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7 Attorneys for The Roman Catholic Bishop of Stockton,
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9 UNITED STATES BANKRUPTCY COURT
10 EASTERN DISTRICT OF CALIFORNIA
11 SACRAMENTO DIVISION

12 In re:	CASE NO. 14-20371-C-11
13 THE ROMAN CATHOLIC 14 BISHOP OF STOCKTON, a California corporation sole,	DCN: FWP-26
15 Debtor-In- 16 Possession.	

17 **ORDER (A) APPROVING THE DISCLOSURE STATEMENT IN SUPPORT OF**
18 **PLAN OF REORGANIZATION; (B) ESTABLISHING PROCEDURES FOR**
19 **SOLICITATION AND TABULATION OF VOTES TO ACCEPT OR REJECT**
20 **PLAN; (C) APPROVING THE FORM OF BALLOTS AND THE INCLUSION OF**
21 **THE RELEASES AND CERTIFICATIONS THEREIN; (D) APPROVING THE**
22 **FORM AND MANNER OF NOTICE OF THE INSURANCE SETTLEMENT**
23 **AGREEMENT AND THE PARTICIPATING PARTY AGREEMENT; AND**
24 **(E) SETTING THE CONFIRMATION HEARING**

25 A hearing was held on October 25, 2016 (the “Disclosure Statement Hearing”), to
26 consider the “Motion for an Order (A) Approving the Disclosure Statement; (B) Establishing
27 Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan; (C) Approving the
28 Form of Ballots and the Inclusion of the Releases and Certifications Therein; (D) Approving the
Form and Manner of Notice Regarding the Insurance Settlement Agreement and Participating
Party Agreement; and (E) Setting the Confirmation Hearing” (the “Motion”) by the Roman
Catholic Bishop of Stockton, a California corporation sole (the “Debtor”). The Motion seeks an
order (i) approving the “Disclosure Statement to Accompany Debtor’s Plan of Reorganization

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October 27, 2016
CLERK, U. S. BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
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1 Dated October 26, 2016” [Dkt. No.761] (the “Disclosure Statement”), pursuant to Bankruptcy
2 Code § 1125, relating to “Debtor’s Plan of Reorganization Dated October 26, 2016”
3 [Dkt. No.757] (as such plan may be modified from time to time, the “Plan”); (ii) establishing the
4 procedures for solicitation and tabulation of votes to accept or reject the Plan pursuant to
5 Bankruptcy Code §§ 1125 and 1126 and Bankruptcy Rules 3017, 3018 and 3020; (iii) approving
6 the form of Ballots¹ and the inclusion of the releases and certifications therein; (iv) approving the
7 form and manner of notice regarding the Insurance Settlement Agreement and Participating Party
8 Agreement; (v) approving the form of Publication Notice; and (vi) setting the Confirmation
9 Hearing. It appears from the certificate of service on file with this Court that proper and timely
10 notice of the Disclosure Statement Hearing has been given; that notice of all matters addressed in
11 this Order was adequate, appropriate and in compliance with the requirements of the Bankruptcy
12 Code and Bankruptcy Rules. The appearances at the Disclosure Statement Hearing were noted on
13 the record. The Debtor has made conforming additions, changes, corrections and deletions to the
14 Disclosure Statement as necessary to comport with the record of the Disclosure Statement
15 Hearing and the agreements, if any, reached with the parties, if any, that had filed objections.
16 Any and all objections and/or responses to the Motion have been considered by the Court; the
17 Court having considered the adequacy of the Disclosure Statement and the materials to be
18 transmitted therewith; and after due deliberation and good and sufficient cause appearing therefor,

19 IT IS HEREBY ORDERED:

20 1. The Disclosure Statement, as the same may be amended and modified to
21 incorporate immaterial modifications, fill in blanks, and reflect any modifications that the Debtor
22 determines to be appropriate, which do not materially change the substance of the Disclosure
23 Statement or materially affect any rights of a party in interest, is hereby approved as containing
24 adequate information within the meaning of Bankruptcy Code § 1125. The Motion, along with its
25 exhibits, is hereby approved.

