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1                   P R O C E E D I N G S

2                   THE COURT: All right. Go ahead and be seated.

3                   All right. For those of you who are on the phone,  
4 this is Judge Grabill. We're here in Case No. 20-10846, In re  
5 The Roman Catholic Church of the Archdiocese of New Orleans.

6                   It's 1:30 on August 15, 2023.

7                   And for those of you who are interested, we are  
8 recording this hearing via CourtSpeak. So a recording of this  
9 hearing will be available online on the docket by the end of  
10 the afternoon. And I just say that for some of our benefits  
11 to, you know.

12                   You're being recorded, Mr. Draper. So let's, let's  
13 keep it clean today, okay? All right.

14                   All right. So we've got -- I've got a brief agenda.  
15 Ms., is it Ms. Oppenheim, Ms. Kingsmill, Ms. -- okay.

16                   MS. OPPENHEIM: Ms. Oppenheim.

17                   THE COURT: Oppenheim. That's right. Okay.

18                   MS. OPPENHEIM: Good afternoon, your Honor. Samantha  
19 Oppenheim on behalf of the debtor.

20                   As your Honor mentioned, we do have a brief agenda  
21 today.

22                   THE COURT: Uh-huh (indicating an affirmative  
23 response).

24                   MS. OPPENHEIM: It's just two items. The first is the  
25 -- the -- it's a contested matter. As we mentioned, one of the

1 objections has been resolved. The other, there's another  
2 response that's still pending, but we have decided to treat  
3 this as a contested matter. That is the Committee's  
4 Application for Entry of an Order Authorizing the Retention of  
5 Actual Value, LLC [sic] and this is the Committee's  
6 application.

7           So if your Honor would like to go in order, you know,  
8 we would recommend that we start with that.

9           THE COURT: Okay.

10           MS. OPPENHEIM: We also have a status conference as  
11 well.

12           THE COURT: Okay. And -- all right. We'll get to the  
13 status conference here in a second.

14           And I just -- normally, I would take appearances and I  
15 guess we can go ahead and take appearances. We are, we have  
16 implemented the Electronic Notice of Appearance process that  
17 most of you have used over in Houston. So that is also  
18 available.

19           So if you're online, you can go there today. Just go  
20 to our website. You can see the link and you, it's very easy  
21 to use.

22           So we'll go ahead and take appearances in the  
23 courtroom.

24           But for everybody on the phone, I think that you can  
25 just go ahead and make your appearances using that Electronic

1 Notice of Appearance form.

2 MS. OPPENHEIM: For the debtor, Samantha Oppenheim and  
3 Mark Mintz on behalf of the debtor. And we actually did make  
4 an online appearance --

5 THE COURT: Yeah.

6 MS. OPPENHEIM: -- as well. So there's --

7 THE COURT: Very good.

8 MS. OPPENHEIM: Yeah. -- a duplicate --

9 THE COURT: All right, very good.

10 MS. OPPENHEIM: -- appearance today.

11 THE COURT: And for the, the Committee of Unsecured  
12 Creditors?

13 MR. STANG: Good afternoon, your Honor. James Stang,  
14 S-T-A-N-G, Pachulski Stang Ziehl & Jones, for the Committee.

15 THE COURT: Very good. And Mr. Stang, this may be the  
16 first time that we've seen each other in person.

17 MR. STANG: It is, your Honor. It might be the first  
18 time we've actually seen each other because I thought the prior  
19 calls were, were by telephone, so.

20 THE COURT: They were. It was, I don't know, maybe a  
21 few months ago we started implementing GoToMeeting. So --

22 MR. STANG: Right.

23 THE COURT: -- it's, you know, we're finally coming  
24 into this, this age --

25 MR. STANG: I, I decided to --

1 THE COURT: -- that we live in.

2 MR. STANG: -- come, I decided to come for the warmer  
3 weather because Los Angeles --

4 THE COURT: Yeah.

5 MR. STANG: -- is only in the mid 70s, so.

6 THE COURT: Yeah. Well, you know, it's a, it's a, you  
7 know, a cool front's coming through. So we're hovering at  
8 about 95 today.

9 MR. STANG: Got it.

10 THE COURT: So.

11 MR. STANG: It's nice to meet you, your Honor.

12 THE COURT: Nice to meet you.

13 MR. KNAPP: Good afternoon, your Honor. Brad Knapp  
14 with Locke Lord for the Official Committee of Unsecured  
15 Creditors.

16 THE COURT: Okay.

17 And for the Commercial Committee?

18 MS. ALTAZAN: Good afternoon, your Honor. Brooke  
19 Altazan on behalf of the Commercial Committee.

20 THE COURT: All right.

21 And for the Apostolates?

22 MR. DRAPER: Yes. Douglas Draper for the Apostolates,  
23 your Honor.

24 THE COURT: All right, very good. All right,  
25 excellent.

1 All right. Well, let's get started on the, the  
2 Committee's motion.

3 MR. KNAPP: Thank you, your Honor. Brad Knapp with  
4 Locke Lord for the Official Committee of Unsecured Creditors.

5 THE COURT: Uh-huh (indicating an affirmative  
6 response).

7 MR. KNAPP: We're here on our application to retain  
8 Actuarial Value, LLC to provide actuarial services in  
9 connection with evaluating the debtor's pension and employee  
10 benefits, retiree benefits obligations. This work is very  
11 important and as the Court is aware and we'll hear more about  
12 later, we're in a mediation process. The goal of that is to  
13 work towards a plan that will, hopefully, end what's been over  
14 three years of, of this bankruptcy case and a big piece of the  
15 way that plan'll look, what the feasibility analysis looks like  
16 will be the employee and retiree benefit obligations. This is  
17 an issue that involves tens of millions of dollars as a  
18 fundamental matter; and, therefore, the Committee wants to  
19 retain an actuary to do the actuarial analysis.

20 There was an objection filed by the Commercial  
21 Committee that was largely focused on making sure the  
22 Commercial Committee had access to information that they could  
23 also use in furthering the mediation process.

24 THE COURT: Uh-huh (indicating an affirmative  
25 response).



1           MR. KNAPP: We have worked on language with the  
2 Commercial Committee that would basically result in a mediation  
3 session between the, our Committee and the Commercial Committee  
4 where Actuarial Value and Rock Creek will do a presentation on  
5 their findings to make sure the Commercial Committee's up to  
6 speed on sort of their view of the world. The Commercial  
7 Committee also has access to the debtor's actuarial analysis  
8 and benefits information that's been performed by Willis Towers  
9 Watson. So that will allow the Commercial Committee to  
10 participate fully in the mediation process with the knowledge  
11 that we have, the knowledge that the debtor has, and hopefully,  
12 we can advance the plan process through that.

13           The debtor filed a response. They didn't really  
14 object. They, they didn't ultimately object, but in the  
15 process of not objecting they objected quite a bit. And so I  
16 wanted to address --

17           THE COURT: That's usually how these limited responses  
18 go.

19           Mr. KNAPP: You know, and, and, and Mr. Mintz claims  
20 he learned the art of that from our side. I don't know if  
21 that's fair, but in any event there were some issues raised by  
22 the debtor focused on, really, how necessary is this work  
23 product and what's going to be done to avoid duplication of  
24 efforts.

25           And I want the Court to be aware the Committee really

1 understands the spend in this case.

2 THE COURT: Uh-huh (indicating an affirmative  
3 response).

4 MR. KNAPP: It's very close to us. We have calls from  
5 survivors all the time who ask questions about it. It's in the  
6 paper. Everyone is very aware of the spend. This is something  
7 we take seriously and we are focused on avoiding duplication of  
8 effort at all turns and it's really important to hear, but the,  
9 the interesting thing about the actuarial work is only an  
10 actuary can do actuarial work. And so it helps prevent  
11 duplication of effort just the way the work is structured.

12 We have available today John Spencer with Rock Creek  
13 to testify. Robert Campbell's also supposed to be on, but I  
14 don't see him at the moment.

15 THE COURT: Uh-huh (indicating an affirmative  
16 response).

17 Allen, do we have anybody on the telephone that we  
18 don't have on?

19 MR. CAMPBELL: Yeah. I'm, I'm sorry. I'm here by  
20 telephone. I don't, maybe I'm doing something wrong with the  
21 GoToMeeting, but I -- I -- with the link and it says Judge  
22 Grabill Courtroom on the bottom.

23 THE COURT: Oh.

24 MR. CAMPBELL: Hmm.

25 THE COURT: All right. I'm afraid I'm not gonna be

1 able to offer you any technical support.

2 MR. KNAPP: Well, he's on --

3 THE COURT: But -- but --

4 MR. KNAPP -- by audio.

5 THE COURT: But you're on by audio and that's fine.

6 MR. KNAPP: Hopefully, we will be able to get him on  
7 by video, but unless your Honor wants to start elsewhere, I  
8 could call John Spencer and, and go ahead and, and let him  
9 address some of the issues that were raised by the debtor.

10 THE COURT: Okay.

11 Before we do that, Mr. Mintz or -- who wants to be  
12 heard on behalf of the debtor just so I understand the  
13 argument. I mean, I understand the argument. They cost too  
14 much, right? So --

15 MR. MINTZ: I --

16 THE COURT: But is there anything above that?

17 MR. MINTZ: Your Honor, I think there's a, a couple of  
18 things. Mark Mintz on behalf of the debtor.

19 I, I think that, yes, the, the spend in general is  
20 what our concern is. I'm not going to be able to say sitting  
21 here today and I don't think the Committee's gonna be able to  
22 sit here today and say that this incremental cost is enough to  
23 say, yes, it can't be done. In fact, I, I don't know if it was  
24 cited to me in, in this pleading or another, but I'm aware of  
25 the Second Circuit pleadings. I'm aware of the Second Circuit

1 rulings that say that the mere fact that there is a, that it  
2 could cost a lot, that there could be administrative expenses  
3 is not --

4 THE COURT: Uh-huh (indicating an affirmative  
5 response).

6 MR. MINTZ: -- a reason to deny an application. And  
7 that's --

8 THE COURT: Uh-huh (indicating an affirmative  
9 response).

10 MR. MINTZ: -- therefore, why this, this response is  
11 structured the, the way it is.

12 THE COURT: Uh-huh (indicating an affirmative  
13 response).

14 MR. MINTZ: So I cannot stand here today and I also  
15 don't know all the work that they are going to do and how they  
16 will put it together, but what I can, to say that it will be  
17 duplicative or not. What I can say is that the debtor or the  
18 Committee at this point will have nine professionals that is  
19 looking at it. We have two law firms, two to three, depending  
20 on how you look at it, financial-advisor type people. You have  
21 a group, Rock Creek, who was told by this Court and was told to  
22 us that they were handling all matters related to these pension  
23 funds.

24 I will agree with the Committee on this point. The  
25 pension is an incredibly important issue and it is millions of

1 dollars. What we don't have at this point is a clear  
2 understanding of, after seeing Rock Creek bill time for  
3 reviewing the actuarial reports and when they were sent, they  
4 billed time on -- you can go through the fee apps and we will  
5 show them to, to your Honor and show them to, to the witness  
6 if, if we need to -- to say they were spending time doing it.  
7 We can ask exactly what they were doing that is not actuarial  
8 work.

9           But our question really is at this point is it going  
10 to be non-duplicative work that is actual and necessary. And  
11 the question that your Honor is going to have to ask today --  
12 and I will recognize this -- is are they, it's not even  
13 disinterested for, for this standard. It's, you know, no  
14 adverse interest and is it there -- and I think that those are  
15 all fair and I think that they probably are, have no adverse  
16 interest and I think that there is some value that could be  
17 found from there. But it does lead to the questions that we're  
18 going to have later and we need to raise them now to be able to  
19 explain what are the non-duplicative work that they are going  
20 to be doing; what is the non, what is the work that Rock Creek  
21 has been doing that is not duplicative of this when we were  
22 told that they were handling all matters related to the  
23 pensions; and why do we need yet another professional to come  
24 in and look at this.

25           Now we can all do this on the backend and your Honor,

1 this is not the first time that we've been in front of you  
2 regarding fees and looking at all of that and we think as the  
3 debtor it is absolutely paramount in our job of, to be stewards  
4 of the estate on that point. And so we think that it's  
5 important to at least have these discussions. We recognize  
6 that at, it's a limited objection and this concept of are we  
7 spending too much is not a reason to deny it. I completely  
8 recognize it, but I think it's important to discuss where we  
9 are going and is there a division of labor on the frontend so  
10 that when we come back at the end of this case, hopefully very  
11 soon, and be able to say, "Your Honor, I appreciate what they  
12 did. They didn't duplicate. It was perfect 'cause now we know  
13 that Rock Creek did this and we know that Actuarial Value did  
14 that." That will be great, but we need that here and we don't  
15 have it in the pleadings yet.

16 THE COURT: Okay. Thank you.

17 All right. And Ms. Altazan, did you have anything  
18 other than you just want to see whatever is --

19 MS. ALTAZAN: Well, I, I think --

20 THE COURT: -- whatever the work product is?

21 MS. ALTAZAN: If, if you wouldn't mind, I would --

22 THE COURT: Yeah.

23 MS. ALTAZAN: -- like the opportunity. I think, you  
24 know, our concerns, obviously, were voiced through our  
25 pleading. We've had the opportunity to discuss those issues

1 with Brad, which I think have been very helpful. We certainly  
2 understand where the Abuse Committee lies in their position.  
3 But you know, our approach, to be completely candid, was a bit  
4 to try to get out in front of those very issues that Mr. Mintz  
5 is bringing up now. We were trying to proceed efficiently,  
6 economically, and what we didn't want to have happen is to find  
7 ourselves in a position where we were hiring a similar expert  
8 starting from A to Z to do the same analysis.

9           So I think that the language that we have agreed to  
10 will put us in a position where we can take what both the  
11 debtor has done and the Abuse Committee has done and do a  
12 limited analysis. We'll still have to employ a professional,  
13 but hopefully --

14           THE COURT: Uh-huh (indicating an affirmative  
15 response).

16           MS. ALTAZAN: -- the scope of that analysis will be  
17 much more limited.

18           THE COURT: Okay. Gotcha.

19           All right, Mr. Knapp.

20           MR. KNAPP: All right. Thank you, your Honor.

21           And it, hearing Mr. Mintz's comments, it sounds like,  
22 you know, there's a potential fee review at some point in time.  
23 As the Court's aware, that's always -- always -- you, you're  
24 the gatekeeper for fees and --

25           THE COURT: Right.

1 MR. KNAPP: -- fees being approved and the  
2 professionals are aware of that. But we can deal with that at  
3 the appropriate time.

