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

**DECLARATION OF PAUL BONGIOVANNI
IN SUPPORT OF DEBTOR'S THIRD
MOTION FOR ORDER EXTENDING
EXCLUSIVE PERIODS FOR THE DEBTOR
TO FILE AND SOLICIT ACCEPTANCE OF
A CHAPTER 11 PLAN**

Judge: Hon. William J. Lafferty

Date: April 26, 2024

Time: 10:00 a.m.

Place: United States Bankruptcy Court

1300 Clay Street

Courtroom 220

Oakland, CA 94612

1 I, Paul Bongiovanni, hereby declare as follows:

2 1. I was the chief financial officer of the Roman Catholic Bishop of Oakland (“the Debtor”)
3 until my retirement as of March 31, 2024, and I continue to support the Debtor in a part-time capacity
4 going forward. I make this declaration in support of the *Debtor’s Third Motion for Order Extending*
5 *Exclusive Periods For The Debtor To File and Solicit Acceptance of a Chapter 11 Plan*, filed concurrently
6 herewith (the “Motion”).¹

7 2. I am familiar with the Debtor’s day-to-day operations, financial affairs, and books and
8 records. Except as otherwise noted, all facts set forth in this Declaration are based upon my personal
9 knowledge. If called upon to testify, I could and would testify competently to the facts set forth herein.

10 3. After the initial period of the case and resolution of the First Day Motions, as described in
11 the Motion, the Debtor’s efforts focused on the bar date and claims process, litigating the Insurance
12 Adversary Proceedings, and simultaneously engaging in discussions, and now mediation, with the
13 Committee and Insurers toward a negotiated resolution of issues in the case and a consensual plan.

14 4. Following the September 11, 2023, bar date for filing proofs of claim, the Debtor and its
15 professionals began the process of analyzing the filed claims, with the assistance of KCC and its other
16 professionals. A total of approximately 556 proofs of claim were submitted. Of these, approximately 418
17 allege claims related to sexual abuse. The Debtor has identified a small number of duplicate claims, and
18 based on the Debtor’s initial review, it appears there are approximately 386 non-duplicate sexual abuse
19 claims. There are a very small number of non-abuse tort claims. The remaining claims are primarily
20 commercial vendor claims. Based on the Debtor and KCC’s initial review, approximately 353 (or
21 approximately ninety percent) of the unique sexual abuse claims included some form of the optional
22 supplement along with the Form 410 official proof of claim form.

23 5. As a part of A&M’s work as restructuring advisor to the Debtor, it has engaged in a
24 valuation analysis of the sexual abuse claims for purposes of mediation with the Committee.

25 6. The insurance policies providing coverage for sexual abuse claims, maintained by the
26 Debtor over a period of several decades, are an essential asset of the estate. Treatment of this coverage is

27
28 ¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Motion.

1 a critical part of any plan of reorganization. Any proceeds the Debtor wins in a judgment in the Insurance
2 Adversary Proceedings, or obtains through a negotiated resolution, will infuse the estate with unrestricted
3 cash assets, which can be used to, among other things, contribute to unsecured creditor recoveries.

4 7. The Debtor and the Committee have continued to engage constructively with each other
5 regarding the exchange of information and production of documents. Counsel for the Debtor, the Debtor's
6 financial consultant A&M, counsel for the Committee, and the Committee's financial consultant BRG,
7 have continued discussion in connection with document production by the Debtor in response to the
8 extensive information requests made by the Committee in conducting its due diligence. The Debtor has
9 produced thousands of documents to the Committee.

10 8. It is my understanding that counsel for the Debtor has participated in meetings with counsel
11 for the Insurers, as well as special insurance counsel for the Committee.

12 9. It is also my understanding that the Debtor has now produced to every Insurer that signed
13 the required confidentiality agreements all documents related to abuse claims that were previously
14 produced to the Committee. Likewise, it is my understanding that the Debtor has provided the proofs of
15 claim to every Insurer that has complied with the relevant confidentiality provisions of the Bar Date Order.

16 10. The Debtor's objective in this Chapter 11 Case is to achieve confirmation of a plan of
17 reorganization that will (a) ensure a fair and equitable outcome for victim-survivors of sexual abuse, and
18 (b) allow the Debtor to stabilize its finances, continue its mission to serve the needs of the faithful within
19 the Diocese of Oakland, and continue to provide services to underserved people and groups in the East
20 Bay.

21 11. The Committee and the Debtor have each met individually with mediators Judge Sontchi
22 and Jeff Krivis, have exchanged initial proposals, and have participated in the first round of joint mediation
23 on March 18 and 19, 2024. While the Debtor is committed to the mediation process and is optimistic that
24 it will ultimately lead to a consensual plan of reorganization between the Debtor and Committee, there are
25 many complex and difficult issues to work through, and mediation will take multiple months. Further
26 joint mediation sessions with the Committee are currently scheduled for April, May, and June, 2024.

1 12. The Debtor is also making progress toward mediation with the Insurers. I understand the
2 Debtor's attorneys have met individually with mediators Judge Newsome and Tim Gallagher in respect
3 of the mediation related to the Insurance Adversary Proceeding. It is anticipated that initial joint mediation
4 sessions with the Insurers will begin in the coming few weeks.

5 13. The complexity and distinct nature of the Debtor's operations requires additional time for
6 formulation of a plan. The Debtor provides central services to the Churches serving the 82 parishes and
7 missions of the Diocese of Oakland and, also, to the Non-Debtor Catholic Entities (as defined in the First
8 Day Declaration). The Debtor also must adhere to Canon Law in addition to its civil law obligations, a
9 consideration secular, corporate debtors do not have. Finally, the Debtor's mission is unique in its focus:
10 celebration of the sacraments, provision of pastoral services, performance of works of mercy, and outreach
11 to and support of the faithful and the poor within the Diocese of Oakland. These ministries are the
12 Debtor's foundation. The Debtor requires additional time to evaluate the impact of potential plan options
13 on these elements of its mission.

14 14. Since the Petition Date, the Debtor has paid its employees, vendors, utilities providers, the
15 U.S. Trustee, and other post-petition expenses in the ordinary course of business or as otherwise provided
16 by Court order. The Debtor has paid the administrative expenses for professional fees in the Chapter 11
17 Case pursuant to the interim compensation procedures order, and the orders approving the first and second
18 rounds of interim fee applications. The Debtor has the current financial resources to continue to pay its
19 bills as they come due and will continue to do so.

20 15. The Debtor continues to have the means and ability to propose a viable plan. The Debtor
21 is committed to proposing a plan that is both fair and equitable to victim-survivors of sexual abuse and
22 allows the Debtor to continue its mission. The Debtor requires additional time to evaluate options and
23 negotiate a plan through the mediation process, which is still in its early stages.

1 I declare under penalty of perjury under the laws of the United States of America the foregoing is
2 true and correct to the best of my information, knowledge, and belief.

3 Executed on April 5, 2024, at Oakland, California.

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5 /s/ Paul Bongiovanni
6 Paul Bongiovanni
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