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Special Insurance Counsel for Official Committee of Unsecured Creditors

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

In re: THE ROMAN CATHOLIC BISHOP OF OAKLAND, a California corporation sole, Debtor.	Case No. 23-40523 WJL Chapter 11 Judge: Hon. William J. Lafferty **NOTICE REGARDING SUBMISSION OF REVISED LETTER TO SURVIVORS REGARDING DIOCESE PLAN** [No Hearing Requested]

The Official Committee of Unsecured Creditors (the "**Committee**") of the Roman Catholic Bishop of Oakland (the "**Debtor**") hereby files this notice of submission of its revised letter (the "**Committee Letter**") to survivors of sexual abuse holding class 4 claims under the *Debtor's Modified Fourth Amended Plan of Reorganization Dated March 27, 2026* [Dkt. No. 2758].

The Committee requests that the Committee Letter, attached as **Exhibit A**, be included alongside the *First Amended Disclosure Statement in Support of Debtor's Modified Fourth Amended Plan of Reorganization* [Dkt. No. 2880] and the other documents included in the solicitation packet being served by the Debtor on class 4 claimants. Attached as **Exhibit B** is a

redline showing the changes made to the form of letter filed by the Committee at docket number 2860.

The Committee reserves the right to amend and/or supplement the Committee Letter at any time prior to approval of the documents to be included in the solicitation packet.

Dated: May 6, 2026

LOWENSTEIN SANDLER LLP
BURNS BAIR LLP
KELLER BENVENUTTI KIM LLP

By: */s/ Gabrielle L. Albert*
Tobias S. Keller
Jane Kim
Gabrielle L. Albert

- and -

Jeffrey D. Prol
Brent Weisenberg

- and -

Timothy W. Burns
Jesse J. Bair

Counsel for the Official Committee of Unsecured Creditors

Exhibit A

May 6, 2026

FROM THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF THE ROMAN CATHOLIC BISHOP OF OAKLAND

To: Holders of Sexual Abuse Claims Entitled to Vote on the Fourth Amended Plan of Reorganization in the Bankruptcy Case of The Roman Catholic Bishop of Oakland

THE COMMITTEE RECOMMENDS THAT HOLDERS OF SEXUAL ABUSE CLAIMS VOTE TO REJECT (VOTE AGAINST) THE DIOCESE PLAN

The Official Committee of Unsecured Creditors (the "**Committee**") in the chapter 11 bankruptcy case (this "**Bankruptcy Case**") of the Roman Catholic Bishop of Oakland (the "**Diocese**" or the "**Debtor**") consists of nine survivors of sexual abuse ("**Survivors**") who represent the interests of all Survivors.

You are receiving this letter because the Diocese has filed another Plan of Reorganization (the "**Diocese Plan**"), without the Committee's support, under which it proposes to pay over 375 Survivors just $150 million, with the lion's share of its payment made at the tail end of its 3.5-year payment schedule. Making matters worse, it is likely that the Diocese will not start making its payments for more than 2 years, so the actual payment schedule could extend more than 5.5 years from now.

The Debtor's proposed payment to Survivors is woefully insufficient to fairly compensate Survivors for the trauma they have endured. Although the Debtor seeks to pay Survivors roughly $400,000 per claim, in 2003, this Diocese settled with 54 Survivors for an average recovery of $1.64 million per claim (on an inflation-adjusted basis). And, on April 22, 2026, an Alameda County jury awarded ***$16 million*** in damages to just one Survivor holding a claim against the Diocese.

Although the Debtor argues that it cannot pay Survivors more, it can. The Committee intends to prove at an upcoming trial on the Diocese Plan that $150 million is what the Debtor wants to pay, not what it can or should pay.

The Diocese Plan also allows the Roman Catholic Welfare Corp. ("**RCWC**") to seek releases of more than 100 abuse claims filed against it in exchange for payments totaling $30 million, which would also be paid over a period of years.[1] Although RCWC has committed to pay $30 million, those funds will only be released as Survivors release RCWC from liability. If releases are not granted, RCWC's contribution reverts to RCWC.