4 So I'd like to call John Spencer with Rock Creek.

5 THE COURT: All right.

6 Mr. Spencer, can you hear us okay today?

7 MR. SPENCER: Yes, ma'am.

8 THE COURT: All right. You're coming in loud and  
9 clear, too.

10 All right, Mr. Allen. Can you swear Mr. Spencer in,  
11 please?

12 THE COURTROOM DEPUTY: Please raise your right hand.

13 JOHN SPENCER, COMMITTEE'S WITNESS, SWORN

14 DIRECT EXAMINATION

15 BY MR. KNAPP:

16 Q Good afternoon, Mr. Spencer.

17 Could you introduce yourself for the Court?

18 A Sure. My name is John Spencer. I'm a managing director at  
19 Rock Creek Advisors and I head our Pension Financial Advisory  
20 Practice. I've got 30-plus years experience between being a  
21 regulator for the Federal Government and in private practice in  
22 all manners pension remediation situations.

23 Q And can you explain what work you're doing on behalf of  
24 the Committee in this case?

25 A Yeah.



1           So from a high level we are looking to either confirm or do  
2 additional forensic analysis on the debtor's statements about  
3 their pension and other retirement benefits.

4 Q   And how does actuarial analysis play into the overall  
5 analysis in this case?

6 A   So there's a point at which Rock Creek's expertise ends. I  
7 am, my own self, am very familiar with all sorts of actuarial  
8 work product. I'm able to extract information from them to put  
9 into, you know, for example, models where we're looking at  
10 various recovery and settlement possibilities and then at a  
11 certain point my ability to that is exhausted and it would not  
12 be professionally or ethically responsible for me to hold  
13 myself out as capable of digging in to certain, you know, very  
14 complex calculations and assumptions and that's when the need  
15 for an enrolled, qualified actuary arises.

16 Q   All right. And when, when did it become apparent to Rock  
17 Creek that an actuary will be necessary in this case?

18 A   It was around May of 2022 when the, I think the title of  
19 the document is Error Correction Analysis was issued by Willis  
20 Towers Watson and provided to the Committee.

21 Q   All right. And, and general, generally speaking, what is  
22 the dollar magnitude of the, the issue that we need an actuary  
23 to evaluate?

24 A   I think around \$30 million is probably an accurate and  
25 conservative number for that.

1 Q Okay. And does the debtor have an actuary?

2 A They do.

3 Q All right. Is that with, an actuary with Willis Towers &  
4 Watson?

5 A That's my understanding, yes. That's correct.

6 Q All right. And what does Rock Creek plan to do to avoid  
7 duplicating efforts with Actuarial Value's work?

8 A Mostly rely on the fact that I can't do any of Bob's  
9 work -- I'm sorry -- Mr. Campbell's work because I'm not an  
10 enrolled, qualified actuary and by the same token, Bob doesn't  
11 have the same expertise and the regulatory framework in  
12 financial analysis of pension plans that I do. We do rely on  
13 each other in other situations and will in this one to sort of,  
14 you know, at least the smell check and probably quality control  
15 issues are -- are -- work whether they're separate or the  
16 result of a collaboration between the two of us.

17 Q All right. But you --

18 A But to put it simply, I don't do what Bob does and Bob  
19 doesn't do what I do. So we can't duplicate each other's work.

20 Q All right. Thank you.

21 MR. KNAPP: I, I have no further questions.

22 THE COURT: All right.

23 Any cross?

24 MR. MINTZ: Briefly, your Honor.

25

CROSS-EXAMINATION

1 BY MR. MINTZ:

2 Q Good afternoon, Spencer. My name is Mark Mintz. I'm an  
3 attorney for the debtor. I don't think we've met before.

4 A I don't think so, either.

5 Q So Mr. Spencer, in December of 2021 Rock, the Committee  
6 filed an application to employ Rock Creek and that is -- Rock  
7 Creek Advisors, LLC -- excuse me -- and that's at Docket 1221.

8 Have you seen that document before?

9 A Yes.

10 Q And were you familiar with that document when it was filed?

11 A I was at the time it was filed, yes.

12 Q And in that document it states that Rock Creek will perform  
13 numerous tasks and it actually lists them (a) through (e).

14 Do you recall that?

15 A I don't recall them specifically, but I understand that we  
16 outlined the tasks that we would be performing.

17 Q And one of those tasks was assisting the Committee in  
18 connection with any and all issues regarding, concerning the  
19 debtor's pension and other post-employment benefit plans,  
20 including, but not limited to, analysis of ERISA-controlled  
21 group liability issues; analysis of any defined benefit pension  
22 plan; termination, direct or indirect interaction with  
23 counterparties and, about all pension and OPEB issues and any  
24 other pension financial advisory services the Committee may  
25 require from time to time in this bankruptcy case.

1 Does that sound like one of the tasks that you were doing?

2 A It does.

3 Q And you also are assisting the Committee in reviving, in  
4 reviewing financial information that the debtor may distribute  
5 to the Committee, creditors, and others, including, but not  
6 limited to, cash flow projections and budgets, cash receipt and  
7 disbursement analysis, analyses of various asset and liability  
8 accounts, and analyses of proposed transactions pertaining to  
9 pension and OPEB issues?

10 A Yes.

11 Q Okay. And you also have been advising the Committee in  
12 connection with pension and OB, OPEB issues in connection with  
13 the upcoming mediations, is that correct?

14 A It is.

15 Q And in Paragraph 8 of your application the Committee stated  
16 that, "Rock Creek will coordinate with counsel for the  
17 Committee." And have you been coordinating with counsel for  
18 the Committee on your review?

19 A Yes.

20 Q And the, Paragraph 8 of your application also refers to the  
21 debtor's unfunded pension liability of approximately \$47.5  
22 million and the recently filed disclosures in the EMMA, in the  
23 EMMA website stating that we had failed to reflect a retiree  
24 medical benefit liability that could exceed \$26 million.

25 Do you recall that?

1 A Yes.

2 Q Now my question is have you reviewed the application of  
3 Actuarial Value?

4 A I have.

5 Q And in there Mr. Campbell is going to provide or -- I'm  
6 sorry -- Actuarial Value, I think through Mr. Campbell, is  
7 going to provide services to the debtor that are remarkably,  
8 sound remarkably similar, am I, would I be correct in that?

9 A That's subjective. I don't know if I can answer that  
10 question.

11 Q Well --

12 A May sound similar to you.

13 Q -- for example, they're going to be doing the same things  
14 that you were doing, but with an actuarial analysis as opposed  
15 to a general analysis. Is that a fair statement?

16 A No.

17 Q Okay. How would you describe what they're doing that's  
18 different than what you're doing?

19 A Bob -- so they're gonna be performing actuarial analysis  
20 services that are beyond the capabilities of Rock Creek.

21 Q So they will assist the Committee in connection with  
22 actuarial analysis and issues concerning the debtor's pension  
23 and OPEB plans, is that correct?

24 A That's what the application says, yes.

25 Q Well, and -- so my question is is that your understanding

1 of what they will be doing?

2 A Yes.

3 Q And they will be advising the Committee in connection with  
4 actuarial aspects of the pension and OPEB issues in connection  
5 with the mediation, is that correct?

6 A Yes.

7 Q And they will assist and review and/or preparation of  
8 information and actuarial analyses pertaining to pension and  
9 OPEB issues relevant to confirmation of the plan, is that  
10 correct?

11 A Yes.

12 Q Okay. And it's your testimony that an actuarial analysis  
13 is substantially different than an analysis of the pension  
14 plans itself, is that correct?

15 A I think it's fair to say that an actuarial analysis of the  
16 pension plan is a component of the overall analysis that we're  
17 going to perform to help the Committee.

18 Q So I guess going back to your application, can you point to  
19 me where it mentioned that you would need to hire an actuarial  
20 person to state or to do this additional analysis?

21 A No, I cannot.

22 Q And is it fair to say that it's not in there?

23 A Yes.

24 Q And in fact, if I go to Paragraph 7 or -- well, I'm sorry.  
25 Let me, before I ask that question.

1 Your testimony, I think, a minute ago for Mr. Knapp -- and  
2 please correct me if I'm wrong -- was that you became aware  
3 that you needed an actuarial analysis in May of 2022, is that  
4 correct?

5 A Yes.

6 Q Does the Rock, or does the Actuarial Value application  
7 indicate that May of 2022 is when you, the Committee became  
8 aware of the need --

9 A I don't believe --

10 Q -- for that?

11 A Oh. I don't believe so.

12 Q And in fact, what it does say in the application is that  
13 the Committee "needs to retain an advisor capable of rendering  
14 professional services described above because *inter alia* the  
15 debtor has scheduled an unfunded pension liability of  
16 approximately 47.5 million in this bankruptcy case and filed a  
17 public disclosure on the EMMA website stating that the debtor  
18 had failed to reflect on the post-1994 financial statements a  
19 retiree medical benefit liability that could exceed \$26  
20 million," correct?

21 A You're gonna have to repeat the question. I heard a lot of  
22 words and then "correct."

23 Q I will do it this way. The language that is in Paragraph 7  
24 is identical to the language that is in Paragraph 8 of your  
25 application, is that correct?

1 A I don't know that for certain. I don't have them in front  
2 of me.

3 Q That's fine.

4 MR. MINTZ: Your Honor, no further questions at this  
5 time.

6 THE COURT: All right.

7 Mr. Knapp?

8 Unless anybody else has a cross that they wanna -- no?  
9 All right.

10 MR. KNAPP: I have no further questions for John  
11 Spencer.

12 THE COURT: Okay.

13 All right.

14 BY THE COURT:

15 Q Mr. Spencer, did you tell -- you said that you knew in May  
16 of 2022. Did you tell the Committee that you're gonna need  
17 some help?

18 A Yes, ma'am.

19 Q Okay.

20 All right. Thank you.

21 A Thank you.

22 THE COURT: All right, Mr. Knapp. What else do you  
23 have?

24 MR. KNAPP: All right. I'd like to call Robert  
25 Campbell, who apparently --



1 THE COURT: Yeah.

2 MR. KNAPP: -- has not made the video work yet, but I  
3 think he's on the phone.

4 THE COURT: Okay.

5 Does anybody have any objection, Mr. Mintz, to just a  
6 telephonic testimony? I mean --

7 MR. MINTZ: No objection.

8 THE COURT: Not to be -- like I said, I do not provide  
9 technical support, but all I can say is is your camera on?  
10 'Cause that would --

11 MR. CAMPBELL: Yeah. My --

12 THE COURT: -- that would be my problem if I wasn't  
13 working. So I, I don't know what to tell you.

14 Is there --

15 THE COURTROOM DEPUTY: He's in the room.

16 MR. CAMPBELL: Yeah.

17 THE COURT: Yeah. We -- I can see that you're in the  
18 room, but for whatever reason the camera just isn't working.

19 MR. CAMPBELL: Yeah. It --

20 THE COURT: So.

21 MR. CAMPBELL: And it's beyond my technical abilities  
22 as well. My apologies. But it's telling me that my camera is  
23 being used for something else. So I don't, I don't know what  
24 that could be, but it's --

25 THE COURT: Didn't we run into that --

1 MR. CAMPBELL: -- not --

2 THE COURT: -- the other day, Allen?

3 THE COURTROOM DEPUTY: Yeah.

4 THE COURT: Okay.

5 All right. Okay. Let's go ahead and proceed,

6 Mr. Knapp.

7 MR. KNAPP: All right.

8 DIRECT EXAMINATION

9 BY MR. KNAPP:

10 Q Mr. Campbell, can you please introduce yourself for the  
11 Court?

12 THE COURT: Okay. Let me swear him in.

13 MR. KNAPP: Oh, yes. Good point.

14 THE COURT: Sorry about that.

15 All right.

16 THE COURTROOM DEPUTY: Please raise your right hand.

17 ROBERT CAMPBELL, COMMITTEE'S WITNESS, SWORN

18 MR. KNAPP: All right.

19 DIRECT EXAMINATION

20 BY MR. KNAPP:

21 Q Mr. Campbell, can you please introduce yourself for the  
22 Court?

23 A Sure. My name's Robert Campbell. I am a consulting  
24 actuary. I've been practicing for almost 40 years, a lot of  
25 that time with major international consulting firms. Most

1 currently for the past six years as part of Actuarial Value,  
2 LLC, providing support for a variety of pension measurements,  
3 applications, including bankruptcies and other -- other -- any,  
4 any, any kind of dispute related to pensions or, or post-  
5 retirement medical claims.

6 Q All right. Can you explain what an actuary does?

7 A Sure.

8 An actuary performs calculations that measure the current  
9 value off a, of a long-term stream of, of payment, such as with  
10 a pension plan or with a post-retirement medical plan, and  
11 those, that stream of payments has contingencies related to it,  
12 such as how long an individual's going to live or, or, you  
13 know, what kind of utilization of medical benefits is going to  
14 take place. Yeah. So that, that's, in a nutshell, what an  
15 actuary does and, and I can talk more about, you know, some of  
16 the, some of the specifics that go into that if that would be  
17 helpful.

18 Q Can -- for the type of analysis you're talking about, can  
19 that be done by someone who's not an actuary?

20 A No. The, the kinds of analysis that I do and the kinds  
21 that I will do in this situation can only be done by an actuary  
22 who's qualified, who's certified to practice by the IRS and the  
23 Department of Labor, and who's got the credentials to and, and  
24 the expertise to do it.

25 Q Do actuaries make certain assumptions and judgment calls in

1 the performance of their work?

2 A Yeah. And that's a, that's a key part of what we do, is we  
3 select assumptions as to what's going to happen in the future  
4 in order to measure the, the liability for the stream of  
5 payments and, and those assumptions, such as the interest rate  
6 or how long people are going to live or other, medical plan  
7 utilization, those, those require actuarial expertise to, to  
8 select and, and then to use appropriately.

9 Q So in your experience will the debtor's actuaries have made  
10 a certain set of assumptions that would drive their analysis of  
11 the benefits picture here?