26 2. The following summarizes the deadlines and hearing date approved in this Order:

27 _____
28 ¹ Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them
in the Motion or the Plan.

Deadline/Event	Date and/or Time
Plan solicitation commencement/service of solicitation packages	November 8, 2016
Deadline to give notice of the terms of the insurance settlement agreement and participating party agreement	November 8, 2016
Deadline to object to insurance settlement agreement and participating party agreement	December 6, 2016
Deadline to object to Plan	December 6, 2016, at 4:00 p.m., Pacific Time
Deadline to vote on Plan	December 6, 2016, at 4:00 p.m., Pacific Time
Confirmation hearing	December 20, 2016, at 1:30 p.m., Pacific Time

3. The Debtor shall mail solicitation packages (the “Solicitation Packages”) containing copies of (i) the Disclosure Statement Order; (ii) Confirmation Hearing Notice; (iii) the approved form of the Disclosure Statement (together with the Plan annexed thereto as Exhibit 1, which will be filed with the Court following approval and upon the mailing); (iv) the Ballot with a return envelope or the Notice of Non-Voting Status; (v) Notice of Settlement Agreements; (vi) a letter from the Debtor in support of the Plan; and (vii) a letter from the Committee in support of the Plan. The Solicitation Packages will be mailed by electronic and/or first class mail no later than November 8, 2016 (the “Solicitation Date”) to: (i) the U.S. Trustee; (ii) those Entities who have formally filed requests for notice in this chapter 11 case pursuant to Bankruptcy Rule 2002; (iii) all Persons or Entities that filed proofs of Claim on or before the date of the Confirmation Hearing Notice at the address set forth on their Proofs of Claim and to their counsel of record, if any, except to the extent that a Claim was withdrawn or paid pursuant to or expunged by prior order of the Bankruptcy Court; (iv) all Persons or Entities listed in the Debtor’s schedules of assets and liabilities or any amendments thereof (the “Schedules”), as holding liquidated, non-contingent, and undisputed Claims in an amount greater than zero; (v) all parties to Executory Contracts listed in the Schedules; (vi) the California Attorney General; (vii) the United States Attorney for the Eastern District of California; (viii) the Internal Revenue Service; (ix) the Securities and Exchange Commission; (x) any Entity that has filed a notice of transfer of claim under Bankruptcy Rule 3001(e) prior to the date of the Confirmation Hearing Notice; (xi) any other known holders of Claims against the Debtor; (xii) anyone against whom the

1 Debtor might hold a Claim; (xiii) all parties on the master mailing list; (xiv) state and local taxing
2 authorities; (xv) Medicare, Medicaid, the Centers for Medicare & Medicaid Services and the U.S.
3 Department of Health and Human Services; and (xvi) all Persons and Entities known to the
4 Debtor to have provided general or professional liability insurance to the Debtor or Diocese
5 Parties; with the exception that the Debtor is excused from mailing to Entities from which the
6 Solicitation Packages were returned as undeliverable by the United States Postal Service, unless
7 the Debtor is provided with accurate addresses for such Entities on or before a date which is
8 fifteen (15) days from the date of service.

9 4. In addition, pursuant to Bankruptcy Rule 3017(c), the Ballots (substantially in the
10 forms attached to the Motion as Exhibit D, as amended) are approved and shall be distributed,
11 along with a return envelope addressed to the Debtor's counsel, to the known holders of Claims in
12 those Classes which are entitled to accept or reject the Plan.

13 5. To be counted as a vote to accept or reject the Plan, a Ballot must be properly
14 executed, completed and delivered to counsel to the Debtor by first-class mail, overnight courier
15 or hand-delivery so that the Ballots are actually received by Debtor's counsel no later than 4:00
16 p.m. (prevailing Pacific Time) on December 6, 2016, unless the Debtor, in writing, grants an
17 extension of such date with respect to a Ballot (the "Voting Deadline"). The Debtor must file a
18 Ballot Report with the Court on or before December 13, 2016.

