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Holy Week, 2025

CHAPTER 11 BANKRUPTCY UPDATE

Dear faithful Catholics and friends of the Diocese of Oakland,

May the peace and love of our Lord Jesus Christ continue to be with each one of you!

As we journey through Holy Week, I wanted to follow up on previous bankruptcy updates and let you know about recent progress, and upcoming challenges. Since we filed for bankruptcy almost two years ago on May 8, 2023, progress has been made but many challenges lie ahead.

Our Diocese filed bankruptcy because we believe this process is the best way to support a fair and equitable outcome for abuse survivors (all of whom are blameless for the terrible evil committed against them), while we continue our mission to spread the Gospel and provide essential services and support so crucial to our parishioners and communities. These are our two equally important key goals: having a Plan of Reorganization confirmed which 1) is fair to the survivors and victims of child sexual abuse, and 2) allows the Diocese to emerge from bankruptcy able to continue its mission, allowing all 550,000 of you to exercise your God-given right to practice the faith. This has been difficult. I am providing this update to you regarding our progress to date.

On April 4th, the Honorable William J. Lafferty of the U.S. Bankruptcy Court for the Northern District of California, Oakland Division, approved the Diocese's Disclosure Statement, which is the document that describes the accompanying Third Amended Plan of Reorganization, for distribution to creditors and claimants in the bankruptcy case, which distribution occurred last week ending April 11. The creditors in the bankruptcy will now vote on the Plan with ballots due May 30, 2025, following which the Diocese intends to move forward with confirmation in hearings beginning on August 25, 2025. The schedule allows the Diocese to remain on track to emerge from the Chapter 11 process in late 2025. The Diocese is committed to obtaining the bankruptcy court's approval of the Plan.

The Diocese is aware the Committee is circulating a letter to claimants in the bankruptcy case urging them to vote against confirmation of the Plan, alleging without any factual basis the Diocese has undervalued its assets and is shielding them from creditors. This is categorically untrue. Throughout the bankruptcy case, the Diocese has been fully transparent and forthright with all of its finances, and has complied with all legal requirements to disclose its assets. These filings are publicly available. Indeed, the bankruptcy court recently dismissed the lawsuit filed by the Committee against the Diocese in which the Committee alleged the Diocese had wrongfully transferred more than \$100 million dollars to shield those funds from creditors. In addition, the Bankruptcy Court concluded the Debtor provided adequate information regarding its assets when it approved our Disclosure Statement and permitted it to be sent to all of the creditors in the case. While we cannot control what the Committee

FOR THE GREATER GLORY OF GOD

does, its actions will not deter the Diocese from its commitment to seek confirmation of the Plan in order to compensate survivors of abuse fairly and equitably, while continuing its mission to serve the faithful and our community.

The approved Disclosure Statement and accompanying Plan represent nearly two years of hard work in this case. Unfortunately, despite our best efforts and some progress having been made, more than one year of intense negotiation in mediation sessions overseen by three court-appointed mediators has failed to result in an agreed settlement with the committee representing the sexual abuse survivors. It has been similarly difficult to achieve progress with specific insurers to contribute cash to help fund a settlement. And with the average monthly administrative costs of the bankruptcy case approaching \$2 million (and more than \$30 million incurred to date), we simply lack the assets to pursue any path other than approval of the proposed Plan with the Court. All of you should know that the compensation provided for in the Plan we have proposed in good faith compares very favorably to plans confirmed in similar diocesan bankruptcies.

It is also important we keep you updated on our efforts to ensure a safe environment for all in our Oakland Diocese, particularly children. These intensified efforts pre-date the Dallas Charter, adopted a quarter century ago. Our efforts reflect exemplary reform and progress in providing a safe environment, but we can never become complacent. Our annual audits by outside agencies likewise assure us that we are keeping our promises to do what we can to provide a safe environment. Please join me in thanking the multitude of priests, religious, lay employees, professionals, and volunteers serving our Diocese who have worked so hard to achieve this together. I want to reiterate that not only I, but all my successors, will remain vigilant in our continuing response to the abuse crisis.

In this Holy Week, I ask all of you to keep this Diocese, those who serve it in this bankruptcy, the Court, and especially our brothers and sisters who blamelessly endured terrible abuse, in your prayers. And we ask Mary, Queen of the World, who stayed with her Divine Son throughout his passion and death on Calvary, to intercede for us.

Yours sincerely in Christ,

A handwritten signature in black ink that reads "+Michael Barber S.J.". The signature is written in a cursive, slightly slanted style.

The Most Reverend Michael C. Barber, S.J.
Bishop of Oakland