12 A That - that's certainly -- that's certainly true, yes.  
13 They would have made a. a whole set of assumptions.

14 Q All right. What is, what do you plan to do to avoid  
15 duplicating work with what Rock Creek is doing?

16 A Yeah. I, I think, as, as John said, you know, he --  
17 he's -- Rock Creek and John and his team are not able to do the  
18 kind of work that I do.

19 So there's no, there's not gonna be any, you know, any  
20 chance that, that we can do each other's kind of work because,  
21 because of the expertise that I have and can bring into it.  
22 And, and then we, you know, sort of will coordinate to, to  
23 produce a work product that, that has, you know, the actuarial-  
24 expertise part that, that I bring sort of in, in conjunction  
25 with the, you know, the, the work that he does.

1 Q All right. Thank you.

2 MR. KNAPP: I'll pass the witness.

3 THE COURT: All right.

4 CROSS-EXAMINATION

5 BY MR. MINTZ:

6 Q Good afternoon, Mr. Campbell. My name is Mark Mintz. I'm  
7 an attorney for the debtor.

8 Mr. Campbell, you testified that there is a set of  
9 assumptions that are made by actuaries regarding the, the, the  
10 analysis they provide, is that correct?

11 A Yeah, that's correct.

12 Q And in this situation I think you just testified that  
13 Willis Tower Watson, the debtor's actuary, would have made  
14 certain assumptions, is that correct?

15 A Yeah, that's correct.

16 Q So in this situation you are going to review the debtor's  
17 books and records and make your own assumptions, is that  
18 correct?

19 A I would not necessarily make my own assumptions. I would  
20 assess whether the assumptions that were selected by the other  
21 actuary were reasonable or appropriate under the circum, under  
22 the circumstances.

23 Q And is Rock Creek determining the new assumptions or are --  
24 is Rock Creek determining that or are you determining that?

25 A No. That's, that's not something Rock Creek would be

1 qualified to do because they don't have any actuaries.

2 Q Are you familiar with the application that was filed on  
3 your behalf by the Committee?

4 A Yes.

5 Q And you heard the testimony of Mr. Spencer earlier today?

6 A Yes, I did.

7 Q Can you tell me when was, when Actuarial Value was  
8 contacted by the Committee to be hired?

9 A It may have been sometime in May or, May of this year.

10 Q So in May of 2023?

11 A Something, something around there, yes.

12 Q And had you done any work on this prior to then?

13 A No.

14 Q Have you worked on other bankruptcies before, Mr. Campbell?

15 A Yes.

16 Q And have you worked with Rock Creek in those other  
17 bankruptcies?

18 A Yes. In one case, yes.

19 Q Okay. And was there ever a question in that -- I'm sorry.  
20 What was that case?

21 A I think I'm -- am I allowed to say? It, it's, it's still  
22 pending. So it's --

23 THE COURT: Well, let me just interject. Did you,  
24 were you approved by the court as a professional in that case?

25 THE WITNESS: Yes.

1 THE COURT: Okay. Then it's public. I have to assume  
2 it's public.

3 THE WITNESS: Okay.

4 THE COURT: All right. But --

5 THE WITNESS: All right.

6 THE COURT: -- if you --

7 THE WITNESS: So the Diocese of (audio cuts out)  
8 Centre --

9 THE COURT: I, I don't know.

10 THE WITNESS: -- of New York.

11 THE COURT: I mean, Mr. Knapp, do you have any  
12 objection to him disclosing which --

13 MR. KNAPP: No. I, I think he said Diocese of  
14 Rockville Centre. It cut out briefly.

15 THE COURT: Okay. Yeah. I couldn't hear.

16 MR. KNAPP: But yes, he's involved in the Diocese of  
17 Rockville Centre case.

18 THE COURT: Gotcha. Okay. All right. Thank you.

19 BY MR. MINTZ:

20 Q And you worked with Rock Creek in the Diocese of Rockville  
21 Centre, is that correct?

22 A That's correct.

23 Q Who's committee counsel in the Diocese of Rockville Centre?

24 A Pachulski Stang.

25 Q Is that Pachul -- I just wanna make sure I heard it. That

1 was Pachulski Stang Ziehl & Jones, is that correct?

2 A That's correct.

3 Q When did you start working in that case?

4 A Might have been August of '21 or August the -- no. It was,  
5 it was sometime during 2022.

6 Q I'm sorry. So --

7 A Summer of --

8 Q -- it was sometime in 2022, you said?

9 A Right. That's correct.

10 Q The beginning of 2022? End of 2022?

11 A Half of 2022. I don't remember the exact date.

12 THE COURT: I, I'm sorry. I, I didn't pick that up.  
13 The first half of 2022 or the last half?

14 THE WITNESS: The -- it was in the middle of 2022,  
15 like in the summer.

16 THE COURT: Okay, got it.

17 BY MR. MINTZ:

18 Q And prior to -- let me ask this question.

19 Were you -- who contacted you about being retained in the  
20 Archdiocese of New Orleans case?

21 A I'm quite certain it was Rock Creek.

22 Q Prior -- and then in -- I think you had testified -- and  
23 maybe this wrong -- that they -- well, let me ask this  
24 question.

25 When did they contact you about working in New Orleans?



1 A I think May of, May of '23.

2 Q May of 2023?

3 A Yes.

4 Q Okay. And prior to that you had, had you ever talked to  
5 them about the Archdiocese of New Orleans pension program?

6 A I mean, it, it came up vaguely in conversation, but, but  
7 not, not with any detail at all. I -- I didn't -- I did not  
8 know the nature of the situation here at all.

9 Q I'm, I'm, I'm gonna ask you to repeat that 'cause I think  
10 some of it cut out.

11 So if you could just repeat the answer.

12 A Sure. I, I was not aware of any of the details. I -- I --  
13 I was aware that there was a case going on, but I wasn't aware  
14 of the details or the nature of it or, or the likelihood that I  
15 would be needed.

16 Q I guess -- okay.

17 So the question I wanted to ask was did you speak to Rock  
18 Creek about this case prior to May of 2023?

19 A If I did, I don't remember.

20 MR. MINTZ: No further questions at this time, your  
21 Honor.

22 THE COURT: All right. Thank you.

23 Mr. Knapp?

24 MR. KNAPP: Nothing further from me, either.

25 THE COURT: All right.

1 All right. Thank you, Mr. Campbell. I don't think I  
2 have any questions.

3 THE WITNESS: Okay.

4 THE COURT: I, I appreciate your --

5 THE WITNESS: Thank you.

6 THE COURT: -- flexibility in testifying by phone.

7 THE WITNESS: Oh, yes, sure.

8 THE COURT: All right.

9 So Mr. Knapp, where does that leave us?

10 MR. KNAPP: Your Honor, this is a unique subject area,  
11 actuary analysis.

12 THE COURT: Uh-huh (indicating an affirmative  
13 response).

14 MR. KNAPP: Most of us who went to law school did it  
15 to avoid math, but this is a special kind of math and  
16 analytical process that only certain people can do. It's a  
17 huge issue. We recently, middle of July, received a document  
18 production for some requests related to pension information  
19 that had been pending for a while. So we now have the  
20 documents we think we need to allow this work to move forward  
21 and we'd like to move it forward. We think this is a  
22 relatively isolated project, I mean, barring some surprise and  
23 it's an issue that involves tens of millions of dollars.

24 As the Court's aware, as the debtor acknowledged, they  
25 can object to fee applications for anyone at any time if

1 anything untoward's happening. But we have professionals with  
2 distinct skillsets and the Committee really needs an actuary in  
3 order to evaluate the assumptions the debtor's actuary has  
4 made.

5 THE COURT: Uh-huh (indicating an affirmative  
6 response).

7 MR. KNAPP: So. --

8 THE COURT: Could we --

9 MR. KNAPP: -- we think it's appropriate for their,  
10 for them to be retained.

11 THE COURT: Could we have foreseen this need?

12 MR. KNAPP: We could have a lot earlier, probably. I  
13 mean, you know, it, but we're now at a point where we have the  
14 documents we need. Hopefully, that'll make it a limited  
15 engagement, you know.

16 THE COURT: Uh-huh (indicating an affirmative  
17 response).

18 MR. KNAPP: Some of the -- the debtor talked about how  
19 many professionals we have. Some of them came and went. I  
20 mean, there was an expert on bar date and publications before  
21 my time, that sort of thing.

22 THE COURT: Uh-huh (indicating an affirmative  
23 response).

24 MR. KNAPP: This is what we view as, hopefully, pretty  
25 isolated analysis assuming the case doesn't drag on so long

1 that we have --

2 THE COURT: Uh-huh (indicating an affirmative  
3 response).

4 MR. KNAPP: -- interest rate changes, life expectancy  
5 changes, another pandemic, who knows. But --

6 THE COURT: Right.

7 MR. KNAPP: -- you know, we're hoping this can be a  
8 pretty isolated set of work product that will allow us then to  
9 resolve this issue with respect to the plan process and focus  
10 on the issues that involve hundreds of millions of dollars --

11 THE COURT: Right.

12 MR. KNAPP: -- instead.

13 THE COURT: All right.

14 Well, let's do this. Let's -- unless anybody else  
15 wants to be heard on the employment application, is it all  
16 right if we have the, you tell me whatever you need to tell me  
17 in the status conference so that I understand. I'm hoping  
18 you'll give me an update on the case and, and basically where  
19 we're at and where we're going. That'll, that might help put  
20 the employment application into some context for the Court.

21 MR. STANG: May I, your Honor?

22 THE COURT: Absolutely.

23 MR. STANG: Thank you, your Honor. James Stang,  
24 Pachulski Stang Ziehl & Jones, for the Committee.

25 Your Honor, there are five topics that I would like to

1 cover.

2 THE COURT: Okay, great.

3 MR. STANG: One is -- and I'll list them and if  
4 there's a particular priority you'd like me to go in or  
5 sequence, just tell me.

6 THE COURT: Okay.

7 MR. STANG: One, I want to tell you about a relief  
8 from stay motion that the Committee is coordinating with state  
9 court counsel.

10 Second, give you an update on insurance.

11 Third, an update on the Committee's financial analysis  
12 of the debtor and its affiliates.

13 Fourth, a brief description of my understanding of the  
14 constitutionality issues and the status before the different  
15 courts regarding the window. I'm sorry -- I'm sorry --  
16 regarding the window.

17 THE COURT: Okay.

18 MR. STANG: And finally, a discussion about the status  
19 of the plan.

20 THE COURT: Okay.

21 MR. STANG: I know the Court has some other matters  
22 before it on removal. They're not really pertinent to the  
23 Committee. They're pertinent to the case, but not to what the  
24 Committee's working on. So --

25 THE COURT: Okay.

1 MR. STANG: -- I guess when Mr. Mintz has his chance,  
2 I'll rise in response, I guess.

3 THE COURT: Okay.

4 MR. STANG: So I want to start with the stay relief.

5 THE COURT: All right.

6 MR. STANG: Your Honor, the window, which is still  
7 con, which is, has not been declared unconstitutional, is  
8 scheduled to close on June 14, 2024. To date, and this might  
9 be an approximation of maybe rounding about 10 or 12 cases,  
10 there were 484 claims filed. There's some late claims that  
11 keep on coming in.

12 THE COURT: Uh-huh (indicating an affirmative  
13 response).

14 MR. STANG: I'm not sure that our claim count reflects  
15 all of them, but I think it's not off by more than a dozen  
16 cases.

17 THE COURT: Okay.

18 MR. STANG: So let's just call it 484, if we could.

19 THE COURT: Okay.

20 MR. STANG: Based on our review of each proof of claim  
21 which asked, "Did you file a lawsuit in connection with your  
22 claim," there were 66 of those 484 claims that had filed pre-  
23 petition litigation. That leaves -- and I did go to law school  
24 to avoid math, but I can do this -- 428 proofs of claim that do  
25 not allege the existence of a pre-petition claim regarding the

1 abuse. And that's, I guess, understandable because at the time  
2 the window had not been enacted. And so from our perspective,  
3 people, while they filed proofs of claim, were not filing pre-  
4 petition litigation because it was prescribed subject to a  
5 *contra non valentem's* defense, maybe some other defenses, but,  
6 you know, there was, the word was out that prescription was an  
7 issue.

8           Well, we've had the window enacted and the Committee  
9 is going to, is working with state court counsel and is  
10 supporting state court counsel and planning very limited relief  
11 from stay motions. The limited relief from stay -- and we have  
12 discussed this with the debtor, your Honor -- is to allow  
13 people to file state court lawsuits against the Archdiocese  
14 and, and against any third parties who may be subject to the  
15 automatic stay and that might be by virtue -- and we have  
16 looked at your rulings on the relief from stay motions that  
17 were filed earlier on coinsurance, on burden that might be  
18 imposed on the debtor, and the other factors that were argued  
19 in connection with those stay relief motions.

20           So the limited stay relief that's going to be asked  
21 for is the opportunity to file state court lawsuits and serve  
22 those lawsuits and then hit the stop button. No responses to  
23 those complaints would be necessary. No action could be taken,  
24 again under the scope of the limited stay that's being asked,  
25 relief that's being asked for. The plaintiff can't do anything

1 and the defendants can't do anything.

2           So why are we asking for this? And I say "we," the  
3 Committee will, intends to join in these relief from stay  
4 motions and I wanna talk at the end of this section on how we  
5 might coordinate them in a way that doesn't have you dealing  
6 with them on different dockets and so forth.

7           THE COURT: Uh-huh (indicating an affirmative  
8 response).

9           MR. STANG: First, if -- the window's scheduled to  
10 close June 14th. We know that the bar date motion did not  
11 affect anyone's rights vis-à-vis those affiliated third parties  
12 who we expect would be the subject of a channeling injunction  
13 or release under a consensual plan. If we don't have that plan  
14 by that date confirmed and that date passes, those third  
15 parties will have -- I'm sorry -- those individuals will have  
16 lost their rights against the third parties.

17           So it's kinda putting down a, a, a die marker, if you  
18 will, or a flag saying we've met the window and we understand  
19 the implications of our litigation in connection with the  
20 debtor and the estate and the plan process, but we're here and  
21 if the case makes, maybe they'll get channeled and released,  
22 but, if it doesn't, we have reserved our rights as, as to June  
23 -- I'm sorry -- June 14th.