The Diocese Plan also permits Survivors to file lawsuits in state court to attempt to recover compensation from insurance companies (the "**Insurers**") that provide insurance coverage for Abuse Claims. The Insurers oppose confirmation of the Diocese Plan and have indicated that they

[1] RCWC is allegedly a separate legal entity that owns and operates Catholic Schools within the Diocese.

will appeal any Order approving the Diocese Plan. Distributions to Survivors will almost certainly be delayed beyond the Debtor's proposed payment schedule while any appeals are being resolved.

The Committee will be filing a motion to dismiss this Chapter 11 Case so that Survivors can pursue their lawsuits in state court before a jury of their peers. The Bankruptcy Court will likely hold a hearing on the Committee's motion at or about the same time that it considers approving the Diocese Plan. It is possible that the Bankruptcy Court will dismiss this Bankruptcy Case if it does not approve the Diocese Plan.

The Debtor's Disclosure Statement, delivered to you with this letter, grossly mischaracterizes your option as a stark choice between the certainty of the Debtor's proposed distribution and the risk of receiving little or nothing. That framing is misleading at best. The Debtor's own arguments make that clear: the Debtor believes 323 of 375 Abuse Claims are insured by policies with no aggregate limits.[2]

The Committee, which consists of 9 Survivors who are obligated to represent your interests and not their own, believes that dismissal of this Bankruptcy Case is in the best interests of all creditors because, among other reasons:

- it is now readily apparent that claims held by Survivors are worth multiples of what the Debtor is willing to pay in this Bankruptcy Case;

- dismissal will permit Survivors to proceed with their lawsuits against the Diocese, RCWC and the Insurers and related parties in state court. Dismissal will eliminate the Insurer's objections to permitting Abuse Claims to proceed in state court;

- the Debtor's arguments that there will likely be little money to pay Survivors whose cases do not proceed first is belied by the Debtor's own admissions. The Debtor argues that only 348 of the 375 Abuse Claims filed against it are valid, and has represented as recently as March 2026 to the United States District Court—which is overseeing litigation against the Insurers—that it believes that 323 of the Abuse Claims filed against it assert abuse during years where the Debtor had insurance coverage; insurance coverage which is not subject to aggregate limits of liability for Abuse Claims—meaning that the Insurers must provide coverage for every claimant whose injuries trigger its coverage;

- the Diocese has steadfastly refused to take any number of the actions in this Chapter 11 Case which would dramatically increase the amount of funds available to Survivors. The Debtor is only proposing to sell assets that the Bishop wants to part with to fund the Diocese Plan. But the Bishop has access to assets worth hundreds

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[2] *See Sixth Amended Complaint for Declaratory Judgment Relief, Breach of Statutory Duty, and Breach of the Implied Covenant of Good Faith and Fair Dealing; Jury Trial Demanded,* Case No. 24-cv-709-JSC, ECF No. 238 (N.D. Cal.) and *Plaintiff's Memorandum of Points and Authorities in Opposition to Insurers' Motion to Strike Sixth Amended Complaint*, Case No. 24-cv-709-JSC, ECF No. 249, at 1 (N.D. Cal.).

of millions dollars that can be used to satisfy judgements obtained by Survivors in their state court lawsuits;

- the Debtor's insurers seek massive "bankruptcy discounts." Dismissal of this Bankruptcy Case will prevent the Insurers from employing many of the strategies they use to tamp down their liability to Survivors and force cheap settlements;

- confirmation of the Diocese Plan will inevitably lead to lengthy appeals, leaving Survivors years away from receiving any payment through this Bankruptcy Case;

- state court actions will continue after this Bankruptcy Case in all events against Debtor affiliate, RCWC, which is unlikely to receive releases under the Diocese Plan;

- RCWC owns millions of dollars in assets, including cash, investments, and unencumbered real estate, that Survivors can recover if they obtain judgments against RCWC in their state court lawsuits; and

- the Debtor's proposed changes to its child protection protocols are too weak. The Committee believes more can and should be done to make certain the horrors of the past do not repeat themselves.

