.

C. Non-Settling Insurers

The provisions in the ~~Modified Fourth Amended~~Debtor Plan relating to Non-Settling Insurers have not changed materially from the Third Amended Plan.

D. Means for Implementation of the ~~Modified Fourth Amended~~Debtor Plan

The provisions in Article XII of the ~~Modified Fourth Amended~~Debtor Plan setting forth the means of implementation thereof have not materially changed.

E. Disputed Claims and Claims Distributions

Parties Permitted to Object to Claims

The ~~Modified Fourth Amended~~Debtor Plan provides that after the Effective Date, all parties in interest may object to Abuse Claims to the extent permitted under Section 502(a) of the Bankruptcy Code; provided, however, with respect to Litigation Claimants (Trust Claimants that elect the Litigation Option): (i) any determinations of the dollar amount of liability, and any defense based upon non-bankruptcy law, shall be made in a court of competent jurisdiction as determined under applicable non-bankruptcy law, and (ii) all determinations regarding coverage shall be made in a court of competent jurisdiction or such other venue as the affected parties (including without limitation any Non-Settling Insurer) may agree. Nothing in the ~~Modified Fourth Amended~~Debtor Plan compromises or otherwise affects any defense ~~of~~that the Debtor or a Non-Settling Insurer may raise or assert in response to any Litigation Claimant. The Holder of any Claim to which an objection is made is entitled to assert their defenses to such objection. For the avoidance of doubt, any party in interest may object to Non-Abuse Claims, and the Debtor may file objections to Non-Abuse Claims at any time through the closing of the case.

Time Limits for Objections

Parties in interest may File an objection to any Claim at any time through the closing of the Chapter 11 Case.

Except with respect to the foregoing, all other provisions of the ~~Modified Fourth Amended~~Debtor Plan relating to Disputed Claims and the treatment thereof, including distributions, have not changed from the Third Amended Plan.

F. Effective Date

The provisions in Articles 10 and 13 of the ~~Modified Fourth Amended~~Debtor Plan setting forth the conditions for and effect of the Effective Date of the ~~Modified Fourth Amended~~Debtor Plan have not materially changed from the Third Amended Plan, except that the ~~Modified Fourth Amended~~Debtor Plan no longer provides for third-party releases as part of the Plan (as reflected in Article 13.9 of the Third Amended Plan).

G. Retention of Jurisdiction

Article XV of the ~~Modified Fourth Amended~~Debtor Plan provides that the Bankruptcy Court will retain jurisdiction over the Chapter 11 Case after the Effective Date for all purposes provided by the Bankruptcy Code, including the specific purposes set forth in more detail therein. Generally speaking, these provisions ~~in~~ have not changed from the Third Amended Plan.

H. Tax Consequences of the ~~Modified Fourth Amended~~Debtor Plan

The tax consequences of the ~~Modified Fourth Amended~~Debtor Plan arising from the provisions of the Internal Revenue Code and the Treasury Regulations promulgated thereunder have not changed from the Third Amended Plan. All claimants are advised to refer to Article XV of the Third Amended Disclosure Statement [Dkt. No. 1874] for further discussion.

ARTICLE VII

ALTERNATIVES TO THE ~~MODIFIED FOURTH AMENDED~~DEBTOR PLAN

The ~~Modified Fourth Amended~~Debtor Plan is in the best interests of the Creditors and should be confirmed. If the ~~Modified Fourth Amended~~Debtor Plan as proposed, however, is not confirmed, the following two alternatives shall be available: (a) an alternative plan of reorganization may be proposed and confirmed, or (b) the Chapter 11 Case may be dismissed. As discussed below, two other options, liquidation under chapter 7 and the appointment of a chapter 11 trustee, are not viable alternatives in this Chapter 11 Case.

A. Alternative Plan Pursuant to Chapter 11 of the Bankruptcy Code

As of April 24 with the filing of the Committee Withdrawal, the Committee has indicated it has no further intent to seek confirmation of the Committee Plan or any similar competing plan of reorganization. No other party has indicated an intent to seek confirmation of an alternative plan to the Debtor Plan, meaning no other plan of reorganization will be confirmed in this bankruptcy case. The Debtor Plan is scheduled to proceed to confirmation hearings beginning June 15, less than two months from now.