24           We also think it is necessary to enable the lawsuits  
25 against the Archdiocese. That one, I understand, sounds a



1 little harder to hear, but if this case is dismissed -- and we  
2 don't have any intention today to, we're not planning to bring  
3 a dismissal motion. I don't know if anyone is -- but if it is  
4 dismissed and people have not sued the Archdiocese by June  
5 14th, they're done.

6           Now I've heard arguments about Section 108(c) and that  
7 that somehow extends the deadline for the Archdiocese, but  
8 frankly, it's not my malpractice policy on the -- on -- on the  
9 -- on the line here, or, I guess, if I gave that advice, it  
10 would be, but I'm not prepared to, to a host of state court  
11 counsel who are sometimes less involved in this case than  
12 others. And so the idea is to preserve the timeliness of any  
13 litigation against the Archdiocese or third parties vis-à-vis  
14 the June 14, 2024 deadline.

15           The second reason we think this is necessary is,  
16 really, the scope of the channeling injunction and the releases  
17 that might arise in a consensual plan. By our count, there are  
18 200 affiliates of the debtor. That includes, mostly, the  
19 parishes, but there are other parties, some of whom the debtor  
20 might argue are covered by the automatic stay based on the  
21 rationales that were argued during the relief from stay motions  
22 and some who may not be at all. But there are entities out  
23 there who may have claims against them that have not been  
24 articulated in a proof of claim or in any existing state court  
25 litigation.

1           So when the Diocese says to the Committee, "Make a  
2 demand" -- and we'll talk, generally, about that in a little  
3 bit 'cause it's, a lot of it's subject to the mediation  
4 privilege -- "make a demand," our analysis is driven by how  
5 many people are asserting claims that would have to be dealt  
6 with under the plan, what is the nature of their injuries. And  
7 we have retained experts, one of those nine that Mr. Mintz  
8 referred to, who looked at the claims, have valued them based  
9 on different analyses of types of abuse severity, repetition,  
10 that sort of thing.

11           So I don't know if there are another hundred people  
12 out there, 5 people out there, or 200 people out there who have  
13 not surfaced, but Mr. Mintz will want their -- sorry -- the  
14 Diocese will want their claims channeled and released through a  
15 consensual plan. So I need to try to set the best opportunity  
16 possible for state court counsel to come forward with clients  
17 who have not presented themselves in some fashion through a  
18 proof of claim.

19           We have talked to some lawyers about, you know, "Do  
20 you have people calling you today saying, 'We'd like to file a  
21 lawsuit?'" "Yes. You're late as to the Archdiocese. No  
22 excusable neglect, but you have a claim against the parish.  
23 You have a claim against Catholic Charities for the Hope  
24 Haven/Madonna Manor operations," what, whoever it may be, but  
25 we want to have the best information and I think the

1 Archdiocese wants to have the best information possible as to  
2 who may be out there that have to be included in the  
3 negotiations regarding the monetary demands. So those are the  
4 rationales.

5 Now I, I wanna make two things very clear. We are not  
6 trying to reopen the bar date. This has nothing to do with the  
7 timeliness of any proofs of claim that have been filed in the  
8 case, but we know that there are going to be claims that are  
9 going to come in, if you will, through the back door. Every  
10 parish claim is gonna, they're gonna want to have channeled and  
11 released, every single one, and there may be other affiliates  
12 as well.

13 So I want you to know while we did come in after the  
14 window and ask you to extend the bar date and you declined to  
15 do that, we're not trying to reopen the bar date through this  
16 process.

17 The second thing we're not trying to do is affect any  
18 argument that the window is unconstitutional. That's -- we're  
19 gonna talk in a few minutes about the status of the two cases  
20 that I'm aware of that are presenting that issue, but the fact  
21 that you would, might allow someone to file a lawsuit in state  
22 court is not a determination that the window is constitutional  
23 and any order that would be presented in connection with these  
24 stay relief motions will say that and they will also say the  
25 same as to the bar date if you feel you need to do the no part

1 of the relief if you decide to grant it. We know of at least  
2 five law firms 'cause we've gone after them and said, "Is this  
3 something that you are interested in doing," or they came to us  
4 and expressed the concern and then we went back to a larger  
5 group and said, "Are you interested?" We know there are at  
6 least four-or-five firms that want to do this. We wanna try to  
7 coordinate them so that they're filed at the same time. We  
8 don't believe the Committee could ask you for relief from stay.  
9 We think a creditor has to ask for that. The Committee will  
10 join and we will suggest to you that you do kind of an opt-in  
11 process. If you decide conceptually that this is okay, you  
12 will have to decide how you want to handle your calendar  
13 insofar as other people coming in, filing the motions again, or  
14 whether there can be some kind of opt-in procedure not only for  
15 the firms that have actually filed the stay relief, but maybe  
16 other people as well. We do have unrepresented parties in the  
17 case. I apologize. I don't know how many there are, but there  
18 are some. And so obviously, if they opt in and they file state  
19 court lawsuits, they're gonna need a lawyer, but we're not in  
20 the business of trying to get people to, to sign up.

21           So that's the relief from stay scenario.

22           THE COURT: Yeah.

23           MR. STANG: Templates of relief from stay motions are  
24 circulating. I would expect that you might see some filed  
25 within the next two weeks or so.

1 THE COURT: Okay.

2 MR. STANG: And as to, as far as June 14th is  
3 concerned, it's, you know, why now, why not wait four months?  
4 We are informed by state court counsel that the time is now to  
5 try to get permission from you because they have work to do on  
6 their cases and it doesn't happen overnight in terms of  
7 preparing an appropriate relief, state court complaint.

8 So not asking you for that relief, but I wanted you to  
9 know, though, what's coming and if you were, wanted to  
10 volunteer to me any thoughts about an opt-in procedure or a  
11 different way of handling these than individual stay relief  
12 motions, I'm all ears. But --

13 THE COURT: Yeah.

14 MR. STANG: -- I'm not gonna be presumptuous about --

15 THE COURT: All right.

16 MR. STANG: -- you know, what today is about.

17 THE COURT: Well, well, this is first I'm hearing  
18 about it.

19 MR. STANG: I know. I know.

20 THE COURT: So let me, let me think on it just a  
21 little bit.

22 But Mr. Mintz, you've spoken --

23 MR. MINTZ: Well, and so --

24 THE COURT: --with Mr. Stang and discussed this?

25 MR. MINTZ: Well, that was the question I wanted to

1 ask, was do we wanna go through all five things? Do we want me  
2 to --

3 THE COURT: Yeah. Let's try to --

4 MR. MINTZ: -- respond each time?

5 THE COURT: Let's try to have you react as we go --

6 MR. MINTZ: Okay.

7 THE COURT: -- if that's okay. That way, we can have  
8 the conversation.

9 MR. STANG: He just has to stay on topic, your Honor.

10 THE COURT: Right.

11 All right.

12 MR. STANG: I know -- it's hard for me to. So --

13 MR. MINTZ: I --

14 MR. STANG: -- maybe it's hard for Mark.

15 MR. MINTZ: I, I was quiet the whole time.

16 MR. STANG: You were quiet the whole time.

17 MR. MINTZ: I was taking very good notes.

18 And your Honor, just to make it easier, I'm gonna,  
19 unless you --

20 THE COURT: That's fine.

21 MR. MINTZ: -- want me to --

22 THE COURT: No, that's fine.

23 MR. MINTZ: -- at the podium.

24 Your Honor, so Mr. Stang is correct in the sense that  
25 we certainly have been discussing this and we've been

1 discussing it for, for a while. The debtor has concerns with  
2 how this would look and a lot of 'em --

3 THE COURT: Uh-huh (indicating an affirmative  
4 response).

5 MR. MINTZ: -- Mr. Stang has actually addressed and  
6 said we, we, we need to go through. We have procedural  
7 concerns that, on how does this really work as, yeah, we can  
8 have a limited relief, but does that apply to each individual  
9 person? How would it apply globally? How can we make that  
10 work? We have groups of attorneys in this case -- and we're  
11 gonna discuss this *ad nauseum* and we still will, we still will  
12 discuss it -- who have not been overly interested in bankruptcy  
13 court orders that limit what they can do and how does the  
14 debtor deal with and how does the Committee deal with and does  
15 the Court deal with a distraction of a problem that then comes  
16 into, yes, we have an agreement, in general, that this is how  
17 we do, effectuate the stay relief, but keeping everyone to that  
18 agreement. And it's not --

19 THE COURT: Uh-huh (indicating an affirmative  
20 response).

21 MR. MINTZ: -- opening the door that says,  
22 "Absolutely. Go litigate these types of claims in state court,  
23 but not these types because you've agreed to it or what it is."  
24 It becomes a procedural nightmare that we don't know how to get  
25 out of at the moment.

1           THE COURT: Uh-huh (indicating an affirmative  
2 response).

3           MR. MINTZ: With that said, your Honor, the debtor  
4 believes that the -- this -- and, and I appreciate what  
5 Mr. Stang has said, that this is not an effort to relitigate  
6 the bar date and I, and I appreciate the distinction that he's  
7 trying to make -- but we did go through with the window this  
8 exact issue on the motion that was earlier, which was to  
9 relitigate the bar date and it was to reopen. That was what  
10 was requested and it was specifically because there may be  
11 people who have claims against the Archdiocese that they need  
12 to have it heard. We now know since that period people have  
13 not been afraid to file late claims.

14           THE COURT: Yeah.

15           MR. MINTZ: And the debtor has objected to exactly  
16 zero of them. The debtor has objected to no claims of anybody.  
17 The stipulation we are entering into with every single of these  
18 people who have filed late-filed claims has been that we agree  
19 that it is filed and that they are treated as filed claimants  
20 for purposes until a later entity, whether it be the Committee,  
21 whether it be the debtor, whether it be a liquidating trustee  
22 that may be set up, whether it may be Mr. Draper, Ms. Altazan,  
23 or even Ms. Wolf-Freedman as a creditor, can make whatever  
24 objection they want to make.

25           So we're already allowing these claims to participate.



1 The bar date itself, the notice itself, while Mr. Stang is 100  
2 percent correct, it applies to the debtor. The notice itself  
3 was very carefully written by the Committee to say, "If you  
4 have claims against any affiliate, you should file it." We  
5 gave these people this notice, "If you have a claim, you should  
6 file it." I worry that a motion to, for relief of stay that  
7 does this essentially and effectively creates that back door to  
8 lift a bar date that is already there and that we've been  
9 working through.

10 As he said, we have 4, I think his number was 484. I  
11 think our number was 494. I -- the point is they're really  
12 relatively close --

13 THE COURT: Uh-huh (indicating an affirmative  
14 response).

15 MR. MINT: -- to each other, but the point is there is  
16 a lot of claims that are in there and we do not have -- I, I, I  
17 do not see how this is really anything other than reopening the  
18 bar date to allow more claims in in order to look at that two  
19 years after it had already closed.

20 I get what the legislature said. We're having  
21 whatever discussions that are, that are being had about that in  
22 courts that are not necessarily this one. If we have to have  
23 it in this one, maybe that's a discussion we can have, but, you  
24 know, as I'm reminded by your Honor at one point saying in a  
25 previous pleading, you know, the debtor has thrice not argued

1 something that we were dealing with. I -- I -- this Court has  
2 twice declined the invitation to talk about the  
3 constitutionality. Now in fairness, we sort of invited it  
4 without squarely putting it in front of you. If we want to put  
5 it squarely in front of you, we can. I don't think that either  
6 of us want to do that.

7           And so I think that this type of thing, while it  
8 sounds partially correct and I can get behind parts of it, the  
9 debtor does have grave concerns about what it actually does to  
10 the process and where we are with everything else.

11           THE COURT: Okay.

12           And --

13           MR. DRAPER: Your Honor, can I address this?

14           THE COURT: Yeah. I was --

15           MR. DRAPER: 'Cause I'm the giant --

16           THE COURT: -- about to call on --

17           MR. DRAPER: I'm the --

18           THE COURT: -- about to call on you, actually.

19           MR. DRAPER: I'm the giant elephant in the room.

20           THE COURT: Uh-huh (indicating an affirmative  
21 response).

22           MR. DRAPER: And --

23           MR. STANG: I'm bigger than you are.

24           MR. DRAPER: No, you're not. You may be wider than I  
25 am. I am probably taller and --

1           But again, I understand and I sympathize with the  
2 concept that claims have to be filed by a certain date. I  
3 understand that; otherwise, they're barred by the statute of  
4 limitations. Got it -- got -- understand what they wanna do.

5           What I do have a problem with -- and, and again, I'm  
6 not gonna -- I -- you -- I have to see the motion before I, I  
7 even address it. But one of the things I question is if, in  
8 fact, the motion, the motion is, is, is filed and they say,  
9 "Look, all these people are gonna file claims against  
10 affiliates," what are the ramifications if they don't file a  
11 claim? What -- what -- what teeth is there to say, to bring  
12 'em and file the claim? There is none, you know. There just  
13 isn't any because there's no, there's no ramification and if  
14 you don't file a claim by this date against an affiliate,  
15 you're barred. You -- that -- that -- that's just not there.

16           So I question the scope of what they're trying to do.  
17 I question the capability and the, the result of what they're  
18 trying to accomplish 'cause I don't think it accomplishes the  
19 result they're seeking.

20           But I do understand the issue of allowing people to  
21 preserve their claims. And, and again, once I see the motion,  
22 I, I can address it in the way I need to address it.

23           THE COURT: Uh-huh (indicating an affirmative  
24 response).

25           MR. DRAPER: The --

1           THE COURT: So right now, what am I missing? Right  
2 now, someone could go and file, you know, a suit against  
3 whatever parish?

4           MR. DRAPER: Not really.

5           THE COURT: Not really.

6           MR. STANG: Your Honor, I have to tell you that --

7           THE COURT: Not really. Okay.

8           MR. STANG: -- people are as -- I, I can't think --

9           THE COURT: A little gun shy?

10          MR. STANG: -- of a better expression, they are not  
11 doing that --

12          THE COURT: Okay.

13          MR. STANG: -- because of your earlier rulings on stay  
14 relief. And --

15          THE COURT: Uh-huh (indicating an affirmative  
16 response).

17          MR. STANG: -- maybe some people would if they were  
18 told, "Hey, have you thought of," but there are a lot of people  
19 out there --

20          THE COURT: Uh-huh (indicating an affirmative  
21 response).

22          MR. STANG: -- who are saying, "I'm not doing anything  
23 unless Judge Grabill says it's okay."

24          THE COURT: Right. Well, I understand that. The --  
25 the -- the -- what was pending before and what was removed to

1 the district court -- and half of 'em are here and half of  
2 'em --

3 MR. STANG: Yes.

4 THE COURT: -- are still there -- they all named the  
5 Archdiocese.

6 MR. STANG: Yes.

7 THE COURT: The, the lift stays in those adversaries  
8 were for suits that named the Archdiocese and a priest.

9 MR. STANG: Yes.

10 THE COURT: And they wanted, you know, perpetuation  
11 depositions for the priest and even that gets a little tricky  
12 because, you know, you can't touch the Archdiocese.