19 6. Solely for the purpose of voting to accept or reject the Plan and not for the purpose
20 of allowance of or distribution on account of a Claim, and without prejudice to the rights of the
21 Debtor in any other context, each Claim within a Class of Claims entitled to vote to accept or
22 reject the Plan is temporarily allowed in an amount equal to the amount of such Claim as set forth
23 in a timely filed Proof of Claim or, if no Proof of Claim was filed, the amount of such Claim as
24 set forth in the Schedules; provided, however, that:

25 a. If a Claim is deemed Allowed under the Plan by order of the Court, such
26 Claim is allowed for voting purposes in the deemed allowed amount set forth in the Plan or such
27 order;

28 b. Other than Class 12, 13, 14 or 15 Claims, if a Claim for which a proof of

1 Claim has been timely filed is contingent, unliquidated, or disputed, and such Claim has not been
2 allowed, such Claim will be temporarily allowed for voting purposes only, and not for purposes
3 of allowance or distribution and accorded one vote and valued at an amount equal to one dollar
4 (\$1.00), unless the holder of such Claim seeks relief under Bankruptcy Rule 3018;

5 c. If a Claim has been estimated or otherwise Allowed for voting purposes by
6 order of the Court, such Claim is temporarily allowed in the amount so estimated or allowed by
7 the Court for voting purposes only, and not for purposes of allowance or distribution;

8 d. If a proof of Claim was timely filed in an amount that is liquidated and
9 matured, such Claim is temporarily allowed in the amount set forth on the proof of Claim, unless
10 such Claim is disputed;

11 e. If a Claim is listed in the Schedules at zero or as contingent, unliquidated,
12 or disputed and/or a proof of Claim was not (i) filed by the applicable bar date for the filing of
13 proofs of Claim established by the Court or (ii) deemed timely filed by an order of the Court prior
14 to the Voting Deadline, unless the Debtor has consented in writing, such Claim shall be
15 disallowed for voting purposes and for purposes of allowance and distribution pursuant to
16 Bankruptcy Rule 3003(c);

17 f. If a Claim is listed in the Schedules or on a timely filed proof of Claim as
18 contingent, unliquidated, or disputed in part, such Claim is temporarily allowed in the amount that
19 is liquidated, matured, and undisputed for voting purposes only, and not for purposes of
20 allowance or distribution; and

21 g. As to Class 12, 13, 14 and 15 Claims, each Claim will be temporarily
22 Allowed for voting purposes only in the amount of one dollar (\$1.00).

23 7. The temporary allowance of Class 12, 13, 14 and 15 Claims is solely for purposes
24 of voting to accept or reject the Plan and not for the purpose of the allowance of, or distribution
25 on account of, a Claim, and without prejudice to the rights of the Debtor or Non-Settling Insurers
26 in any other context. This temporary allowance is not intended to affect, impair or diminish the
27 Tort Claimants' rights against the Debtor, Reorganized Debtor, Co-Defendants, or Non-Settling
28 Insurers.

1 8. Any creditor that challenges the allowance of their Claim for voting purposes in
2 accordance with the above procedures of this Order is directed to file with the Court and serve a
3 motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim in a
4 different amount for purposes of voting to accept or reject the Plan on or before November 22,
5 2016, and set such motion for hearing on December 20, 2016, at 1:30 p.m. so the matter may be
6 heard at the Confirmation Hearing. In respect of any such motion timely filed with the Court, the
7 Ballot in question shall not be counted unless temporarily Allowed by the Court for voting
8 purposes, after notice and a hearing.

9 9. The Debtor is not required to provide Ballots to the holders of Claims in Classes 1,
10 4, 5 and 10. The members of the foregoing Classes shall receive a Notice of Non-Voting Status
11 (substantially in the form attached to the Motion as Exhibit E).

