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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 MOTION FOR
A SUPPLEMENTAL ORDER INCREASING
THE MONTHLY CAPS AUTHORIZED
UNDER THE COURT'S PREVIOUS
ORDER (I) AUTHORIZING THE
RETENTION AND PAYMENT, EFFECTIVE
AS OF THE PETITION DATE, OF
PROFESSIONALS UTILIZED BY THE
DEBTOR IN THE ORDINARY COURSE OF
BUSINESS AND (II) GRANTING RELATED
RELIEF**

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 on March 31, 2024, and I continue to support the Debtor in a part-time capacity going
4 forward. I make this declaration in support of the *Debtor’s Motion For a Supplemental Order Increasing*
5 *the Monthly Caps Authorized Under the Court’s Previous Order (I) Authorizing the Retention and*
6 *Payment, Effective as of the Petition Date, of Professionals Utilized By the Debtor in the Ordinary Course*
7 *of Business and (II) Granting Related Relief*, filed concurrently herewith (the “Motion”).¹

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

11 3. To date, the Debtor has remained within the caps for payment of Ordinary Course
12 Professionals authorized by the prior OCP Order, but certain changes in the Debtor’s operations and in
13 the trajectory of the Chapter 11 Case necessitate an increase in the caps. The Debtor is seeking to increase
14 the monthly compensation cap per professional from \$40,000 per month to \$75,000 per month (calculated
15 on a three-month rolling average). It is also seeking to increase the total monthly cap across all Ordinary
16 Course Professionals from \$100,000 per month to \$200,000 per month (calculated on a three-month
17 rolling average). The changes in the Debtor’s operations and in the needs of the Chapter 11 Case
18 necessitating these increases are as follows.

19 4. First, after many years of serving as the Debtor’s Chief Financial Officer, I retired from
20 that role as of March 31, 2024. As CFO, I was responsible for overseeing all aspects of the bankruptcy
21 case, in particular with respect to discovery and monthly operating reports, as well as the Debtor’s day-
22 to-day financial operations. In order to ensure continuity of the management of the Chapter 11 Case, the
23 Debtor retained Dr. Matthew Kemner, an experienced former attorney, to oversee the legal aspects of the
24 case.

25 5. As I transition out of my role as CFO, the Debtor’s need for Dr. Kemner’s services will
26 increase, which will require an increase in the cap. The Debtor expects that Dr. Kemner will perform
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28 ¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Motion.

1 approximately 58 hours of work for the Debtor per month on a rolling three-month average, whereas he
2 has been performing between 40-50 hours of work per month.

3 6. The Debtor is also considering seeking to retain my services as an Ordinary Course
4 Professional on a limited basis to provide consulting services to the Debtor based on my long experience
5 and knowledge of the Debtor's operations. The Debtor will file a Notice of Supplemental Retention
6 pursuant to the OCP Order in the event that it I am retained in that capacity.

7 7. Second, the Debtor is working to reduce its spending on administrative expenses, including
8 the expenses of its retained professionals. The Debtor has replaced some of the services currently provided
9 by its financial advisor, Alvarez and Marsal North America, LLC ("A&M") with its already-retained
10 Ordinary Course Professionals Veracruz Advisory, LLC ("Veracruz"). The Debtor anticipates that
11 Veracruz will undertake the following additional duties: (a) preparation of the Debtor's monthly operating
12 reports; (b) preparation of cash forecasts; (c) analysis of specific assets of the Debtor; and (d) interacting
13 with the Committee's professionals with respect to document productions and other information requests.
14 The Debtor and Veracruz have agreed to increase the current monthly \$35,000 payment to \$70,000 in
15 order to account for these additional duties, which will require an increase in the caps for Ordinary Course
16 Professionals. However, the cost-savings from shifting this work to Veracruz will result in a net benefit
17 to the estate.

18 8. Third, and finally, the Debtor's focus in the case has shifted to mediation and to achieving
19 resolution of the outstanding issues with the Committee and insurers. The Debtor anticipates this will
20 result in the proposal of a consensual plan of reorganization. To accomplish this, the Debtor requires the
21 retention of certain additional Ordinary Course Professionals, including an Insurance Archaeologist to
22 assist in ongoing Adversary Proceedings, and an additional Canon Law expert who may be required to
23 provide information to the Debtor as it evaluates any potential plan of reorganization. These additional
24 retentions also will require an increase in the monthly caps. The Debtor will file Notice of Supplemental
25 Retentions pursuant to the OCP Order for these professionals as well.

26 9. The fee increases sought herein will allow the Debtor to better address the new phase of
27 the case as it shifts toward a final resolution and plan of reorganization, as well as the change in
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1 circumstances brought about by my retirement. In addition, the Debtor believes it can reduce its overall
2 administrative costs by using Ordinary Course Professionals to take on new tasks while reducing the
3 amount of fees incurred by A&M on a month-to-month basis. The increased Ordinary Course Professional
4 Fee caps will benefit the estate and the Debtor's creditors by allowing the Debtor to work toward the
5 ultimate resolution of the case and reduce its overall professional fees.

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

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

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10 /s/ Paul Bongiovanni
11 Paul Bongiovanni
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