13 But I'm just saying what if there were a -- you --  
14 there's no prohibition like, you know. Whatever parish --

15 MR. DRAPER: Your --

16 THE COURT: -- the singular parish if, you know,  
17 whatever priest, whatever parish, whatever allegations is, you  
18 know, there's nothing prohibiting someone from filing that suit  
19 as long as the Archdiocese isn't named at this point, correct?

20 MR. DRAPER: Well, that's, that's not exactly true.

21 THE COURT: Okay.

22 MR. DRAPER: You, you have an insurance policy that's  
23 a joint policy.

24 THE COURT: Hmm.

25 MR. DRAPER: And so the proceeds of the policy are

1 property of the estate.

2 THE COURT: Gotcha.

3 MR. DRAPER: And that's, that's how it's gonna -- and  
4 again, there are people who have filed suit against an archdi,  
5 against a diocese. The case has been removed. They've tried  
6 to have them remanded. They have not been remanded. Judge  
7 Ashe has issued an opinion on it and everything has sort of  
8 been --

9 MR. MINTZ: You mean against a non --

10 MR. DRAPER: What?

11 MR. MINTZ: That -- the one you're referring to is a,  
12 did not name the Archdiocese.

13 MR. DRAPER: Right. He did not --

14 MR. MINTZ: Yes.

15 MR. DRAPER: -- name the Archdiocese in that case.

16 THE COURT: Yeah, because of the insurance issue.

17 MR. DRAPER: Right.

18 And so again, I under, I understand what they're  
19 trying to accomplish and, and I understand that it is truly not  
20 fair to stop people and, and force a statute of limitations to  
21 run by somebody. I, I understand.

22 THE COURT: Right.

23 MR. DRAPER: And I get it, but there, there's a better  
24 method than, than opening up the floodgates, No. 1. And No. 2,  
25 opening up the floodgates when there's no ramification for

1 somebody to just sit with more claims in their pocket.

2           And again, I'll, I'll be happy to look at the motion.  
3 I understand what they're trying to accomplish and, and I'm  
4 open to listening to it.

5           THE COURT: Uh-huh (indicating an affirmative  
6 response).

7           MR. STANG: Your Honor, like you said, the motions  
8 aren't in front of you, but I wanna make --

9           THE COURT: Yeah.

10          MR. STANG: -- something clear.

11          THE COURT: Yeah, yeah.

12          MR. STANG: There is no agreement. Whatever  
13 permission is given will be by your court order. And so it  
14 will be as exacting as you feel is necessary to make sure that  
15 people don't try to get too slippery.

16                Our goal is to try to make sure that we know as many  
17 claims as can be tickled out, if you will.

18           THE COURT: Uh-huh (indicating an affirmative  
19 response).

20           MR. STANG: Because Mr. Draper's right. I can't force  
21 people to file their lawsuits, but what is a motivation to file  
22 your lawsuit is June 14th. 'Cause if you don't file that  
23 lawsuit by June 14th against a parish, you're done. Now the  
24 constitutionality aside, June 15th, you're too late.

25                So there is some self-interest in getting something on

1 file and for us, the question is time, is, to some extent,  
2 timing.

3 THE COURT: Uh-huh (indicating an affirmative  
4 response).

5 MR. STANG: Is it important to the negotiations to  
6 know what claims they wanna have channeled and us being able to  
7 ascertain that with greater certainty and the protection? I  
8 mean, at least the Committee supports the motion, but it's not  
9 the Committee's motion. You have state court lawyers out there  
10 who are going, "I need to protect myself and my clients 'cause  
11 I have a window that will close if it's otherwise  
12 constitutional." So --

13 THE COURT: Uh-huh (indicating an affirmative  
14 response).

15 MR. STANG: -- this -- this --

16 THE COURT: And how many, how many parishes are we  
17 looking at? Do, does anybody have any idea how many?

18 MR. STANG: That have been sued to date?

19 THE COURT: No, no, no. How many -- no, I'm sorry.  
20 Wrong word. Parish state courts, how many state courts do we  
21 think would be like are --

22 MR. STANG: Oh. I have no idea.

23 THE COURT: -- would these go --

24 MR. MINTZ: So the Archdiocese --

25 THE COURT: Yeah.



1           MR. MINTZ:  -- the geographic area of the Archdiocese  
2 encompasses nine civil parishes.

3           THE COURT:  Uh-huh (indicating an affirmative  
4 response).

5           MR. MINTZ:  However -- and this is where the big  
6 "however" comes in -- the venue statutes and the timings of  
7 what we're looking at, including scope -- remember, your Honor,  
8 the Diocese of Houma-Thibodeaux was separated from -- I'm sure  
9 there's a canonical word that I don't know what it is -- but  
10 was separated from the Archdiocese of New Orleans in, I think,  
11 the '70s.  And so there could be claims that deal with  
12 Archdiocese of New Orleans that would then be appropriately put  
13 into the Archdiocese, or the Diocese of Houma-Thibodeaux  
14 territory to our south.  To our north, Baton Rouge at one point  
15 was also separated off much earlier, but I think in the '40s or  
16 '50s.

17           MR. STANG:  Not too many of those left, your Honor.

18           MR. MINTZ:  So again, I don't think there are as  
19 many --

20           MR. STANG:  Right.

21           MR. MINTZ:  -- left, but there's also numerous cases,  
22 in fact some of the cases that we all look at, as from the  
23 previous ones, we deal with cases really throughout.  The 19th  
24 JDC does get them sometimes as well based on other --

25           THE COURT:  Uh-huh (indicating an affirmative

1 response).

2 MR. MINTZ: -- juris, jurisdictional and venue  
3 provisions related to Baton Rouge.

4 THE COURT: Okay.

5 So your -- let's see. So I understand your concerns,  
6 Mr. Mintz, but let's just talk about how to tee 'em up. I  
7 mean, we know that, from what Mr. Stang is telling me, they're  
8 going to be filed. So is there a, for certain, certain  
9 procedure as to how you'd like the Court, because you're gonna  
10 be responding to these motions. Have you thought about just  
11 procedurally how we're gonna push this paper through?

12 MR. MINTZ: Well, quite frankly, no.

13 THE COURT: Okay.

14 MR. MINTZ: I will say this -- and Mr. Stang has  
15 mentioned this in a previous call that we had and he's right  
16 about this point and I agreed with him -- which is I really  
17 don't want to be responding serially to this one, then that  
18 one, then that one --

19 THE COURT: Right, right.

20 MR. MINTZ: -- then that one. And your Court, I doubt  
21 your Honor wants to deal with it that way, either.

22 THE COURT: Right.

23 MR. MINTZ: If we could just say that there was a date  
24 that we put this in and say it would be filed by or set for  
25 hearing -- and I don't -- and I'm, again, making up times when

1 I say this -- October so that they have time to file it, we  
2 have time to respond, we have an oral argument in October --

3 THE COURT: Uh-huh (indicating an affirmative  
4 response).

5 MR. MINTZ: -- to do it and just say this is how we're  
6 looking at it. That, something like that could work, but I  
7 don't know, again, how you necessarily enforce that to say,  
8 "Okay. I told everyone to file it by this date. If you  
9 didn't," I don't know what to do with that. Do you see what  
10 I'm saying?

11 THE COURT: No, I get it.

12 MR. STANG: I would speculate that your level of  
13 annoyance for latecomers who know about the date might be --

14 THE COURT: Uh-huh (indicating an affirmative  
15 response).

16 MR. STANG: -- an incentive for them to listen to  
17 us --

18 THE COURT: Uh-huh (indicating an affirmative  
19 response).

20 MR. STANG: -- and say, "If you're gonna do this, you  
21 better do it by 'X' date." And as I said, your Honor, we  
22 thought about doing this as a committee and thought I really  
23 don't wanna get into it with Mr. Mintz about standing.

24 THE COURT: Right.

25 MR. STANG: And so -- or you for that matter. More

1 importantly, you.

2 THE COURT: Right.

3 MR. STANG: So we will do what we can and we're not  
4 without our persuasive powers --

5 THE COURT: Right.

6 MR. STANG: -- to let the lawyers that we know about  
7 understand the date and indicate to them that the Court would  
8 appre -- you haven't said this, but we, I could say it -- "the  
9 Court would appreciate if these were on the calendar at the  
10 same time."

11 THE COURT: Uh-huh (indicating an affirmative  
12 response).

13 MR. STANG: So that the debtor -- it's not about  
14 individual cases. It's not about Lawyer X's cases versus  
15 Lawyer Y's cases. It's really the concept of --

16 THE COURT: Right.

17 MR. STANG: -- giving limited relief from stay.

18 And so Mr. Mintz and I can talk, with me as a kind of  
19 conduit for the state court lawyers, about whether a single  
20 response would be appropriate with maybe just a notation for  
21 each motion. We'll see --

22 THE COURT: Uh-huh (indicating an affirmative  
23 response).

24 MR. STANG: -- if we can work it out. But I really  
25 don't think it's about one person's case versus another

1 person's case.

2 THE COURT: Right. And so all of these motions, even  
3 if they're, you know, filed jointly, you know, I sort of think  
4 of this as like, in the asbestos context where it's not unusual  
5 for a court to deal with law firms instead of --

6 MR. STANG: Yeah.

7 THE COURT: -- who represents, you know --

8 MR. STANG: You -- you -- you --

9 THE COURT: -- a myriad of, of clients.

10 MR. STANG: You would see Law Firm X moving on behalf  
11 of those on Schedule A.

12 THE COURT: Uh-huh (indicating an affirmative  
13 response).

14 MR. STANG: You're not gonna see --

15 THE COURT: And --

16 MR. STANG: -- 25 --

17 THE COURT: Right.

18 MR. STANG: -- from Law Firm X.

19 THE COURT: And are these going to be filed -- will  
20 they be expected to be filed under seal?

21 MR. STANG: No.

22 THE COURT: Okay.

23 MR. STANG: They'll probably use -- they'll -- well, I  
24 don't know how we're gonna identify the person.

25 THE COURT: Right.

1 MR. STANG: We'll have to think that one through.

2 THE COURT: Right.

3 MR. STANG: Maybe that exhibit would be filed under  
4 seal, but I hadn't thought about that.

5 THE COURT: Yeah. So --

6 MR. STANG: Right.

7 THE COURT: -- something to think about.

8 And then what I would suggest is you get, the  
9 Committee and the debtor get together, but also involve  
10 Mr. Draper with the Apostolates and, and the other committee, I  
11 suppose, but just try to think some, through some of these  
12 issues.

13 MR. STANG: Yep.

14 THE COURT: And perhaps, we can have a, a status  
15 conference to talk about the procedure sooner than later.

16 MR. STANG: Okay. All right, your Honor.

17 THE COURT: And then that way, I can get all of my  
18 folks up here set up for it.

19 But you know, whatever, whatever comes out of it, and  
20 if we do decide to, you know, grant some limited relief in  
21 order to deal with this window and the implications, I  
22 understand, you know. There are advantages to both sides by,  
23 to have this happen, you know, if you're gonna move in the way  
24 of a consensual plan and you also have, you know, some  
25 backstops in case things go horribly wrong.

1 MR. STANG: Right.

2 THE COURT: Whatever that order looks like, you know,  
3 it needs -- the problem is the enforcement. So perhaps, it  
4 would be -- and I'm just, like I said, I'm, this is the first  
5 I'm hearing about it. So I'm trying to troubleshoot issues as  
6 they come up, but in my brain, you know, it's also not unheard  
7 of for, perhaps, you know, the federal courts and the state  
8 courts to talk with one another and so that they know what's  
9 coming and they know what the order looks like ahead of time.

10 MR. STANG: Uh-huh (indicating an affirmative  
11 response).

12 THE COURT: And so you can cut down on some of the  
13 worries that, that the debtor has in that, of the overreaching.

14 So yeah, you get that limited stay relief order and  
15 then that, you know, cracks the door open and then all of a  
16 sudden you've got one, one person out there that just wants to,  
17 you know, blow it wide open. That's gonna result in --

18 MR. STANG: Right.

19 THE COURT: -- just unnecessary and costly litigation.

20 MR. STANG: Well, Mr. Mintz and I --

21 THE COURT: And who's gonna be policing that?

22 MR. STANG: You know, your Honor, you, you're right  
23 'cause we saw, we've seen this in different contexts. The  
24 state court gets the complaint on file and IA or Robo,  
25 whatever, you know --

1 THE COURT: Uh-huh (indicating an affirmative  
2 response).

3 MR. STANG: -- generates a pre-trial --

4 THE COURT: Right.

5 MR. STANG: -- scheduling conference. And that's not  
6 supposed to happen under what we're contemplating.

7 THE COURT: Right.

8 MR. STANG: For people who want more, you know,  
9 they're gonna have to come ask you.

10 THE COURT: Right.

11 MR. STANG: This is, as I said, we'll, we'll make this  
12 as clear as we can.

13 THE COURT: Uh-huh (indicating an affirmative  
14 response).

15 MR. STANG: This is for a particular purpose. And I  
16 will point out we did this -- we did this -- this happened in  
17 Boy Scouts.

18 THE COURT: Uh-huh (indicating an affirmative  
19 response).

20 MR. STANG: We had the same protocol. I think it's  
21 happened in two of the Upstate New York cases and maybe  
22 Rockville Centre. I can't remember. They, they get muddled  
23 sometimes in my mind. But this idea of filing post-petition  
24 lawsuits is something that's been done in some other cases and  
25 we really haven't had that much, I'll say that much difficulty.



1 I don't wanna say there's been none.

2 THE COURT: Uh-huh (indicating an affirmative  
3 response).

4 MR. STANG: So we'll see what we can do. Because my  
5 job is to make this issue as crystal clear for you as possible  
6 and not muddy it with concerns that might be addressed by  
7 consent.