If the Bankruptcy Court decides not to approve the Diocese Plan, the Bankruptcy Court could decide to dismiss the Debtor's Bankruptcy Case. While the Committee has concluded that dismissal is a better alternative than supporting the Diocese Plan, this decision is not without risk. This is a significant decision for Survivors, and the Committee wants you to understand all of the considerations involved.

Why We Believe Dismissal is Preferable to Confirmation of the Diocese Plan

After more than three years in Bankruptcy, the Committee has concluded that the Diocese is simply unwilling to commit a sufficient portion of its resources to compensating Survivors for the pain and suffering that they have endured. The Diocese Plan will pay Survivors a small fraction of what their claims might be worth in state court litigation. Additionally, the bankruptcy process shields the Diocese and related parties from full accountability.

Conversely, dismissal of this Bankruptcy Case will permit Survivors to pursue their claims against the Diocese, its affiliates and its Insurers in state court where a jury of their peers can hear their stories and award damages that fully reflect the harm caused by the abuse they endured. The Committee believes that jury awards and settlement in state court will far exceed the distributions being offered under the Diocese Plan. And there will be funds to pay you. The Debtor has hundreds of millions of dollars in assets and the Insurers must provide coverage for every claimant whose injuries trigger its coverage.

Important Considerations and Risks of Dismissal

While the Committee has concluded that dismissal is a better alternative than approval of the Diocese Plan, we want you to understand the risks and uncertainties involved in pursuing your claim outside of bankruptcy. While the Committee has considered each of these risks and uncertainties and still concluded that dismissal remains a far more fair and equitable resolution of the Bankruptcy Case for Survivors, ***please carefully consider the following and consult with your individual counsel to discuss these risks and any others that he/she may be aware of with your individual case:***

State Court Litigation Can Be Slow and Lengthy

If this Bankruptcy Case is dismissed and you pursue your claim in state court, the litigation process may take years to resolve. State court dockets are often crowded, and cases involving complex issues—like those arising from abuse claims—can involve extensive discovery, motion practice, and potential appeals. You should be prepared for the possibility that your case may not reach resolution for several years after it is filed.

There Is No Guarantee You Will Prevail on Your Claim

Unlike a bankruptcy plan where most Survivors will receive a share of the money the Diocese is proposing to contribute, state court litigation involves inherent uncertainty. The Diocese and the insurers may raise defenses to your claim, including statutes of limitations, lack of evidence, or challenges to the credibility of witnesses. A judge or jury may not find in your favor, and you could recover nothing. Even meritorious claims can be rejected by a jury or dismissed on procedural grounds.

The Diocese May Have Limited Assets

Even if you obtain a judgment in state court, there is no guarantee that sufficient funds will be available to satisfy that judgment. The Diocese argues that it has limited assets, and those assets may be subject to competing claims from other Survivors and creditors. In bankruptcy, some recovery is assured for creditors with allowed claims; outside of bankruptcy, you bear the risk that the Diocese's assets may be insufficient to pay your judgment in full—or at all.

You May Be Competing Against Other Survivors

If this Bankruptcy Case is dismissed, multiple survivors may pursue claims against the Diocese in state court simultaneously. This could result in a "race to the courthouse" where those who obtain judgments first may collect against the Diocese's assets before others have a chance to do so. There may not be enough money to go around, and later-filing or slower-moving claims may find that the Diocese's assets have been depleted by earlier judgments.

Emotional and Psychological Toll

Pursuing a claim through state court litigation can be emotionally and psychologically difficult. You may be required to testify about your abuse, submit to depositions, and have your personal history examined by the Diocese's attorneys. The litigation process can be retraumatizing for survivors.

Costs of Litigation

State court litigation can be expensive. While most attorneys in abuse cases work on a contingency fee basis (meaning you do not pay unless you recover), there may still be costs associated with litigation, such as expert witness fees, court filing fees, and other expenses. You should discuss the financial arrangements with your attorney before proceeding.

Insurance Coverage May Be Limited or Contested

The Diocese has insurance policies that cover abuse claims, but the availability and extent of such coverage will be contested. The Insurers may deny coverage, assert policy limits, or argue that certain claims are excluded.

