

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF WISCONSIN**

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**In re:**

**ARCHDIOCESE OF MILWAUKEE,**

**Debtor.**

**Case No. 11-20059-svk**

**Chapter 11**

**Hon. Susan V. Kelley**

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**DEBTOR'S MOTION FOR EXPEDITED HEARING AND LIMITED NOTICE ON  
FIRST DAY MOTIONS**

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Archdiocese of Milwaukee, debtor and debtor-in-possession (the "Debtor" or "Archdiocese"), hereby submits this Motion (the "Motion") for the entry of an order for an expedited hearing and limited notice of this Motion and the following first day motions (collectively, the "First Day Motions"):

- A. Motion for Order Authorizing (A) Maintenance of Existing Bank Accounts, (B) Continued Use of Ordinary Course Accounting Policies and Practices and (C) Continued Use of Existing Checks and Business Forms;
- B. Motion for an Order Authorizing, But Not Directing Debtor To (1) Pay Prepetition Employee Compensation, (2) Pay Outstanding Paychecks, (3) Make Payments for Which Payroll Deductions Were Made, (4) Reimburse Employees for Certain Prepetition Business Expenses, (5) Pay Amounts Withheld For Taxes, and (6) Pay All Taxes and Costs Incident to the Forgoing Payments and Contributions;
- C. Debtor's Motion for an Order Authorizing, But Not Directing, Debtor to Continue Its Participation in the Multi-Employer Partially-Insured Health Insurance Program;
- D. Motion of Debtor for an Order Establishing Case Management and Scheduling Procedures;

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- E. Motion for Entry of Order Authorizing Debtor to Employ and Retain Kurtzman Carson Consultants, LLC (“KCC”) as Notice, Plan, Solicitation, and Balloting Agent Pursuant to 28 U.S.C. § 156(c) and Fed. R. Bankr. P. 2002.
- F. Motion for Entry of an Order Granting the Debtor Additional Time to File Schedules and Statements.

In support of its Motion, Debtor respectfully states as follows:

### **Jurisdiction**

1. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of this proceeding is proper in this District and before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory bases for the relief sought herein is section 102(1) of Title 11 of the United States Code (the “Bankruptcy Code”) and Rules 9006(c)(1) and 9007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

### **Background**

3. On January 4, 2011 (the “Petition Date”), the Debtor commenced its reorganization case (the “Reorganization Case”) by filing a voluntary petition for relief under the Bankruptcy Code.

4. The Debtor is continuing in possession of its property and is operating and managing its business, as a debtor in possession, pursuant to §§ 1107 and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or an examiner, and no official committee has been established.

5. For a description of the Archdiocese and its operations, the Debtor respectfully refers the Court and the parties in interest to the *Description of Debtor and Pre-filing History*

*Affidavit of John J. Marek* (the “Marek History Affidavit”) and the *Affidavit of John J. Marek in Support of First Day Pleadings* (the “Marek First Day Affidavit”), both filed contemporaneously herewith, and incorporated herein by reference.

### **Relief Requested**

The Debtor requests an expedited hearing on the First Day Motions. The grounds for relief are as follows:

**A. Motion for Order Authorizing (A) Maintenance of Existing Bank Accounts, (B) Continued Use of Ordinary Course Accounting Policies and Practices and (C) Continued Use of Existing Checks and Business Forms.**

6. By this motion, the Debtor requests an immediate hearing concerning the authorization to (1) maintain its existing bank accounts, (2) continue its ordinary course accounting policies and practices, and (3) continue its use of existing checks and business forms. To successfully operate, pay and payroll and process and manage its funds, the Debtor must have operating bank accounts and cannot wait until later in the Reorganization Case to have a place to deposit money and pay for necessary goods and services. As a result, expedited relief is appropriate.

**B. Debtor’s Motion for an Order Authorizing, But Not Directing Debtor To (1) Pay Prepetition Employee Compensation, (2) Pay Outstanding Paychecks, (3) Make Payments for Which Payroll Deductions Were Made, (4) Reimburse Employees For Certain Prepetition Business Expenses, (5) Pay Amounts Withheld for Taxes, and (6) Pay All Taxes and Costs Incident to the Forgoing Payments and Contributions.**

7. By this motion, the Debtor requests authorization to pay several types of employee compensation and employer expenses and to honor certain related obligations incurred prior to the Petition Date. Employees’ skills and their specialized knowledge and understanding of the Debtor’s mission and operations are essential to the administration of this Reorganization

Case, the preservation of the Debtor's assets, and the Debtor's ability to consummate a successful reorganization. An immediate hearing concerning the Debtor's authority to pay several types of employee compensation and employer expenses is necessary to avoid the disruption and potential loss of employee loyalty that would result from either failure to pay, or uncertainty concerning the payment of employee compensation and employer expenses.

Therefore, expedited relief is appropriate.