8 THE COURT: Uh-huh (indicating an affirmative  
9 response). All right. Well, let me go ahead and -- like I  
10 said, I, I would like you to talk and then I'll go ahead and  
11 give you some time. Let me pick out a date so that --

12 MR. STANG: Okay.

13 THE COURT: -- we can --

14 MR. STANG: Do you wanna do that now or should we --

15 THE COURT: Yeah. Let's just go ahead --

16 MR. STANG: Okay.

17 THE COURT: -- and give you a date now.

18 MR. STANG: Is this for that status conference  
19 concept?

20 THE COURT: Just for the status conference, yeah --

21 MR. STANG: Okay.

22 THE COURT: -- so you can just fill me in on what --  
23 whatever -- if you -- the more you can agree to, the better  
24 off, and if I need to work on my end to interface with the  
25 state courts, I will if that, if it comes to that. But I just

1    wanna have some sort of process.  Okay.

2                    So you tell me.  Like when, when do you guys want to  
3    get together and then when, when do you wanna come back.  If  
4    you're, if you wanna get 'em filed, you know, sooner than  
5    later, then --

6                    MR. STANG:  Your Honor, someone from my office will be  
7    here on August 30th for meetings with the Diocese.  Perhaps, we  
8    could reserve a short --

9                    THE COURT:  Yeah.

10                   MR. STANG:  -- time period then.

11                   THE COURT:  Absolutely.  Let's -- you wanna do it in  
12   the afternoon?

13                   MR. MINTZ:  So your Honor, we have a 2:00 that is, is  
14   gonna be able to do it.  My problem is I'm gonna be in Norwich  
15   for -- but if we can make it like a noonish-type thing work or  
16   12:30.

17                   THE COURT:  Yeah.  That's fine, that's fine with me.

18                   MR. MINTZ:  Okay.

19                   MR. DRAPER:  As long as it's not early and I have to  
20   get up early.

21                   MR. MINTZ:  I'm trying --

22                   THE COURT:  Well --

23                   MR. MINTZ:  -- to make it so that I actually can fly  
24   in, so.

25                   THE COURT:  Okay.

1 MR. STANG: (Inaudible) got something to say about it.

2 THE COURT: Well, how about -- you said your afternoon  
3 meeting was at 2:00?

4 MR. MINTZ: Yes.

5 THE COURT: All right. Well, let's do --

6 MR. MINTZ: We can also move that a little bit to  
7 do -- to -- to accommodate this, your Honor, if we need to, but  
8 that's the, the times that are -- that are -- that are put in.

9 THE COURT: Yeah, that's fine.

10 Well, I'm, I'm willing to meet at noon.

11 MR. STANG: Okay.

12 THE COURT: Does that give you enough time to get  
13 back?

14 MR. STANG: Yeah.

15 MR. MINTZ: According to my plane schedule right now,  
16 yes.

17 THE COURT: Okay. Do you wanna make it 1:00?

18 MR. MINTZ: I would rather make it 1:00.

19 THE COURT: Okay. Let's make it 1:00.

20 MR. STANG: Okay.

21 MR. MINTZ: Make it 1:00 and we can move, start the  
22 other one later if we need to.

23 THE COURT: Okay.

24 MR. STANG: Your Honor, just so you know, it might be  
25 Mr. Caine and not me, but --

1 THE COURT: That's fine.

2 MR. STANG: All right. Okay.

3 THE COURT: I like Mr. Caine, too.

4 MR. STANG: Yes, your Honor.

5 Your Honor, the next thing was gonna be insurance  
6 update.

7 THE COURT: Okay.

8 MR. STANG: This is really in the nature of an update.

9 The Committee has made monetary demands on each of the  
10 carriers involved in the case and that was done at, prior to  
11 the last mediation which I believe was in --

12 MR. MINTZ: May.

13 MR. STANG: -- first or second -- May 9th. May --

14 MR. KNAPP: May the 9th.

15 MR. STANG: -- 8th and 9th.

16 There are two carriers that are really important in  
17 the case. One is called SPARTA. SPARTA is a company in run-  
18 off and while this is the subject of some litigation in another  
19 court, an entity called the American Employers Insurance  
20 Company somehow got its policies over to SPARTA. SPARTA is in  
21 run-off, which means they're not selling any new insurance  
22 products. SPARTA is in its litigation with something called  
23 the Pennsylvania Insurance Corporation or Company regarding  
24 which of the two of them is the carrier for these claims, for  
25 these claims. The Committee -- and I believe the debtor's been

1 involved in this, perhaps Mr. Draper too -- has been talking to  
2 SPARTA to try to confirm which claims are within the actual  
3 coverage years and to try to get that sorted out. And I'm  
4 sorry, your Honor. We're talking about the period 1963 to  
5 1973.

6 THE COURT: Okay.

7 MR. STANG: There has been no monetary response to the  
8 Committee's mediation demand.

9 The other company that is of significance is Travelers  
10 and I'll say also known as USF&G. This is primary and excess  
11 for 1973 to 1988. There's been no response to the Committee's  
12 monetary demand.

13 Catholic Mutual had primary policies from 1989 to 1990  
14 and after 1990, to the best of our knowledge, it wrote claims-  
15 made policies. And so the claims made since the bankruptcy was  
16 filed are, I think, relatively small number. Catholic Mutual  
17 has responded to the Committee's mediation demand. We have not  
18 responded to its response.

19 THE COURT: Okay.

20 MR. STANG: The balance of the carriers are high up in  
21 the, I don't know what you want to call it, column, if you  
22 will, as excess carriers.

23 THE COURT: Uh-huh (indicating an affirmative  
24 response).

25 MR. STANG: There has not been serious negotiations

1 with them because, at least they believe that the claim values  
2 will not get through the primary levels to the point of hitting  
3 those excess policies.

4           So they've been at -- some of them have been at the  
5 mediations, but I won't -- I won't -- I'm not pointing fingers  
6 saying, "Oh, they haven't responded." I think, to some extent,  
7 they're kinda on the back burner.

8           THE COURT: Okay.

9           MR. STANG: Okay. So that's all I have on insurance,  
10 your Honor.

11          THE COURT: Okay.

12          MR. MINTZ: I don't really have anything to add on  
13 insurance. I think we can quibble on how people have responded  
14 to what points, but I'm not sure that it matters at this point.  
15 We have been in discussions with the Committee about how to  
16 proceed with insurance. We've been in discussion with insurers  
17 as well.

18           But I think Mr. Stang's recitation was relatively  
19 accurate.

20          THE COURT: Okay.

21          MR. STANG: Right.

22           Your Honor, the next thing I wanted to let you know  
23 about is where the Committee feels it stands regarding the  
24 financial information from the Diocese and the affiliates and  
25 where we think that further information needs to go.

1 THE COURT: Okay.

2 MR. STANG: So the Committee looks at the financial  
3 condition of the Archdiocese and those parties which we believe  
4 will be the subject of a channeling injunction or, or releases.  
5 I refer to those as the affiliates.

6 THE COURT: Uh-huh (indicating an affirmative  
7 response).

8 MR. STANG: And we look at them from a cash and  
9 investments perspective, from a real estate perspective, and  
10 the insurance, but we've talked about insurance. I wasn't  
11 going to address that again.

12 So from a cash and investments perspective we have the  
13 information from the Archdiocese that we think we need. BRG,  
14 which is our financial advisor, you know, they're financial  
15 advisors. There's never enough. There's always six more  
16 questions, but I spoke with them this morning and generally  
17 speaking -- and let the transcript show I said "generally,"  
18 Mr. Mintz -- we are, we have sufficient information from the  
19 Archdiocese on, except for a subject I'm gonna talk about in a  
20 moment. And we have that from the affiliates as well,  
21 particularly the parishes. I'm not sure about Catholic  
22 Charities and some of the non-parish affiliates. But the  
23 parishes, we feel we have their current financial information.  
24 But this is the but. The but is the cash and investments that  
25 might be subject to donor restrictions.

1           THE COURT:  Hmm.

2           MR. STANG:  We have received documentation and we  
3 believe -- I think the law supports this -- that if an entity  
4 is going to assert a donor restriction, the burden of proof is  
5 on that entity to demonstrate the restriction.  You can't  
6 declare something restricted and then have the burden on us to  
7 show that it's unrestricted.  Now maybe there's a -- who  
8 goes -- after you've gone first with a little evidence, then it  
9 shifts, but the initial burden, we believe, rests with the  
10 party asserting the donor restriction.

11           We have had some documents from the Archdiocese  
12 regarding donor restrictions.  We have analyzed them.  There  
13 are such interesting things as wills, bequests, and letters and  
14 that sort of thing saying, you know, various forms of language  
15 about what they want to have done with the money and we have  
16 shared that analysis with the financial advisors for the  
17 debtor.  We do not believe that we have had, that they've  
18 accounted for all of the restrictions that they say exist and  
19 that is the dialogue that's ongoing between our financial  
20 advisor and their financial people.  The parishes are a totally  
21 different situation.  We have no donor-restriction  
22 documentation from the parishes.

23           So we have made assumptions about, based on the  
24 Archdiocese analysis, as to what might be restricted at the  
25 parish level.  So again, we are assuming -- our assumption is



1 what it is. If someone thinks our assumption is too  
2 aggressive, meaning you're saying too much is unrestricted,  
3 then someone needs to tell us that.

4 THE COURT: Uh-huh (indicating an affirmative  
5 response).

6 MR. STANG: But it's their burden and so when we count  
7 the money we are using assumptions that I, I know the debtor's  
8 familiar with. I'm not sure Mr. Draper is, but that may just  
9 be a matter of communication.

10 So we're making assumptions about the parishes as  
11 well, but we don't have any documentation regarding it.

12 THE COURT: Okay.

13 MR. STANG: And then there's -- your Honor, I hate to  
14 bring up names that might gender bad memories, but -- Portfolio  
15 A. Portfolio A is the commingled account. Based on our most  
16 recent analysis as of June 23rd it totals \$240 million. That  
17 money is being administered by the Catholic Foundation,  
18 Community Foundation. It is in the name of the Archdiocese.  
19 We just recently, I mean within the last week to ten days, got  
20 a report on which entities claim true ownership of the 240  
21 million. Some of it is the Archdiocese, Mr. Draper's clients,  
22 maybe there's some people in there who aren't Mr. Draper's  
23 clients, but we now have an understanding of what they say they  
24 own in, of that \$240 million. What we don't have, it's kind of  
25 the same problem, is the donor-restriction analysis.

1           So if Parish St. Mary says, "\$2 million of that money  
2 in Portfolio A is restricted," we don't have anything  
3 demonstrating that that is true. Once they've identified the  
4 money as restricted, we then get back to the issues that were  
5 the subject of prior hearings about commingling and tracing --

6           THE COURT: Uh-huh (indicating an affirmative  
7 response).

8           MR. STANG: -- but we're still at the "have you shown  
9 us it's restricted." And I want you to know we're not doing  
10 this down to \$5,000 accounts or \$20,000 accounts. BRG, who's  
11 done this more times than they care to remember, is focused on  
12 a larger, a higher cut-off. Standing here, I can't tell you  
13 what that is, but they've had a lot of experience with us in  
14 other cases saying, "You gotta deal with material sums and  
15 not" --

16          THE COURT: Uh-huh (indicating an affirmative  
17 response).

18          MR. STANG: -- "drilling down on what essentially  
19 doesn't move the needle."

20          THE COURT: Uh-huh (indicating an affirmative  
21 response).

22          MR. STANG: So that's the, what I call the cash and  
23 investments piece. Sometimes -- well, I'll just leave that  
24 alone.

25                 The second category of stuff is real property. We

1 have an inventory from the Archdiocese showing all of its real  
2 estate and all of the affiliate real estate, parish real  
3 estate.

4 THE COURT: Uh-huh (indicating an affirmative  
5 response).

6 MR. STANG: We have a complete list. We have come to  
7 the conclusion that there are close to 200 properties or  
8 structures that are not critical to the debtor's performance of  
9 its religious mission. That is our conclusion based on  
10 information that's been provided to us. I'm sure Mr. Mintz is  
11 gonna talk about what it, the Diocese is proposing regarding  
12 real estate disposition. I'm not gonna get ahead of him on  
13 that, but we -- we know -- I'll give you one example of kind of  
14 what we know, what we don't know.

15 THE COURT: Uh-huh (indicating an affirmative  
16 response).

17 MR. STANG: There is a suppressed parish, meaning it's  
18 no longer a current operating parish called Our Lady of  
19 Lourdes. Its property is for sale. We did not learn that from  
20 the Archdiocese. We did not learn that from Mr. Draper. We  
21 learned it from a public, a non-confidential source. No one  
22 has told us that property is for sale. No one has talked to us  
23 about that property being for sale. You know what? They can  
24 do that if they want, but if they wanna talk to us about  
25 liquidity, about available funds, this can't be just about the

1 Archdiocese. Because it's not just the Archdiocese asking for  
2 a release, a discharge. There will be more than 130 -- I don't  
3 know how many parishes there are -- there'll be hundreds of  
4 people asking for releases.

5 THE COURT: Uh-huh (indicating an affirmative  
6 response).

7 MR. STANG: And we are not going to take on face value  
8 what they tell us, again materiality being conditioned to all  
9 this, what they have and they don't have.

10 So when we hear about a facility that's for, being  
11 listed for sale for several millions of dollars, it doesn't  
12 engender a lot of confidence in us in the overall process of  
13 trying to get to a consensual plan. Now there are always  
14 exceptions. Sometimes stuff slips through the cracks. I  
15 understand that, but there's an example of a property that we  
16 consider excess that should be sold to help fund the resolution  
17 of this. Did Lady of Lourdes have any claims against it before  
18 it was suppressed? I have no idea, but someone, some thing  
19 gets the benefit of that sale and it's gotta be either the  
20 Archdiocese or a succedor, a successor parish that's gonna  
21 want a release. It just doesn't go in the air.

22 So that's kind of the inventory issue.

23 The other legal issue that we think may come to your  
24 attention is a dispute regarding the Archdiocese's ability to  
25 sell real estate without breaching its bond covenants with TMI.

1 There is a provision in the bond covenants that puts a \$20  
2 million cap on the sales of certain diocesan property. We have  
3 a dispute with TMI -- "we" the Committee -- have a dispute with  
4 TMI about whether that \$20 million cap applies to all  
5 Archdiocesan property or a subset of Archdiocesan property,  
6 that subset being excess, unprofitable. I don't remember the  
7 exact words from the bond documents, but there's some  
8 qualifiers.