Even if the Committee reversed course, or another party expressed an interest in filing a plan of reorganization, the Debtor would oppose those efforts. The Debtor believes strongly that the competing plan process in which the parties engaged over the last two months (prior to April 24) already added substantial administrative expense with little, if any, gain. Any similar process in the face of a confirmable Debtor Plan would serve only to destroy value that could otherwise go to Survivors.

If the Modified Fourth Amended Plan is not confirmed, the Committee intends to move forward with imposing the Committee Plan on the Debtor over its objection. Unlike the Committee Plan, the Modified Fourth Amended Plan as proposed has the support of, among other entities, RCWC and the Non-Settling Insurers. Accordingly, the Modified Fourth Amended Plan provides the most favorable outcome for Creditors. A competing plan process will add substantially greater administrative expenses with no guarantee of a better result for Creditors, including Abuse Claimants, destroying value for little gain. For these reasons, the Committee Plan (or any alternative plan of reorganization) is not preferable to the Modified Fourth Amended Plan.

The Committee previously indicated its intent to file a competing plan of reorganization on the premise that having competing plans will drive the parties toward settlement. It then filed the Committee Plan on March 6 as discussed above. This premise is not credible. The Debtor and Committee, among other parties, have engaged in dozens of mediation meetings over the last two years without success. Moreover, the Debtor will oppose any attempt to impose an outcome on it that compromises the Debtor's ministry, exceeds any reasonable bounds of settlement, or seeks retribution against the Debtor.

As described above and as a threshold matter, the Committee Plan is unconfirmable as a matter of law. At base it requires, on the Effective Date: 1) required contributions by the Debtor to the Survivors' Trust totaling $33.1 million, 2) repayment of the proposed $15 million RCC debtor-in-possession financing facility, and 3) additional payments to Class 3 creditors. These uses, totaling approximately $50 million or more, require unrestricted funds that the Debtor does not have.

Regarding the Effective Date contributions to the Survivors' Trust, Committee counsel has admitted that this contribution contemplates use of funds that the Debtor argues are restricted and/or otherwise unavailable for this purpose, meaning that the feasibility of the Committee Plan is predicated on a *positive* (for the Committee) resolution to the Restricted Assets Adversary Proceeding that it now admits is impossible to achieve in this timeframe. In other words, the *very first* required contribution by the Debtor under the Committee Plan will not happen, irrespective of other contributions in the future. Abuse Claimants gain nothing by even considering the Committee Plan as written, especially considering that it assumes complete victory by the Committee in the Restricted Assets Adversary Proceeding, where, *first*, this outcome is extremely unlikely, and *second*, in no event, will that Adversary Proceeding be decided by the Effective Date.

Without additional insight into the hypothetical funding mechanisms under the Committee Plan, it is impossible for the Debtor to be sure of the "how" thereof, much less the "why." However, to the extent that the Committee envisions the Debtor borrowing additional funds from a third-party, this, too, is a non-starter. A lender cannot be forced to lend, and the Debtor's proposed lender, RCC, does not support the Committee's Plan. Moreover, the Modified Fourth Amended Plan, like all of the Debtor's Plans before it, already contemplates borrowing $55 million from RCC (the maximum amount RCC is willing to lend) on terms favorable to the Debtor. After months of analysis and considerable movement from the Original Plan to the Modified Fourth Amended Plan, the Debtor has determined – and will conclusively prove – that the payment schedule in the Modified Fourth Amended Plan is as fast as it can realistically make the contemplated contributions. This is because the necessary funds will come from real estate sales *that have not yet happened*, including sale of the Livermore Property that remains to be re-entitled and developed.

