

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA  
SACRAMENTO DIVISION

In re:

THE ROMAN CATHOLIC BISHOP  
OF STOCKTON, a California  
corporation sole,

Debtor-In-Possession.

CASE NO. 14-20371-C-11

Confirmation Hearing:

Date: December 20, 2016  
Time: 1:30 p.m.  
Courtroom: 35  
501 I Street, 6th Floor  
Sacramento, CA

**NOTICE OF (I) OBJECTION DEADLINE FOR PLAN, INSURANCE  
SETTLEMENT AGREEMENT AND PARTICIPATING PARTY  
AGREEMENT; (II) PLAN CONFIRMATION HEARING; AND  
(III) POST-PETITION ABUSE CLAIM DEADLINE**

**PLEASE TAKE NOTICE THAT:**

On October 26, 2016, the Roman Catholic Bishop of Stockton, a California corporation sole (the “**Debtor**”), the Debtor and Debtor-in-possession in the above-captioned Chapter 11 reorganization case, filed “Debtor’s Plan of Reorganization Dated October 26, 2016” [Dkt. No. 757] (the “**Plan**”) and a disclosure statement with respect to the Plan [Dkt. No.761] (as such disclosure statement may be amended, the “**Disclosure Statement**”), pursuant to Bankruptcy Code<sup>1</sup> § 1125. On October 31, 2016, the Bankruptcy Court approved the Disclosure Statement [Dkt. No. 764].

The Plan provides the means for settling and paying all Claims asserted against the Debtor. The Plan also provides for Participating Parties and Settling Insurers to participate by contributing funds that will be used, in part, for the benefit of Tort Claimants. The Plan provides for the creation of a Trust for the exclusive benefit of Tort Claimants. The Plan also provides that all Tort Claims against the Debtor, Settling Insurers, and Participating Parties will be channeled to the Trust, meaning that the Trust will be the sole and exclusive source of payment for any such Claims against the Debtor, Settling Insurers, and Participating Parties. The Trust Assets will consist of Cash and a note from the Debtor and one-time lump sum Cash contributions by Participating Parties and Settling Insurers. The Debtor has entered into an Insurance Settlement Agreement and a Participating Party Agreement, each of which must be approved in order for the Plan to be confirmed. Therefore, the Debtor will seek approval of the Insurance Settlement Agreement and Participating Party Agreement in conjunction with confirmation of the Plan.

As part of the Plan, the Debtor will seek the **entry of an Order permanently enjoining and barring all Claims by any Person or Entity against the Settling Insurers and Participating Parties as well as the Debtor, and releasing the Settling Insurers and Participating Parties from any further liability, relating to Tort Claim Interests (as specifically defined in the Plan, which includes Claims related to sexual abuse and insurance coverage for such Claims) as part of the Plan, the confirmation of which is a condition of the Insurance Settlement Agreement and Participating Party Agreement.**

The “**Settling Insurers**” include: (i) **Those Certain Underwriters at Lloyd’s, London subscribing to any certificate or policy of insurance under which any of the Diocese Parties are**

<sup>1</sup> Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Plan.

insureds, including but not necessarily limited to Syndicates 623 and 2623 (Beazley), (ii) Fireman's Fund Insurance Company, (iii) Great American Insurance Company and Great American Insurance Company of New York, (iv) Insurance Company of North America (ACE-USA), (v) North Star Reinsurance Corporation, (vi) Pacific Indemnity Company, (vii) St. Paul Fire and Marine Insurance Company, (viii) Arrowood Indemnity Company, formerly known as Royal Indemnity Company, as successor in interest to Security Insurance Company of Hartford, and (ix) The Ordinary Mutual, A Risk Retention Group Corporation. If the Insurance Settlement Agreement is approved, the Debtor will sell, and certain Settling Insurers will buy back insurance coverage that may be afforded for Tort Claims (if applicable) under all Insurance Policies issued or allegedly issued by Settling Insurers as described more particularly in the Plan and Insurance Settlement Agreement, free and clear of all liens, claims, encumbrances, and other interests relating to Tort Claims and Related Insurance Claims.

The "Participating Parties" are specifically defined in the Plan and include: (i) the Parishes, (ii) Catholic Charities of the Diocese of Stockton, (iii) Catholic Diocese of Stockton Cemeteries, (iv) Central Catholic High School, (v) Central Catholic High School Foundation, (vi) Church for Tomorrow Fund, (vii) Madonna of Peace Retreat Center, (viii) St. Mary's High School, (ix) St. Mary's High School Foundation, (x) SEEDS, and (xi) The Roman Catholic Welfare Corporation of Stockton.

The Plan also provides a bar date of 30 days after the Plan becomes effective to file any claims for Abuse occurring after the Petition Date. **Any such Claim not served and filed within this time period will be forever barred.**

**IF YOU HOLD CLAIMS AGAINST THE DEBTOR, SETTLING INSURERS OR PARTICIPATING PARTIES, YOUR RIGHTS MAY BE AFFECTED.**

Copies of the Plan and the exhibits thereto, including the Insurance Settlement Agreement and the Participating Party Agreement, can be inspected at the Office of the Clerk of the Bankruptcy Court at the address below, online at a link that can be found at <http://www.caeb.uscourts.gov/> or <http://www.kccllc.net/stocktondiocese> or by contacting counsel to the Debtor. These documents will also be available on the website for counsel for the Committee at [www.pszjlaw.com](http://www.pszjlaw.com). Any party who objects to the Plan, Insurance Settlement Agreement or Participating Party Agreement must file its objection with the Clerk of the Bankruptcy Court, 501 I Street, Suite 3-200, Sacramento, California, 95814 no later than **4:00 p.m. (prevailing Pacific Time), on December 6, 2016**, and serve a copy of the objection on Paul J. Pascuzzi, Felderstein Fitzgerald Willoughby & Pascuzzi LLP, 400 Capitol Mall, Suite 1750, Sacramento, CA 95814. If objections are timely filed, they will be considered at the hearing on confirmation of the Plan to be held on **December 20, 2016 at 1:30 p.m.** before the Honorable Christopher M. Klein, United States Bankruptcy Judge, at the United States Bankruptcy Court, 501 I Street, Courtroom 35, Sacramento, California, 95814. If no objections are timely filed, an order approving the Plan, Insurance Settlement Agreement and Participating Party Agreement will be presented to the Court without further notice.

Dated: October 31, 2016

FELDERSTEIN FITZGERALD  
WILLOUGHBY & PASCUZZI LLP

By: /s/ Paul J. Pascuzzi  
PAUL J. PASCUZZI  
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