The Diocese May File for Bankruptcy Again

Even if this Bankruptcy Case is dismissed, there is no guarantee that the Diocese will not file for bankruptcy protection again. If you are in the midst of state court litigation and the Diocese files a new bankruptcy case, your lawsuit may be automatically stayed (paused) by operation of federal bankruptcy law, further delaying your recovery.

Many of you were harmed by some of the most notorious perpetrators in the Church. The Diocese Plan does not begin to fairly compensate Survivors for the years of negligence and the harm the Diocese failed to stop. Accordingly, in furtherance of its fiduciary duties to all Survivors, the Committee believes that rejection of the Diocese Plan and dismissal of this Chapter 11 Case to allow Survivors to pursue their lawsuits in state court is a far more fair and equitable method to resolve Abuse Claims than what is proposed in the Diocese Plan.

If you have any questions about this letter, the Diocese Plan or the voting procedures, please contact Lowenstein Sandler LLP by emailing Jeffrey Prol at jprol@lowenstein.com or Brent Weisenberg at bweisenberg@lowenstein.com.

Very truly yours,

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF THE ROMAN CATHOLIC BISHOP OF OAKLAND

Exhibit B

~~April~~May [●], 2026

FROM THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF THE ROMAN CATHOLIC BISHOP OF OAKLAND

To: Holders of Sexual Abuse Claims Entitled to Vote on the Fourth Amended Plan of Reorganization in the Bankruptcy Case of The Roman Catholic Bishop of Oakland ~~(Chapter 11 Case No. 23-40523 WJL)~~

THE COMMITTEE RECOMMENDS THAT HOLDERS OF SEXUAL ABUSE CLAIMS VOTE TO REJECT (VOTE AGAINST) THE DIOCESE PLAN

The Official Committee of Unsecured Creditors (the "**Committee**") in the chapter 11 bankruptcy case (this "**Bankruptcy Case**") of the Roman Catholic Bishop of Oakland (the "**Diocese**" or the "**Debtor**") consists of nine survivors of sexual abuse ("**Survivors**") who ~~are entrusted with representing~~represent the interests of all Survivors.

~~The~~ You are receiving this letter because the Diocese has filed ~~a~~another Plan of Reorganization (the "**Diocese Plan**~~")~~"), without the Committee's support, under which it proposes to pay over 375 Survivors just $150 million, with the lion's share of its payment ~~being~~ made at the tail end of its 3.5-year payment schedule. Making matters worse, it is likely that the Diocese will not ~~be able to~~ start making its payments for more than ~~two~~2 years, so the actual payment schedule ~~extends~~could extend more than 5.5 years~~.~~ from now.

The Debtor's proposed payment to Survivors ~~averages about $400,000 per Survivor. The Committee believes that this payment~~ is woefully insufficient to fairly compensate Survivors for the ~~terrible~~ trauma they have endured. ~~In comparison~~Although the Debtor seeks to pay Survivors roughly $400,000 per claim, in 2003, ~~the~~this Diocese settled with 54 Survivors for ~~a total~~an average recovery of $~~57.5 million, which averaged $~~1.64 million per claim (on an inflation-adjusted basis~~.~~). And, on April 22, 2026, an Alameda County jury awarded ***$16 million*** in damages to just one Survivor holding a claim against the Diocese.

Although the Debtor argues that it cannot pay Survivors more, it can. The Committee intends to prove at an upcoming trial on the Diocese Plan that $150 million is what the Debtor wants to pay, not what it can or should pay.

The Diocese Plan also allows the Roman Catholic Welfare Corp. ("**RCWC**") to seek releases ~~from approximately 120 Survivor Claims~~of more than 100 abuse claims filed against it in exchange for payments totaling $30 million, which would also be paid over a period of years.[1] ~~RCWC's proposed payment of $250,000 on average per claim filed against it is even lower than what the Diocese is offering.~~ Although RCWC has committed to pay $30 million, those funds will only be released as Survivors release RCWC from liability. If releases are not granted, RCWC's contribution reverts to RCWC.

[1] RCWC is allegedly a separate legal entity that owns and operates Catholic Schools within the Diocese.