Other potential foundations for the Committee Plan suffer similar defects. For example, the idea that the Debtor can merely take RCWC's funds (even if unrestricted at some point) as it wishes violates both Canon and civil law. The Debtor and RCWC are legally separate entities, and RCWC does not support the Committee's Plan. On July 25, 2025, the Bankruptcy Court entered an order dismissing with prejudice the Committee's adversary proceeding seeking to substantively consolidate RCWC's assets with the Debtor's estate. [(Adv. Proc. 24-04053), Dkt. No. 55.] Additionally, the Committee's *prior* suggestion that the Debtor can simply re-enter the bond market to raise funds ignores a key fact that the Committee

~~knows and relies on in other contexts: the Debtor procured its prior bonds nearly 20 years ago as part of an obligated *group* of entities using the *entire group's* creditworthiness to backstop it. Those same entities—including RCWC, RCC and Adventus, all of which are already contributing massively to the Modified Fourth Amended Plan—will not voluntarily participate in a hypothetical involuntary bond offering now, and the Bankruptcy Court cannot order them to participate.~~

~~Finally, the Committee's proposed Child Protection Protocols are incapable of approval—implicit or otherwise—as a matter of law in that they would require the Debtor to discriminate against individuals based on their religion in the reconstitution of the Minor Diocesan Review Board. As written the Committee's protocols require that a specific individual—the member of law enforcement appointed to the MDRB—be a non-Catholic. This is, in effect, a statement by the Committee that members of law enforcement that *are* Catholic are somehow incapable, untrustworthy, or unhirable. It would require that the Debtor openly discriminate against certain individuals regardless of their skillset, capabilities, or willingness to serve.~~

~~As a more fundamental point, the idea that the Committee can force the Debtor—a religious organization—to adopt internal bylaws or operating protocols to which it does not agree violates Supreme Court precedent, the Constitution of the United States of America, and the Religious Freedom Restoration Act (RFRA) of 1993. The Debtor is willing to adopt some of the most sweeping and forward-looking Child Protection Protocols in the country as evidenced by those attached hereto. Aside from being illegal due to overt discrimination, the Committee's attempt to impose an internal framework the Debtor does not accept is unconstitutional and outside the bounds of what can be achieved through a plan of reorganization.~~

B. Dismissal of the Chapter 11 Case

The Bankruptcy Court provisionally granted the Debtor's *prior* motion to dismiss the Chapter 11 Case, though that dismissal ~~has~~was not ~~been~~ given effect. [Dkt. No. 2467.] If the ~~Modified Fourth Amended~~Debtor Plan is not confirmed, the Debtor has previously stated that it will seek entry of an order dismissing the Chapter 11 Case as of that date. Dismissal of the Chapter 11 Case would have the effect of reverting, or attempting to revert, all parties to the position they were in immediately prior to the Petition Date. This will necessarily result in some Abuse Claimants—including certain members of the Committee—having preferential placement by virtue of having their claims heard first. By contrast, the ~~Modified Fourth Amended~~Debtor Plan sets up a mechanism for all Abuse Claimants to receive substantial payment, if not payment in full, on their respective Claims. It is possible individual members of the Committee prefer a value-destructive dismissal over a value-constructive consensual settlement. In other words, a Committee opposed to the ~~Modified Fourth Amended~~Debtor Plan may not be one representative of, or represented by, parties with the best interests of Abuse Claimants in mind.

Upon dismissal of the Chapter 11 Case, the protection of the Bankruptcy Code would be lost. Expensive, protracted litigation between the Debtor, its Insurers, and individual Abuse Claimants would immediately ensue. In addition to the expense and delay~~—which~~, the Debtor believes this path will lead to an inequitable recovery for Abuse Claimants, with the first Abuse Claimants to obtain and enforce judgments against the Debtor depleting the Debtor's assets and resulting in insufficient assets to satisfy later judgments. Therefore, dismissal of the Debtor's Chapter 11 Case is not a preferable alternative to confirming the ~~Modified Fourth Amended~~Debtor Plan.

With the filing of the Committee Withdrawal, the Committee has officially endorsed dismissal of the Chapter 11 Case over confirmation of *any* plan of reorganization, even its own prior Committee Plan. In other words, according to the Committee, a global resolution of this bankruptcy case through a confirmed plan is not merely impossible but an outcome that is less "fair and equitable" than confirmation of *any* plan.