9 We have done, just completed through Mr. Knapp's  
10 office a detailed analysis of the bond documents. We're gonna  
11 share that with the debtor. We're gonna see if we can engage  
12 with TMI on trying to resolve the issue and if we can't, we're  
13 gonna bring it in front of you. Maybe the proper procedural  
14 device will be a declaratory relief motion. I don't know, but  
15 this is important because we've identified at least a lot of  
16 properties that far exceed \$20 million in value and if those  
17 can't get sold because the debtor's afraid of tripping a bond  
18 covenant, we need to get that cleaned up.

19 THE COURT: Okay.

20 MR. STANG: Should I keep going, Mr. Mintz?

21 THE COURT: I --

22 MR. MINTZ: Are you at the end of the --

23 MR. STANG: No. I got two more subjects. I'm end at  
24 real estate.

25 MR. MINTZ: Okay.

1 MR. STANG: I'm end of that part, yes.

2 MR. MINTZ: I'm gonna talk about real estate for a  
3 second and, and, and the whole issue.

4 So I think the best news I've heard all day is that,  
5 generally speaking, you have all the financial information you  
6 need from the, from the Archdiocese and -- and --

7 THE COURT: Yeah, I was surprised. I got three  
8 checkmarks by the Archdiocese.

9 MR. STANG: There was a big "but," your Honor --

10 THE COURT: That's, you know, I know.

11 MR. STANG: -- almost as --

12 THE COURT: Yeah.

13 MR. STANG: -- almost as tall as me and Mr. Draper.

14 THE COURT: Restricted assets, we got it, but, you  
15 know.

16 MR. STANG: This -- I was -- that -- that --

17 THE COURT: Right.

18 MR. MINTZ: That may have made all of this worth it.

19 So your Honor -- and, and we have been working hard  
20 to, to, to try to get that as we can. And, and Mr. Stang is  
21 right in, in this sense, which is BRG will always ask more  
22 questions because that's what financial advisors do. My  
23 financial advisor is doing the exact same thing and, and, and  
24 will do so. And, and so in that sense I really do appreciate  
25 it.

1           Yes, the donor-restriction issues are ones that we  
2 still need to clarify, get to the bottom of, look at, and a lot  
3 of this had to do with, again, your Honor, with regards to  
4 Portfolio A and the donor, donor restrictions and those issues.

5           THE COURT: Uh-huh (indicating an affirmative  
6 response).

7           MR. MINTZ: Remember, we have the issue of the  
8 anonymization -- anonymi -- making them anonymized so that we  
9 are not necessarily identifying. Because again, it was the  
10 direct concern -- Mr. Draper can talk about this really clearly  
11 -- of making sure that we were not turning around and saying,  
12 "John Q. Smith is the person in here that did all of this."  
13 That was the type of information we were trying to make sure  
14 wasn't public, was not released, and to give that type of  
15 information to them. It is my understanding that that has been  
16 given through a, this anonymization process and they're still  
17 working through some additional kinks, but we're in the process  
18 of, of sort of finalizing that, is my understanding.

19           With regards to the parish-level donor restrictions,  
20 I'm gonna let Mr. Draper talk about that in a minute.

21           With regards to the immovable property, your Honor, I  
22 think that he is, you know, again, the list of properties has  
23 been a surprisingly difficult thing to work through and how  
24 they relate to others is also a difficult process. And, and  
25 part of this -- let me just put it this way. Of course, we

1 know that Louisiana is a public records state and what's in the  
2 public records is what is going to control. We still have a  
3 canonical overlay that we as an archdiocese care about and that  
4 has to do -- one of the big issues that we have, for example,  
5 is there are parishes where the public records state that it is  
6 owned by the Archdiocese, the land, the immovable property.  
7 Sometimes it's the immovable property, land itself. Sometimes  
8 it's the, a building has been immobilized. Whatever our  
9 horrible memories of the Louisiana Property Code are, that's  
10 the type of stuff that we're dealing with.

11           That is an issue that we're still trying to work  
12 through and understand, but canonically, those properties, even  
13 though civilly it may be in the name of the Archdiocese,  
14 canonically is owned by the parish itself and those are  
15 issues --

16           THE COURT: Uh-huh (indicating an affirmative  
17 response).

18           MR. MINTZ: -- that we have to work through together  
19 to, to understand this.

20           The other issues that we --

21           THE COURT: Well, but let me ask you this.

22           MR. MINTZ: Uh-huh (indicating an affirmative  
23 response).

24           THE COURT: I mean, you're talking about ownership,  
25 right, but I think what I heard him say is he just wants to



1 know what's for sale and it's also true in my limited  
2 experience dealing with, you know, the, the episcopal side of  
3 things, which I assume is the same, like even when the parish  
4 may own it, if you want to transfer it, you still have to get  
5 permission of the --

6 MR. MINTZ: And -- and --

7 THE COURT: -- the -- at the diocese level, or the  
8 archdiocese level in this case.

9 So, so I, I think that he's just wanting the  
10 information about -- somebody's got to know that this thing's  
11 for sale, if it's for sale, correct? And if it's not gonna  
12 come from the parish, it would surely have to pass across  
13 someone's desk at the Archdiocese. Nobody transfers anything  
14 without --

15 MR. STANG: Yeah.

16 THE COURT: -- that knowl, that --

17 MR. STANG: The -- the --

18 THE COURT: -- that okay, right?

19 MR. STANG: I -- I -- yes. The Bishop's, the  
20 Archbishop's approval is required for the sale of any property  
21 in excess of a relatively nominal dollar amount.

22 THE COURT: Uh-huh (indicating an affirmative  
23 response).

24 MR. MINTZ: And, and your Honor, that's fair and we  
25 can -- I don't know what happened with this one.

1 THE COURT: Right.

2 MR. MINTZ: I do not know, but what I can say is we  
3 will endeavor to, to make sure that isn't gonna happen.

4 What I can say -- and he was right -- is with regards  
5 to at least, I think we gave him a list of 11 properties that  
6 we're ready to start marketing. We hope to -- it is my goal to  
7 have that motion set for the, whenever the September date is --

8 THE COURT: Uh-huh (indicating an affirmative  
9 response).

10 MR. MINTZ: -- to get that, to, to get that before  
11 your Honor to get those listed and done. It is not our  
12 intention -- we've talked to the Committees about this -- to  
13 actually hold an auction process, but to try to market them in  
14 order to get a higher value. Once -- and again, we propose, we  
15 are going to propose that they be listed with McEnergy  
16 Company -- and once McEnergy decides that maybe an auction is  
17 best for a certain limited piece, we can come back to your  
18 Honor and talk about that. We are not selling a piece of  
19 property, though, without court approval, obviously --

20 THE COURT: Uh-huh (indicating an affirmative  
21 response).

22 MR. MINTZ: -- and we will go through the notice and  
23 hearing spots as needed --

24 THE COURT: Yeah.

25 MR. MINTZ: -- when, when we have offers and, and

1 share that with them and put those in there. It is our  
2 intention to work with them about putting this, the property up  
3 and put in there.

4           What I thought was interesting about what Mr. Stang  
5 just said was that he has 200 properties and structures that  
6 are not -- I don't --

7           MR. STANG: Mission critical.

8           MR. MINTZ: -- not mission critical, is that what you  
9 used?

10          MR. STANG: It's, it's a shorthand which --

11          THE COURT: Right.

12          MR. STANG: -- which is sometimes too short, but let's  
13 call it --

14          THE COURT: Right.

15          MR. STANG: -- mission critical.

16          MR. MINTZ: Okay. Well, I mean, I'd also like that  
17 list. I don't think -- do we have that list?

18          MR. STANG: You -- I don't wanna say how we came to  
19 the conclusion --

20          MR. KNAPP: Well --

21          MR. STANG: -- 'cause you'll jump down my throat.

22          MR. KNAPP: No, no. Lee Eagan sent it to us. I can  
23 send it to you.

24          MR. MINTZ: The 200 that we sent to you?

25          MR. KNAPP: Yes.

1 MR. MINTZ: So that's the list you're talking about?

2 MR. STANG: Yes.

3 MR. MINTZ: Okay.

4 MR. KNAPP: The non-mission critical list, yes.

5 MR. MINTZ: Yeah. Now I understand.

6 So that is --

7 THE COURT: All right.

8 MR. MINTZ: -- where we wanna go.

9 But he is right on the final point, which is the, the  
10 issue with TMI.

11 THE COURT: Okay.

12 MR. MINTZ: And honestly, your Honor, I mean, we can  
13 sit here and say well, you know, what we believe, but the fact  
14 of the matter is the bondholders have been very clear to us  
15 they believe that restricts what we can sell and that is a  
16 significant problem that we would have in a feasibility plan if  
17 we're in breach of covenants prior to coming out. That is a  
18 significant problem.

19 THE COURT: Uh-huh (indicating an affirmative  
20 response). So what I hear you saying is, perhaps, we should  
21 all take a look at the bond documents and, and interpret them  
22 before we, as we head into the plan process? I mean --

23 MR. STANG: Well, I --

24 MR. MINTZ: And -- well, I mean, your Honor --

25 THE COURT: -- so that you know what your --

1           MR. MINTZ:  -- we, we have done so.  We know what  
2 it -- again, our interpretation is and the bondholders'  
3 interpretation is that it limits what we can do.  It is a  
4 disagreement with what Mr. Stang is saying.

5           THE COURT:  Uh-huh (indicating an affirmative  
6 response).

7           MR. MINTZ:  I agree with you.  It is things that we  
8 can talk to the bondholders about and certainly do that, but I,  
9 I personally believe we're going to be back in front of your  
10 Honor discussing that at some point.

11          MR. STANG:  We'll have to figure out who gets to --

12          THE COURT:  Right.

13          MR. STANG:  -- after discussions prove to be how I  
14 think they'll come out, who gets to bring that lawsuit.  'Cause  
15 we're not --

16          THE COURT:  Right.

17          MR. STANG:  -- a party, obviously, to the bonds.

18          THE COURT:  That's right.

19          MR. STANG:  They are.  They're agreeing with the  
20 bondholders.  This shouldn't become the plan issue.  This  
21 should, needs to get addressed beforehand.  Because when we  
22 count --

23          THE COURT:  Right.

24          MR. STANG:  -- the money, we're looking at property  
25 values.

1 THE COURT: Right.

2 MR. STANG: And maybe they're -- we appreciate they  
3 don't materialize on the day of the effective date in terms of  
4 turning straw into gold, but it's, we need a number.

5 THE COURT: Right.

6 MR. STANG: And that number's gonna be driven by what  
7 we think could be sold and if the Diocese says we can't sell it  
8 except in, up to \$20 million, that's gonna be a problem.

9 THE COURT: Uh-huh (indicating an affirmative  
10 response).

11 You're standing, Mr. Draper.

12 MR. DRAPER: I love the Allen Werkel (phonetic)  
13 reference.

14 But, but anyway, let, let me address a few things.  
15 Let's start with the restrictions and -- and -- and the donor-  
16 restricted funds. There has been an enormous amount of work  
17 done outside of my purview and --

18 MR. STANG: I'm sorry. I didn't mean to make you  
19 turn.

20 MR. DRAPER: -- outside of your purview that's between  
21 people, Lee Eagan and -- and -- and the people at the Catholic  
22 Foundation as well as BRG. The back, backend to this --  
23 remember, you heard about the Sims report and we had all sorts  
24 of stuff. That's all been turned over.

25 We have also turned over and we got from BRG a list

1 of, I think it was, 20 files that they wanted copies of and we  
2 had, we gave them those 20 files. Now if there's now 6 others  
3 or 30 others that they wanna see, I'll, I'll be happy to have  
4 them copied and then turned over.

5           But you have the fund agreements for the 20 that you  
6 have, the 20 that you have. There are a number of them that  
7 were not mine. You have to talk to Mr. Mintz about that  
8 because they are not administered by us. The fund, Portfolio  
9 A, has two sort of parts to it. One part is, roughly, 130 or  
10 \$140 million that is administered by and really is the Catholic  
11 Foundation's. There, there's another hundred million dollars  
12 of it that is the Archdiocese.

13           So again, if there's an issue as to documents that  
14 they need, we, we have an open discussion on a regular basis  
15 between BRG and Lee Eagan. We get them the documents they  
16 want. As I said, if they wanna see other files -- because we  
17 have huge file rooms with all this stuff that go -- the, the  
18 file keeper, Regina, is, is really just amazing and there --  
19 there -- she even won't let me touch them, which is smart. She  
20 removes the staples herself and puts them back. And, and so  
21 again, that's, that's No. 1.

22           No. 2, they have a list of all of our properties that  
23 are owned by the, what I'll call the Apostolates, which takes  
24 into account the parishes as well as the service entities.  
25 They have a complete list. Suppressed parishes, again, it's an

1 interesting issue because record title for property that a  
2 suppressed parish has is in the name of an inc. which was the  
3 parish being converted over to an inc. Canonically [sic], it  
4 belongs to the, the, the take-over parish.

5           Again, they have the list. We are looking at what,  
6 what we have, what we need, what's mission critical, and, and  
7 we'll figure it out. But again, at times we look at it and  
8 say, "Hey, what can we generate for this piece of property?"

9           THE COURT: Uh-huh (indicating an affirmative  
10 response).

11           MR. DRAPER: It makes sense and -- and as -- as the --  
12 as an apostolate, one of the entities has the ability to sell a  
13 property --

14           THE COURT: Uh-huh (indicating an affirmative  
15 response).

16           MR. DRAPER: -- you know. That - that -- that's  
17 theirs. If they're asking us identify everything you're  
18 selling, we don't have that list. We have a few items that we  
19 are and, and we recognize that in order to get a consensual  
20 plan we're gonna have to deal with monetary issues that go to a  
21 channeling injunction.

22           THE COURT: Uh-huh (indicating an affirmative  
23 response).

24           MR. DRAPER: Clearly understandable.

25           But again, they have a complete list of all the



1 properties. They have some idea of valuations. We've given  
2 them what we think our valuations are. So -- and, and I'm sure  
3 they have real estate people who are going through those.

4           So I, I mean, this is -- again, if there's information  
5 they need on donor restrictions -- and again, let's, let's talk  
6 about this carefully.