The Diocese Plan also permits Survivors to file lawsuits in state court to attempt to recover compensation from insurance companies (the "**Insurers**") that provide insurance coverage for Abuse Claims. The Insurers oppose confirmation of the Diocese Plan and have indicated that they will appeal any Order approving the Diocese Plan. Distributions to Survivors will almost certainly be delayed beyond the Debtor's proposed payment schedule while any appeals are being resolved.

TheBecause the Diocese and RCWC are not offering fair value to Survivors under the Diocese Plan, the Committee recommends that ***Survivors should not support the Diocese Plan and should not agree to grant releases to RCWC***. Rather, the Committee will be filing a motion to dismiss this Chapter 11 Case so that Survivors can pursue their lawsuits in state court before a jury of their peers. The Bankruptcy Court will likely hold a hearing on the Committee's motion at or about the same time that it considers approving the Diocese Plan. It is possible that the Bankruptcy Court will dismiss this Bankruptcy Case if it does not approve the Diocese Plan.

The Debtor should not be permitted to pay Survivors pennies on the dollar for the harm that they have suffered due the Diocese's failure to stop unspeakable physical and emotional harm and trauma inflicted on children. Accordingly, ***the Committee strongly recommends that you vote to REJECT the Diocese Plan****The Debtor's Disclosure Statement, delivered to you with this letter, grossly mischaracterizes your option as a stark choice between the certainty of the Debtor's proposed distribution and the risk of receiving little or nothing. That framing is misleading at best. The Debtor's own arguments make that clear: the Debtor believes 323 of 375 Abuse Claims are insured by policies with no aggregate limits.*[2]

The Committee, which consists of 9 Survivors who are obligated to represent your interests and not their own.

The Committee ***believes that dismissal of this*** Chapter 11***Bankruptcy Case is in the best interests of all creditors because, among other reasons:***

- it is now readily apparent that claims held by Survivors are worth multiples of what the Debtor and its insurers (the "**Insurers**") areis willing to pay in this bankruptcy caseBankruptcy Case;

- dismissal will permit Survivors to proceed with their lawsuits against the Diocese, RCWC and the Insurers and related parties in state court. Dismissal will eliminate the Insurer's objections to permitting Abuse Claims to proceed in state court;

- the Debtor's arguments that there will likely be little money to pay Survivors whose cases do not proceed first is belied by the Debtor's own admissions. The Debtor argues that only 348 of the 375 Abuse Claims filed against it are valid, and has represented as recently as March 2026 to the United States District Court—which is overseeing litigation against the Insurers—that it believes that 323 of the Abuse

[2] *See Sixth Amended Complaint for Declaratory Judgment Relief, Breach of Statutory Duty, and Breach of the Implied Covenant of Good Faith and Fair Dealing; Jury Trial Demanded,* Case No. 24-cv-709-JSC, ECF No. 238 (N.D. Cal.) and *Plaintiff's Memorandum of Points and Authorities in Opposition to Insurers' Motion to Strike Sixth Amended Complaint*, Case No. 24-cv-709-JSC, ECF No. 249, at 1 (N.D. Cal.).

Claims filed against it assert abuse during years where the Debtor had insurance coverage; insurance coverage which is not subject to aggregate limits of liability for Abuse Claims—meaning that the Insurers must provide coverage for every claimant whose injuries trigger its coverage;

- the Diocese has steadfastly refused to take any number of the actions in this Chapter 11 Case which would dramatically increase the amount of funds available to Survivors;

- confirmation of the Diocese Plan will inevitably lead to lengthy appeals, leaving Survivors years away from receiving any payment through this Chapter 11 Case; and

- state court actions will inevitably continue after this Chapter 11 Case in all events against Debtor affiliate, the Roman Catholic Welfare Corporation, which is unlikely to receive releases under the Diocese Plan.