As described above, Survivors must understand that dismissal would likely eliminate any meaningful recovery for the vast majority of their number. There is nothing equitable about a result that sends more than three hundred people back into the state-court system to wait decades for their share of assets dwindling every time a verdict similar to that in the Woodall Trial is rendered. The only people that benefit from dismissal of the Chapter 11 Case at this point in time are those that can get to trial first, execute any resulting judgments first, and leave nothing for those at the end of the line.

C. Chapter 7 Liquidation Not a Viable Alternative

Pursuant to 11 U.S.C. § 1112(c), if a debtor is "not a moneyed corporation", a debtor's chapter 11 case cannot be converted to a chapter 7 case without the debtor's consent. The Debtor, as a non-profit entity, is not a moneyed corporation, and may not be forced to convert its Chapter 11 Case to a chapter 7 case. Moreover, the Debtor will not consent. Thus, conversion to chapter 7 is not a viable alternative to the ~~Modified Fourth Amended~~Debtor Plan.

D. Appointment of a Chapter 11 Trustee is Not a Viable Alternative

As a result of limitations imposed by the First Amendment to the United States Constitution and the Religious Freedom and Restoration Act, a chapter 11 trustee cannot be appointed to replace Bishop Barber's administration of the Debtor.

ARTICLE VIII

CONFIRMATION OF THE ~~MODIFIED FOURTH AMENDED~~DEBTOR PLAN

A. General Confirmation Requirements

The Bankruptcy Code requires that, in order to confirm the ~~Modified Fourth Amended~~Debtor Plan, the Bankruptcy Court must make a series of findings concerning the ~~Modified Fourth Amended~~Debtor Plan and the Debtor, including that (i) the ~~Modified Fourth Amended~~Debtor Plan classifies Claims in a permissible manner; (ii) the ~~Modified Fourth Amended~~Debtor Plan complies with applicable provisions of the Bankruptcy Code; (iii) the Debtor has complied with applicable provisions of the Bankruptcy Code; (iv) the Debtor ~~propose the Modified Fourth Amended~~proposed the Debtor Plan in good faith and not by any means forbidden by law; (v) the disclosures required by section 1125 of the Bankruptcy Code have been made; (vi) the ~~Modified Fourth Amended~~Debtor Plan has been accepted by the requisite votes of Creditors (except to the extent that cramdown is available under section 1129(b) of the Bankruptcy Code); (vii) the ~~Modified Fourth Amended~~Debtor Plan is feasible and confirmation is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor; (viii) the ~~Modified Fourth Amended~~Debtor Plan is in the "best interests" of all holders of Claims in an Impaired Class by providing to such holders on account of their Claims property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain in a chapter 7 liquidation, unless each holder of a Claim in such Class has accepted the ~~Modified Fourth Amended~~Debtor Plan; and (ix) all U.S. Trustee Fees and expenses payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the Confirmation Hearing, have been paid or the ~~Modified Fourth Amended~~Debtor Plan provides for the payment of such fees on the Effective Date.

B. Confirmation Hearing

The Bankruptcy Code requires the Bankruptcy Court, after notice, to conduct a hearing regarding whether the Debtor and the ~~Modified Fourth Amended~~Debtor Plan have fulfilled the confirmation requirements of section 1129 of the Bankruptcy Code. The Confirmation Hearing has been scheduled ~~for [DATE] at [TIME] a.m.~~to commence on **June 15, 2026 at 9:00 a.m.** **(prevailing Pacific Time)**, before

the Honorable William J. Lafferty III, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Northern District of California, United States Courthouse, 1300 Clay Street, Courtroom 220, Oakland, CA 94612. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement in open court at the Confirmation Hearing of the date to which the Confirmation Hearing has been adjourned.