12 10. In tabulating the Ballots, the following additional procedures shall be utilized:

13 a. Any Ballot that is otherwise properly completed, executed and timely
14 returned to the Debtor's counsel but does not indicate an acceptance or rejection of the Plan, or
15 that indicates both an acceptance and rejection of the Plan, shall be deemed a vote to accept the
16 Plan;

17 b. If no votes to accept or reject the Plan are received with respect to a
18 particular Class that is entitled to vote on the Plan, such Class shall be deemed to have voted to
19 accept the Plan;

20 c. If a creditor, or any Entity acting on behalf of a creditor under applicable
21 law, casts more than one Ballot voting the same Claim before the Voting Deadline, the latest
22 dated, validly executed Ballot received before the Voting Deadline shall be deemed to reflect the
23 voter's intent and thus supersede any prior Ballots;

24 d. Creditors must vote all of their Claims within a particular Class, either to
25 accept or reject the Plan and may not split their votes within a particular Class;

26 e. The Entity signing the creditor's Proof of Claim may complete and sign the
27 creditor's Ballot, except that creditors holding Class 12, 13, 14 or 15 Claims are required to sign
28 his or her own Ballot, except that a legal guardian, executor or other duly appointed legal

1 representative or administrator may sign on behalf of the Tort Claimant if proof of legal standing
2 to do so is provided; and

3 f. Any Class 12, 13, 14 or 15 Ballot that indicates either acceptance or
4 rejection of the Plan shall be counted as a vote to accept or reject the Plan regardless of whether
5 the releases and certifications portions of the Ballot are completed, provided however, that such
6 claimant is not entitled to any distribution without complying with the terms of the Plan, the
7 Confirmation Order and the Trust.

8 11. The following Ballots shall not be counted or considered for any purpose in
9 determining whether the Plan has been accepted or rejected:

10 a. Any Ballot received after the Voting Deadline, unless the Debtor shall have
11 granted in writing an extension of the Voting Deadline with respect to such Ballot;

12 b. Any Ballot that is illegible or contains insufficient information to permit
13 the identification of the voter;

14 c. Any Ballot cast by an Entity that does not hold a Claim in a Class that is
15 entitled to vote to accept or reject the Plan;

16 d. Any Ballot cast for a Claim scheduled in the amount of \$0.00, or as
17 unliquidated, contingent, or disputed for which no proof of Claim was timely filed;

18 e. Any unsigned Ballot; and

19 f. Any Ballot transmitted to the Debtor by facsimile, email, or other
20 electronic means unless the Debtor has previously authorized such means in writing.

21 12. In addition to the Debtor's right to solicit acceptance of the Plan, the Debtor and
22 the Committee shall be permitted to contact creditors in an attempt to cure the deficiencies
23 specified herein.

24 13. A Ballot received after the Voting Deadline in which the releases, certifications
25 and elections are made and signed shall be effective as to such releases, certifications and
26 elections contained in the Ballot.

27 14. For purposes of determining whether the numerosity and Claim amount
28 requirements of Bankruptcy Code §§ 1126(c) and 1126(d) have been satisfied, the Debtor shall

1 tabulate only those Ballots received by the Voting Deadline that comply with the terms of this
2 Order.

3 15. Mailing the Solicitation Packages in accordance with this Order constitutes
4 adequate notice of the Confirmation Hearing and the Voting Deadline under Bankruptcy Rule
5 3017(d).

6 16. The form and manner of Notice of the (I) Objection Deadline for Plan, Insurance
7 Settlement Agreements and Participating Party Agreement; (II) Plan Confirmation Hearing; and
8 (III) Post-Petition Abuse Claim Deadline (substantially in the form attached to the Motion as
9 Exhibit F), is hereby approved as constituting reasonable and adequate notice. In addition, the
10 Publication Notice (substantially in the form attached to the Motion as Exhibit G) is hereby
11 approved as constituting reasonable and adequate notice.


12 17. The Debtor is authorized and empowered to take such steps and perform such acts
13 as may be necessary to implement and effectuate this Order.

14 APPROVED.

15 PACHULSKI STANG
16 ZIEHL & JONES, LLP

17 By: /s/ Robert B. Orgel
18 ROBERT B. ORGEL
19 Attorneys for the Official Committee
20 of Unsecured Creditors

21 Dated: October 31, 2016

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23 _____
24 United States Bankruptcy Judge

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