- ***The Diocese and RCWC Can Pay Survivors Substantially More Than What is Proposed in the Diocese Plan.***. The Committee believes the Debtor and RCWC fail to use a large portion of their assets to satisfy Abuse Claims. In fact, the Debtor is only proposing to sell assets that the Bishop says he canwants to part with to fund the Diocese Plan. But the Bishop has access to assets worth hundreds of millions dollars that he can be forced to liquidateused to satisfy judgements obtained by Survivors in their state court lawsuits.;

- ***The***the Debtor's ***Insurers are Seeking Massive Bankruptcy Discounts.*** Throughout this Chapter 11 Case, the Insurers have refused to offer anything close to full value to settle their liability under their policies. Rather, theyinsurers seek massive "bankruptcy discounts." Dismissal of this Chapter 11Bankruptcy Case will prevent the Insurers from employing many of the strategies they use to tamp down their liability to Survivors and force cheap settlements. If this Chapter 11 Case is dismissed, Survivors can sue the Debtor and its Insurers in state court to force them to pay fair value to Survivors. ;

- ***Dismissal Will Allow Survivors to pursue their claims against RCWC in State Court.*** The Committee urges Survivors not to grant RCWC a release because its proposed payment dramatically undervalues its liability. confirmation of the Diocese Plan will inevitably lead to lengthy appeals, leaving Survivors years away from receiving any payment through this Bankruptcy Case;

- state court actions will continue after this Bankruptcy Case in all events against Debtor affiliate, RCWC, which is unlikely to receive releases under the Diocese Plan;

- RCWC owns millions of dollars in assets, including cash, investments, and unencumbered real estate, that Survivors can recover if they obtain judgments against RCWC in their state court lawsuits.; and

- ***The***the Debtor's proposed ***Child Protection Protocols are Too Weak.*** While the Diocese Plan provides for certain changes to its child protection protocols, are too weak. The Committee believes more can and should be done to make certain the horrors of the past do not repeat themselves.

If the Bankruptcy Court decides not to approve the Diocese Plan, the Bankruptcy Court could decide to dismiss the Debtor's proposal to retain a Compliance Monitor for a limited five-year term fundamentally misunderstands the nature and scope of the reformsBankruptcy Case. While the Committee has concluded that are necessary to protect children from predatory priestsdismissal is a better alternative than supporting the Diocese Plan, this decision is not without risk. This is a significant decision for Survivors, and the Committee wants you to understand all of the considerations involved.

Why We Believe Dismissal is Preferable to Confirmation of the Diocese Plan

After more than three years in the future. In addition, the Debtor's proposalBankruptcy, the Committee has concluded that the power and authority to investigate abuse revert to the Bishop once the Compliance Monitor's term ends ignores the fundamental structural conflict of interestDiocese is simply unwilling to commit a sufficient portion of its resources to compensating Survivors for the pain and suffering that required independent oversightthey have endured. The Diocese Plan will pay Survivors a small fraction of what their claims might be worth in the state court litigation. Additionally, the bankruptcy process shields the Diocese and related parties from full accountability.

Conversely, dismissal of this Bankruptcy Case will permit Survivors to pursue their claims against the Diocese, its affiliates and its Insurers in state court where a jury of their peers can hear their stories and award damages that fully reflect the harm caused by the abuse they endured. The Committee believes that jury awards and settlement in state court will far exceed the distributions being offered under the Diocese Plan. And there will be funds to pay you. The Debtor has hundreds of millions of dollars in assets and the Insurers must provide coverage for every claimant whose injuries trigger its coverage.

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While the Committee has concluded that dismissal is a better alternative than approval of the Diocese Plan, we want you to understand the risks and uncertainties involved in pursuing your claim outside of bankruptcy. While the Committee has considered each of these risks and uncertainties and still concluded that dismissal remains a far more fair and equitable resolution of the Bankruptcy Case for Survivors, ***please carefully consider the following and consult with your***

individual counsel to discuss these risks and any others that he/she may be aware of with your individual case:

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If this Bankruptcy Case is dismissed and you pursue your claim in state court, the litigation process may take years to resolve. State court dockets are often crowded, and cases involving complex issues—like those arising from abuse claims—can involve extensive discovery, motion practice, and potential appeals. You should be prepared for the possibility that your case may not reach resolution for several years after it is filed.

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Very truly yours,

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF THE ROMAN CATHOLIC BISHOP OF OAKLAND