C. Confirmation

At the Confirmation Hearing, the Bankruptcy Court will confirm the ~~Modified Fourth Amended~~Debtor Plan only if the requirements of section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation are that the ~~Modified Fourth Amended~~Debtor Plan (i) be accepted by the requisite holders of Claims or, if not so accepted, that it be "fair and equitable" and "not discriminate unfairly" as to each non-accepting Class of Claims, (ii) be in the "best interests" of each holder of a Claim that does not vote to accept the ~~Modified Fourth Amended~~Debtor Plan in each Impaired Class under the ~~Modified Fourth Amended~~Debtor Plan, (iii) be feasible, and (iv) comply with the applicable provisions of the Bankruptcy Code. No legal prerequisite exists for approval of a certain class of claimants notwithstanding the provenance of their Claims.

D. Cramdown

The Bankruptcy Code contains provisions for confirming a plan even if the ~~Modified Fourth Amended~~Debtor Plan is not accepted by all impaired classes, as long as at least one impaired class of claims has accepted the ~~Modified Fourth Amended~~Debtor Plan. These so-called "cramdown" provisions are set forth in section 1129(b) of the Bankruptcy Code.

A plan may be confirmed under the cramdown provisions if, in addition to satisfying other requirements of section 1129(a) of the Bankruptcy Code, it (a) "does not discriminate unfairly" and (b) is "fair and equitable," with respect to each class of claims that is impaired under, and has not accepted, the ~~Modified Fourth Amended~~Debtor Plan. As used by the Bankruptcy Code, the phrases "discriminate unfairly" and "fair and equitable" have specific meanings unique to bankruptcy law.

In general, the "fair and equitable" standard, also known as the "absolute priority rule," requires that a dissenting class receive full compensation for its allowed claims before any junior class receives any distribution. More specifically, section 1129(b) of the Bankruptcy Code provides that a plan can be confirmed under that section if: (a) with respect to a secured class (i) the holders of such claims retain the liens securing such claims to the extent of the allowed amount of such claims and that each holder of a claim of such class receive deferred cash payments equaling the allowed amount of such claim as of the ~~Modified Fourth Amended~~Debtor Plan's effective date, or (ii) such holders realize the indubitable equivalent of such claims; (b) with respect to an unsecured claim, either (i) the impaired unsecured creditor must receive property of a value equal to the amount of its allowed claim, or (ii) the holders of claims and interests that are junior to the claims of the dissenting class may not receive any property under the ~~Modified Fourth Amended~~Debtor Plan on account of such junior claim or interest; and (c) with respect to a class of interests, either (i) each holder of an interest of such class must receive or retain on account of such interest property of a value, equal to the greater of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled or the value of such interest, or (ii) the holder of any interest that is junior to the interest of such class may not receive or retain any property on account of such junior interest.

The requirement that a plan not "discriminate unfairly" means, among other things, that a dissenting class must be treated substantially equally with respect to other classes of equal priority.

Given that Class 4 previously voted against the Third Amended Plan at the strong urging of the Committee, and the Debtor has, to date, been unable to reach a consensual resolution of all outstanding

issues with the Committee such that it is likely to alter its recommendation to Abuse Claimants, the Debtor ~~does not believe that re-solicitation of the Modified Fourth Amended Plan will yield a different result notwithstanding the considerable concessions and improvements made herein. Rather, the Debtor~~ assumes that Class 4 would vote against the ~~Modified Fourth Amended~~Debtor Plan in a similar manner, requiring that the Debtor proceed with confirmation of the ~~Modified Fourth Amended~~Debtor Plan via cramdown. The Debtor anticipates that Classes 1, 3, 5, and 6 under the Debtor Plan would vote in favor of it (or have already), making cramdown of the Debtor Plan possible. With respect to Class 4, as outlined above, the Debtor Plan is fair and equitable.

E. Best Interests Test

To confirm a plan, the Bankruptcy Court must independently determine that the ~~Modified Fourth Amended~~Debtor Plan is in the best interests of each holder of a claim in any impaired class who has not voted to accept the ~~Modified Fourth Amended~~Debtor Plan. Accordingly, if an impaired class does not unanimously accept the ~~Modified Fourth Amended~~Debtor Plan, the best interests test requires the Bankruptcy Court to find that the ~~Modified Fourth Amended~~Debtor Plan provides to each member of such impaired class a recovery on account of the class member's claim that has a value, as of the effective date of the ~~Modified Fourth Amended~~Debtor Plan, at least equal to the value of the distribution that each such member would receive if the debtor were liquidated under chapter 7 of the Bankruptcy Code on such date.