**C. Debtor's Motion for an Order Authorizing, But Not Directing, Debtor to Continue Its Participation in the Multi-Employer Partially-Insured Health Insurance Program.**

8. As of the Petition Date, Debtor is the sponsoring employer and a Participating Employer in the multiple-employer St. Raphael Health Plan. The St. Raphael Health Plan is a partially-insured health plan for the exclusive benefit of the employees of the Participating Employers, their spouses and dependants, and is administered by UnitedHealthcare. Employees are rightly concerned that they may not be covered if they need to access healthcare. Without relief, providers may be uncertain whether to provide services. Debtor requests an immediate hearing concerning the Debtor's authorization to continue its participation in the St. Raphael Health Plan and to pay any monthly premiums and costs incident to plan participation as is necessary to avoid the disruption and potential loss of employee loyalty that would result from either failure to pay, or uncertainty concerning the payment of health benefits. Therefore, expedited relief is appropriate.

**D. Motion of Debtor for an Order Establishing Case Management and Scheduling Procedures.**

9. The Debtor submits the proposed Case Management Procedures to save significant time and expense for the Court, the Debtor's estate and all parties in interest. Notices

which would be sent by the noticing agent need to be sent promptly and services are needed by the Debtor on an immediate basis. Due to the substantial number of parties in interest expected to be involved in the Reorganization Case, and for the sake of expediency and efficiency, the Debtor requests that an immediate hearing is held to approve the proposed Case Management Procedures. Therefore, expedited relief is appropriate.

**E. Motion for Entry of Order Authorizing Debtor to Employ and Retain Kurtzman Carson Consultants, LLC as Notice, Plan, Solicitation, and Balloting Agent Pursuant to 28 U.S.C. § 156(c) and Fed. R. Bankr. P. 2002.**

10. The Debtor requests an immediate hearing concerning the employment and retention of Kurtzman Carson Consultants LLC ("KCC") as notice, plan solicitation, and balloting agent to the Debtor. Due to the substantial number of potential creditors or parties in interest expected to be involved in the Reorganization Case, Debtor believes that the retention of KCC as the notice, plan solicitation, and balloting agent in the Reorganization Case is in the best interest of the Debtor, its estates and its creditors. Further, KCC's services are most critical at the commencement of the Reorganization Case. Therefore, expedited relief is appropriate.

**F. Motion for Entry of an Order Granting the Debtor Additional Time to File Schedules and Statements.**

The Debtor requests the Court allow it to file its Statements and Schedules on or before February 8, 2011. This represents a twenty (20) day extension of the fourteen (14) days that is afforded under section 521 of the Bankruptcy Code and Bankruptcy Rule 1007 for a debtor to file its Statements and Schedules. The complexity of the Debtor's financial affairs coupled with the Debtor's small staff makes the requested extension necessary. Expedited relief is required because the Debtor must be able to determine if an extension of time will be granted prior to the expiration of the deadline established by section Bankruptcy Code and Bankruptcy Rules.

**Reservation**

11. The Debtor does not intend to file a brief in connection with this Motion, but reserves the right to file responsive briefs, if necessary, to any objections.

**Notice**

12. Notice of this Motion will be provided via electronic mail, or facsimile, to the parties or their counsel identified on the attached Notice List. Given the nature of the relief requested herein, Debtor submits that no other notice is necessary and asks the Court, pursuant to Bankruptcy Rule 9007, to approve the same.

WHEREFORE, the Debtor respectfully requests that the court enter an order (i) granting the relief requested herein, and (ii) granting such other relief as the Court deems just and proper.

Dated the 4th day of January, 2011.

ARCHDIOCESE OF MILWAUKEE  
Debtor and Debtor-in-Possession  
by its counsel,  
Whyte Hirschboeck Dudek S.C.

By: /s/ Daryl L. Diesing

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**NOTICE LIST**

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<p><i>Office of the United States Trustee</i>          U.S. Trustee's Office          517 E. Wisconsin Ave., Room 430          Milwaukee, WI 53202          Attn: David W. Asbach          Phone: 414-297-4480          Facsimile: 414-297-4478          Email: <a href="mailto:dave.w.asbach@usdoj.gov">dave.w.asbach@usdoj.gov</a>  <a href="mailto:debra.schneider@usdoj.gov">debra.schneider@usdoj.gov</a></p>	<p><i>Special Counsel to the Debtor and Debtor in Possession:</i>          Quarles &amp; Brady LLC          411 E. Wisconsin Ave., Suite 2040          Milwaukee, WI 53202          Phone: 414-277-5000          Facsimile: 414-271-3552          Email: <a href="mailto:jar@quarles.com">jar@quarles.com</a>  <a href="mailto:dpm@quarles.com">dpm@quarles.com</a></p>
<p><i>Debtor's Notice and Claims Agent:</i>          Kurtzman Carson Consultants LLC          2335 Alaska Ave.          Los Angeles, CA 90245          Attn: Travis Vandell          Phone: 310-823-9000          Facsimile: 310-751-1559          Email: <a href="mailto:tvandell@kccllc.com">tvandell@kccllc.com</a></p>	<p><i>Counsel to Certain Creditors listed on Debtor's 20 Largest:</i>          Jeff Anderson &amp; Associates P.A.          366 Jackson St., Ste 100          St. Paul, MN 55101          Attn: Jeff Anderson          Phone : 651-227-9990          Facsimile : 651-297-6543          Email: <a href="mailto:jeff@andersonadvocates.com">jeff@andersonadvocates.com</a></p>
<p><i>Counsel to Secured Lender, Park Bank:</i>          Joseph E. Fenzel S.C.          757 N. Broadway, Ste 600          Milwaukee, WI 53202-3612          Phone : 414-224-1601          Facsimile: 414-224-1602          Email: <a href="mailto:jfenzel@fenzellaw.com">jfenzel@fenzellaw.com</a></p>	<p>Archdiocese of Milwaukee Priests Retiree Pension Plan          Attn: John Marek          3501 S. Lake Dr.          Milwaukee, WI 53207-0912          Phone: 414-769-3334          Facsimile: 414-769-3408 fax          Email: <a href="mailto:marekj@archmil.org">marekj@archmil.org</a></p>

