Entered on Docket
Docket #3486 Date Filed: 09/09/2026
EDWARD J. EMMONS, CLERK
U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

The following constitutes the order of the Court.
Signed: September 9, 2026

William J. Lafferty, III
U.S. Bankruptcy Judge

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 **Hearing Scheduled** Date: September 16, 2026 Time: 1:30 p.m. Location: 1300 Clay St., Ctrm 220/ Zoom, Oakland, CA 94612

MEMORANDUM BEFORE CLOSING ARGUMENTS

In preparation for the closing arguments on the contested confirmation of the Debtor's Fourth Amended Plan of Reorganization (the "Plan"), scheduled for September 16, 2026, the Court and chambers have been reviewing the post-trial briefings in an effort to identify areas of continuing dispute between the Debtor, the Committee, and the insurance companies that have filed objections to the Plan (for convenience, the "Insurers") better to understand the factual and legal bases for the issues presented. Mindful that the closing arguments will provide an opportunity to discuss these important topics, the Court would appreciate the parties addressing the following issues during closing arguments.

FOR ALL PARTIES, please be prepared to address and discuss the following matters:

1. The status of any post-trial discussions regarding an overall settlement of disputes

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concerning confirmation of the Plan;

2. The status of any post-trial discussions concerning agreements, updates, and accommodations regarding language in the Plan or the proposed Confirmation Order;
3. Any issues raised in the last round of briefing which the parties believe they have not yet had the opportunity to address;
4. Which issues, if any, that the parties believe should not or cannot be resolved by the Court in the context of ruling on confirmation of the Debtor's Plan;
5. How the Court may proceed post-closing arguments.

FOR THE DEBTOR, please be prepared to address and discuss the following matters:

1. In detail, whether the Roman Catholic Cemeteries of the Diocese of Oakland ("RCC") is an affiliate of the Debtor;

   For example, is it correct that the lease agreements between the Debtor and RCC are the only such agreements to which RCC is a party?;
2. The appropriate bases for delays in payments to Class 3 Claimants;
3. With specificity, please address the Committee's assertion that there is a $53 million "gap" between the value of Diocesan properties to be made available to make post-Effective Date payments to the Survivors' Trust and the Debtor's obligation to pay $110 million to the Survivors' Trust;
4. The applicability of the Religious Freedom and Restoration Act ("RFRA") to the Debtor's obligations under the Plan;

   In particular, which entity is the governmental actor under RFRA for purposes of assessing the application of that statute?
5. The relevance of the Church Autonomy Doctrine to the Debtor's obligations under the Plan;
6. The alleged inconsistencies in the Plan asserted by the Insurers concerning the allocation of responsibilities for fulfilling the insured's obligations under the Debtor's insurance policies post-Effective Date, and the responsibilities for payment of claims that may be asserted by the Non-settling Insurers post-Effective Date.

FOR THE COMMITTEE, please be prepared to address and discuss the following matters:

1. Putting aside for discussion purposes the relevance of Chapter 9 cases to the question, the Committee's view of the standard that should be applied to determine whether the Plan provides fair and equitable treatment to Abuse Survivors rejecting the Plan.

FOR THE INSURERS, please be prepared to address and discuss the following matters:

1. If the parties agree with the general proposition that a plan should be neutral as to insurance, which issues must be determined at confirmation and which issues are not yet ripe for discussion;
2. Assuming that the Debtor is proceeding to assign rights under insurance policies, is it necessary to determine as a function of confirmation whether the Debtor is also disposing of or allocating responsibility for obligations under the insurance policies;

   In other words, if the Court's reference on this point is Judge Goldblatt's decision in *In re AIO US, Inc.*, 677 B.R. 509 (Bankr. D. Del. 2025), is the question whether the obligations are transferred or assumed, or rather whether if the obligations are not performed, the Insurers will retain a defense to their performance?
3. If the Insurers are claiming that the Survivors' Trust and its Trustee are "conflicted" by reason of (A) their participation in the prosecution of litigation claims in which the Insurers may have financial responsibility (e.g., the Coverage Litigation) and (B) their assumption, at least in part, of the insured's obligation to assist in defense of Abuse Claims, how the Insurers believe that this issue may be addressed;

   Additionally, wouldn't the Debtor at least potentially be in exactly the same position with respect to such claims absent a bankruptcy case?
4. Whether the Plan can under no circumstances allow Non-settling Insurers' claims for contribution, indemnity and reimbursement to be channeled to the Survivors' Trust, or whether the provisions in the Plan and the Trust Agreement (and other applicable documents) simply need to be clarified or expanded to make them satisfactory;

   More specifically, the Insurers complain that the channeling injunction in the

Plan violates the Supreme Court's ruling in *Harrington v. Purdue Pharma L.P.*, 603 U.S. 204 (2024) that the Bankruptcy Code does not authorize a plan of reorganization's nonconsensual release of claims against non-debtor parties. But the Insurers also argue that (A) neither the Plan nor the documents governing the Survivors' Trust appear to permit payment of claims asserted by Non-settling Insurers against third parties, or the Debtor or successors, or contain a mechanism for such payment, and (B) that the provisions of the judgment reduction mechanism are otherwise inadequate. Please clarify the focus and the extent of the Insurers' objection on this point.

5. How the delayed discharge in the Plan with respect to Abuse Claims would actually prejudice the rights of Non-settling Insurers;
6. How the features of the Survivors' Trust's treatment of claims under the Litigation Option of which the Insurers are complaining, including Litigation Enhancements and the ability to rescind a litigation option decision up until the issuance of a judgment, would actually prejudice the rights of the Insurers;
7. The basis for any argument that the Insurers should have the right generally to participate in the post-Effective Date claims evaluation and objection process as governed by the rules establishing the Survivors' Trust, in light of Judge Tchaikovsky's decision in *In re Western Asbestos*, 313, B.R. 832 (Bankr. N.D.Cal. 2003);
8. The relevance, if any, of the Supreme Court's decision in *Truck Insurance Exchange v. Kaiser Gypsum Co.*, 602 U.S. 268 (2024) to the question of the Insurers' rights to participate in post-effective date claim objections.

The Court allocates forty-five minutes each to the Debtor, the Committee and the Insurers (as a group) for oral argument on September 16. In addition, if the Office of the United States Trustee ("UST") wishes also to participate in closing arguments, the Court will allocate 10 minutes for the UST and 5 minutes for the Debtor to reply to the UST's argument.

****END OF MEMORANDUM****

COURT SERVICE LIST

None.