A chapter 7 liquidation of its remaining Assets would result in a diminution of the value realized by holders of Claims. That belief is based upon, among other factors: (a) the reduced value of Debtor's remaining Assets in a chapter 7 case; (b) the additional administrative expenses involved in the appointment of a chapter 7 trustee, attorneys, accountants, and other chapter 7 professionals; (c) the substantial time that would elapse before Creditors would receive any Distribution in respect of their Claims, due to a chapter 7 trustee's need to become familiar with the Debtor's books and records and the chapter 7 trustee's administration of the case; (d) the additional Claims that may be asserted against the Debtor, and (e) the lack of contributions from other parties, notably RCWC and Adventus, as well as exit and other financing from RCC in a liquidation scenario.

F. Feasibility

In connection with confirmation of the ~~Modified Fourth Amended~~Debtor Plan, the Bankruptcy Court must determine that the ~~Modified Fourth Amended~~Debtor Plan is feasible pursuant to section 1129(a)(11) of the Bankruptcy Code, which means that the confirmation of the ~~Modified Fourth Amended~~Debtor Plan is not likely to be followed by the need for liquidation or further financial reorganization of the Debtor, except as proposed in the ~~Modified Fourth Amended~~Debtor Plan.

In this case, the Debtor has previously prepared cash flow projections demonstrating that the Debtor, together with the Contributing Non-Debtor Catholic Entities, will be able to fund the Contributing Entities' Cash Contribution, that the Debtor and the Reorganized Debtor will be able to meet their other respective obligations under the ~~Modified Fourth Amended~~Debtor Plan, and that the Reorganized Debtor will have sufficient resources to support ongoing ministries and operations. The cash flow projections demonstrated that the Debtor will be able to fund the ~~Modified Fourth Amended~~Debtor Plan on the Effective Date and that the Reorganized Debtor will be able to make all payments required pursuant to the ~~Modified Fourth Amended~~Debtor Plan so that no further financial restructuring will be necessary. Accordingly, the ~~Modified Fourth Amended~~Debtor Plan satisfies the feasibility test. At or prior to confirmation of the ~~Modified Fourth Amended~~Debtor Plan, the Debtor shall produce revised cash flow projections.

G. Compliance with the Applicable Provisions of the Bankruptcy Code

Section 1129(a)(1) of the Bankruptcy Code requires that the ~~Modified Fourth Amended~~Debtor Plan comply with the applicable provisions of the Bankruptcy Code. The Debtor has considered each of these provisions in the development of the ~~Modified Fourth Amended~~Debtor Plan, and the ~~Modified Fourth Amended~~Debtor Plan complies with all applicable provisions of the Bankruptcy Code.

ARTICLE IX

CONCLUSION

The ~~Modified Fourth Amended~~Debtor Plan is in the best interests of all Creditors. The ~~Modified Fourth Amended~~Debtor Plan as structured allows Creditors to participate in Distributions in excess of those which would otherwise be available were the Chapter 11 Case dismissed and provides an opportunity to maximize insurance recoveries through settlements with the Settling Insurers and post-confirmation litigation of Assigned Insurance Interests against Non-Settling Insurers.

DATED: ~~March 27~~May 1, 2026.

Respectfully submitted,

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Counsel for the Debtor and Debtor in Possession

Exhibit A

~~Exhibit A to~~
~~Disclosure Statement in Support of Debtor's Modified Fourth Amended Plan of Reorganization~~

Summary report: Litera Compare for Word 11.7.0.54 Document comparison done on 5/1/2026 6:05:32 PM	
Style name: BK Pleadings	
Intelligent Table Comparison: Inactive	
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Modified DMS: nd://4929-4663-2869/7/RCBO - First Amended Disclosure Statement for M4AP.docx	
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Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
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