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<p>Archdiocese of Milwaukee Priests' Pension Plan  Attn: John Marek  3501 S. Lake Dr.  Milwaukee, WI 53207-0912  Phone: 414-769-3334  Facsimile: 414-769-3408  Email: <a href="mailto:marekj@archmil.org">marekj@archmil.org</a></p>	<p>M.H.S. Inc.  Attn: Richard J. Anderson, III  742 W. Capitol Dr.  Milwaukee, WI 53206-3327  Phone: 414-264-5440  Facsimile: 414-264-0672  Email: <a href="mailto:randerson@messmerhigh.com">randerson@messmerhigh.com</a></p>
<p>Mr. Val Thomas  IRS, Central Insolvency Unit  545 Zor Shrine Pl, Stop 5301 MSN  Madison, WI 53719  Phone: 608-829-8127  Facsimile:</p>	<p>Wisconsin Department of Revenue  Special Procedures Unit  PO Box 8901  Madison, WI 53708-8901  Attn: Hiram F. Cutting  Phone: 608-266-2772  Facsimile: 608-267-1037  Email: <a href="mailto:hirma.cutting@revenue.wi.gov">hirma.cutting@revenue.wi.gov</a></p> <p>2135 Rimrock Road 5-SPU  Madison, WI 53713</p>
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<p><i>Counsel to Any Official Committee(s):</i>  To be included after such committee is appointed and counsel is retained</p>	<p>Milwaukee Laborer's Local 113  Attn: Anthony Niera, Business Manager  6310 W. Appleton Ave.  Milwaukee, WI 53210  Phone: 414-873-4520  Facsimile: 414-873-5155  Email: <a href="mailto:contactus@milwlaborers113.org">contactus@milwlaborers113.org</a></p>



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**THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF WISCONSIN**

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**In re:**

**ARCHDIOCESE OF MILWAUKEE,**

**Debtor.**

**Case No. 11-20059-svk**

**Chapter 11**

**Hon. Susan V. Kelley**

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**ORDER GRANTING DEBTOR'S MOTION FOR EXPEDITED HEARING AND  
LIMITED NOTICE ON FIRST DAY MOTIONS**

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Upon the motion, (the "Motion") of the above-captioned Debtor, for entry of an order ("Order") under section 102(1) of Title 11 of the United States Code (the "Bankruptcy Code") and Rules 9006(c)(1) and 9007 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy

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Rules”) authorizing an expedited hearing and limited notice of this motion and the following motions (collective, the “First Day Motions”):

1. Motion for Expedited Hearing and Limited Notice on First Day Motions;
2. Motion for Order Authorizing (A) Maintenance of Existing Bank Accounts, (B) Continued Use of Ordinary Course Accounting Policies and Practices and (C) Continued Use of Existing Checks and Business Forms;
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5. Motion for Entry of an Order Granting the Debtor Additional Time to File Schedules and Statements
6. Motion of Debtor for an Order Establishing Case Management and Scheduling Procedures;
7. Motion for Entry of Order Authorizing Debtor to Employ and Retain Kurtzman Carson Consultants, LLC (“KCC”) as Notice, Plan, solicitation, and Balloting Agent Pursuant to 28 U.S.C. § 156(c) and Fed. R. Bankr. P. 2002.

The Court having determined that the relief requested in the Motion is in the best interests of the Debtor, its estate, creditors and other parties-in-interest; and it appearing that notice of the Motion was good and sufficient under the circumstances and that no other or further notice need be given; and upon the record; and after due deliberation thereon; and good and sufficient cause appearing therefore;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The Debtors have shown cause for hearing the First Day Motions on an expedited basis.

WHD/7577113.1

3. The request for limited notice as requested in the Motion is hereby granted.
4. The requested hearing on the First Day Motions at 2:30 p.m. January 5, 2011 is approved.

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