7           If you look at the cash that the parishes have in  
8 their bank accounts --

9           MR. STANG: We're not talking about bank accounts.

10          MR. DRAPER: You're talking about Port --

11          MR. STANG: Talking about Portfolio A.

12          MR. MINTZ: Right.

13          MR. DRAPER: Exactly. And that's what I'm saying.

14 You have the --

15          MR. STANG: No.

16          MR. DRAPER: -- information that's there.

17          MR. STANG: Your Honor, we have the agreements between  
18 the entity, and I guess it's Catholic Community Foundation.

19 We're looking for the document that says "I restrict this  
20 money" --

21          THE COURT: Right.

22          MR. STANG: -- "to roof repair." That's not in a fund  
23 agreement.

24          MR. DRAPER: That's in, that's in that file.

25          MR. STANG: Okay.

1 MR. DRAPER: You can see it there.

2 MR. STANG: We'll --

3 MR. DRAPER: And your -- so --

4 MR. STANG: I'm sorry, Mr. Draper.

5 MR. DRAPER: -- go -- again, go -- if there's  
6 something that they're missing, let me know about it. But  
7 they've, they've had discussions with Lee Eagan on a regular  
8 basis. And so, you know, let's, let's, let's deal with it.

9 But this is, this is not a fight that we should be  
10 having. If there's information you need, I don't know about it  
11 and Lee Eagan doesn't know about it and we just need to be  
12 clear. Tell me what you want.

13 MR. STANG: Your Honor, do you know who Mr. Eagan is  
14 since his name --

15 THE COURT: I'm --

16 MR. STANG: -- is getting bandied about?

17 THE COURT: I'm familiar, yes.

18 MR. STANG: Oh, okay. Okay.

19 THE COURT: Yeah.

20 MR. STANG: Your Honor, I -- I -- we disagree, but  
21 we'll deal with that. You don't have to hear that anymore.

22 THE COURT: Okay. All right.

23 What I, what I heard you saying, though, is that  
24 you're concerned because, you know, we all know that the  
25 Archdiocese when it wants to transfer property has to come here

1 and vet the whole process, right? But when one of the  
2 Apostolates wants to sell something, that's not the case,  
3 correct?

4 MR. STANG: Correct.

5 THE COURT: And so that's --

6 MR. STANG: Well, unless you think --

7 THE COURT: -- that's --

8 MR. STANG: -- that the Archbishop's permission --

9 THE COURT: Well --

10 MR. STANG: -- is something that the Archdiocese is  
11 doing. They'll tell you there's a difference.

12 THE COURT: Well, there might --

13 MR. STANG: I'm sorry. I don't, I didn't go to that  
14 school --

15 THE COURT: Yeah. There might --

16 MR. STANG: -- you know.

17 THE COURT: There might be a difference. My whole  
18 point in that conversation was that there shouldn't be anything  
19 that's going on at the parish level that the Archdiocese  
20 doesn't know about.

21 MR. STANG: Oh, it --

22 THE COURT: But --

23 MR. STANG: Certainly not --

24 THE COURT: -- you know.

25 MR. STANG: -- in the sale of real estate. That's for

1 sure.

2 THE COURT: Well -- but --

3 MR. STANG: Yeah.

4 THE COURT: But I guess what I picked up, what I  
5 interpreted from your comments was that, you know, like I said,  
6 if the Archdiocese is gonna convey property, then, then he has  
7 to come here. The danger is, of course, if the parishes are  
8 transferring property, I would hope that they would be, you  
9 know, putting whatever proceeds, I mean, one, you're gonna want  
10 to know about it and, but if you don't know about it, what,  
11 where are those proceeds going, how are they traceable, like,  
12 you know, how do we even know about them? I would hope that  
13 you would be putting them in, in a lockbox somewhere in  
14 anticipation of this process, you know, the plan process, if  
15 you, if you're going to be channeled --

16 MR. STANG: Right.

17 THE COURT: -- if you will. But you know, that's, I  
18 think that's his concern, correct?

19 MR. DRAPER: Well, the, the channeling injunction is,  
20 is a question of how many dollars we put up.

21 THE COURT: Uh-huh (indicating an affirmative  
22 response).

23 MR. DRAPER: But, but we may, for example, we may need  
24 something to, to keep the, a parish --

25 THE COURT: The lights on, right.

1 MR. DRAPER: Right. And so --

2 THE COURT: Absolutely.

3 MR. DRAPER: -- there is no bar.

4 THE COURT: Absolutely not.

5 MR. DRAPER: And --

6 THE COURT: And, and all, all I'm saying is, you know,  
7 there is no, there's no bar to you transferring property.

8 There's no bar --

9 MR. DRAPER: Right.

10 THE COURT: -- at this point to you, you know, doing  
11 whatever it is that you do, but it's an information problem.

12 MR. DRAPER: I, I agree with that. And he has, they  
13 have that.

14 MR. STANG: No, I don't.

15 MR. DRAPER: They, they have the information as to  
16 what the par, the dollars that the parishes have. If they need  
17 additional information or if some piece of property sold and  
18 now Parish X has another \$3 million, that's fine. I, they're  
19 entitled to that information as part of the mediation process  
20 to get to a channeling injunction.

21 THE COURT: Uh-huh (indicating an affirmative  
22 response).

23 MR. DRAPER: I don't disagree with that.

24 MR. STANG: Yeah.

25 MR. DRAPER: I don't need to come here and make a,

1 a --

2 THE COURT: No.

3 MR. DRAPER: -- disclosure of that.

4 MR. STANG: Yeah.

5 MR. DRAPER: And, and again, that's -- that's --  
6 that's all I'm really saying. And they have -- if they need  
7 additional financial information on what the parishes have,  
8 they know the real estate that the parishes own. They, they  
9 have that and they, I'm sure they've put their own value on  
10 that. So this is information they already have. It's just a  
11 question --

12 THE COURT: Uh-huh (indicating an affirmative  
13 response).

14 MR. DRAPER: -- of whether it's monetized or not.

15 THE COURT: Okay.

16 MR. STANG: Your, your Honor --

17 THE COURT: Yes.

18 MR. STANG: -- until someone in Washington tells us  
19 differently, they're not getting their channeling injunction  
20 and they're not getting their release unless the individual  
21 creditors consent. Now their tolerance for people opting out  
22 of these releases is gonna be entirely up to them, but someone  
23 should recognize that at the end of day this plan is about you  
24 can fill in your blank. The enterprise that we have in front  
25 of you, which is the affiliates and the debtor, the Catholic

1 family, the Catholic community, however you wanna describe it,  
2 but if they're not transparent with the creditors and the  
3 Committee about what's going on with the assets of the entities  
4 that they wanna have benefit from this channeling injunction  
5 and release, they're not gonna get the consents.

6 MR. MINTZ: Can I --

7 MR. STANG: And, and right now, they can't get them  
8 without the consent of the survivor class.

9 So you know, Mr. Draper's right. We have a lot of  
10 information. I disagree with him about the donor restrictions,  
11 but you don't have to hear more about that, frankly --

12 THE COURT: Right.

13 MR. STANG: -- until we bring it before you.

14 THE COURT: Yeah. That's --

15 MR. STANG: But I, you know, there, there's --

16 THE COURT: Yeah, that's a different story.

17 MR. STANG: -- this notion here that, well, there the  
18 -- there's the folks that have to come to you and the folks  
19 that don't. That's true, but both of them have to come to us  
20 and if we're not satisfied that they have made the best  
21 efforts, given the limitations of the First Amendment and  
22 Religious Freedom Restoration Act and all the constitutional  
23 protections they have, that they have not made their best  
24 effort, they're not going to convince the creditor body --

25 THE COURT: Uh-huh (indicating an affirmative

1 response) .

2 MR. STANG: -- to give them the releases they want.  
3 We have been through this *ad nauseum* in our mediations and the  
4 flow of information in this case at times has been difficult.  
5 You have seen it in the context, at least we think it's been  
6 difficult.

7 THE COURT: Uh-huh (indicating an affirmative  
8 response) .

9 MR. STANG: You have seen it in the context of the  
10 abuse records.

11 So they will all make their decision on what they  
12 share with us and what they don't. And Mr. Draper and  
13 Mr. Mintz and their legal teams are really good lawyers and  
14 they know what they have to do to convince the Committee to  
15 support a consensual plan and it'll be up to them to do it.  
16 And if they don't, people have the power to say no or yes.

17 THE COURT: Right.

18 MR. STANG: So -- I'm sorry. I -- I --

19 THE COURT: All right. No, that's all right.

20 MR. STANG: -- you got me, it hit a button and I --

21 THE COURT: Yeah, no. That's not -- not --

22 MR. STANG: -- you know.

23 THE COURT: Okay.

24 So you've had cash, cash flow, investments, real  
25 estate, and then insurance --



1 MR. STANG: Yes.

2 THE COURT: -- but you've covered the insurance.

3 MR. STANG: Those, that's really where the, that's  
4 where the money's coming from.

5 THE COURT: Okay. Got it.

6 MR. STANG: Your Honor, on the constitutionality of  
7 the window --

8 THE COURT: Yeah.

9 MR. STANG: -- I am not the expert naming the names of  
10 all the parties to them, but the Louisiana Supreme Court, maybe  
11 now two months ago, dodged the issue, in my opinion, said that  
12 the matter before it was not timely, did a statutory  
13 interpretation of the first window enactment. They came before  
14 it, I think gave kind of a roadmap on how that survivor could  
15 amend the complaint and allege, allege its cause using the  
16 second window enactment. And so I think it remanded the matter  
17 down. And I'm not sure what's going on in the courts below,  
18 but basically, the court did not address the constitutionality.

19 There is a matter before the Fifth Circuit. The  
20 district court ruled the window unconstitutional. The Fifth  
21 Circuit has, I believe, had oral argument on it. I believe  
22 that the part, at least the plaintiff has asked the Fifth  
23 Circuit to refer the matter to the Louisiana Supreme Court so  
24 they're not making an Erie decision of what Louisiana law would  
25 be. I've heard different thoughts about whether the Fifth

1 Circuit would do that before it renders its opinion or do that  
2 after it renders its opinion, but it hasn't rendered its  
3 opinion.

4           So whether there are other matters that are winding  
5 their way in the federal system or the state system on the  
6 constitutionality, I don't know. But right now, there's  
7 nothing before the Louisiana Supreme Court that's gonna deal  
8 with the constitutionality of the window.

9           THE COURT: Okay.

10           Mr. Mintz, do you have any update on that?

11           MR. MINTZ: I mean, I don't have any update on, on  
12 anything that, that's in there. Mr. Stang, I think, we, we can  
13 disagree as to what the court did or didn't do. He is 100  
14 percent right that the Louisiana Supreme Court did not rule on  
15 constitutionality --

16           THE COURT: Okay.

17           MR. MINTZ: -- and remanded to, I think, CDC. I wanna  
18 say that's correct, but I'm not entirely sure which district  
19 court it was. And the Fifth Circuit opinion is still, or the  
20 Fifth Circuit has had oral argument and is still pending. The  
21 decision that does exist still is Judge Zainey's opinion in the  
22 district court ruling the statute unconstitutional, or ruling  
23 that version of the statute unconstitutional. I should be --

24           MR. STANG: Right.

25           MR. MINTZ: -- I should be very clear on that.

1 THE COURT: Okay.

2 MR. STANG: Your Honor, my last --

3 THE COURT: Uh-huh (indicating an affirmative  
4 response).

5 MR. STANG: -- my last topic --

6 THE COURT: Yeah.

7 MR. STANG: -- which is I, I wrote across the top Plan  
8 Status. The Committee believes that the Court should set a  
9 deadline for the debtor to file a reorganization plan. Your  
10 Honor, my firm is counsel in the Rockville Centre case and for  
11 what it's worth, Judge Glenn mentioned you during one of the  
12 hearings and, 'cause they were talking about where the  
13 Archdiocese New Orleans case is vis-à-vis Rockville Centre and  
14 he remarked, "Well, you know that Judge Grabill and I worked  
15 together." I said, "Yes, I knew that."

16 THE COURT: Uh-huh (indicating an affirmative  
17 response).

18 MR. STANG: So I guess that was a way of saying hello.

19 The Rockville Centre is a little different, but what  
20 Judge Glenn dealt with in the leadup to the dismissal motion  
21 that the committee brought was a ruling on a preliminary  
22 injunction. We had identified -- and by the -- I'm not sure  
23 exactly the cases are quite the same duration. This case is 3  
24 years, 3 months, and 15 days since filing. That's how long  
25 it's been.

1           THE COURT: Uh-huh (indicating an affirmative  
2 response).

3           MR. STANG: And we know because we get to see each  
4 others' billings they've been working on a plan. They have  
5 spent a lot of money drafting, working on plan issues. We have  
6 asked for a copy of the plan. We have never been shown it. We  
7 have never seen a draft of a plan or a disclosure statement.

8           So in Rockville Centre, Judge Glenn denied a  
9 preliminary injunction motion seeking to extend a preliminary  
10 injunction that had been in the, existing in the case for  
11 several years, which was, basically, the parishes wouldn't be  
12 sued, and in exchange for that we had that, I think, arrange, I  
13 think we had that arrangement regarding the, the parish  
14 lawsuits that we talked about earlier --

15          THE COURT: Uh-huh (indicating an affirmative  
16 response).

17          MR. STANG: -- and it was a device to get discovery.  
18 Because in exchange for the injunction, they'd give us  
19 documents and we kind of went along that way. But we hit an  
20 impasse and we identified lawsuits that did not name the  
21 Diocese and did not impact insurance and Judge Glenn, I think  
22 in a 74-page opinion, ruled that the debtor simply did not  
23 demonstrate the need that long into the case for a continuing  
24 injunction for those kinds of lawsuits. It wasn't all the  
25 lawsuits. It was only the ones that did not name the debtor

1 and did not impact the liability insurance. Because there were  
2 no aggregates or because there were so much insurance in the  
3 excess levels that any diminution through the payment of legal  
4 fees and costs was really, you know, a, a non, nonfactor. He  
5 decided that he wanted to hear the injunction matter before the  
6 dismissal motion. We actually went to the debtor -- the debtor  
7 and the committee went to him and said, "Why don't you hear the  
8 dismissal motion first? 'Cause if you grant that, you don't  
9 need the injunction hearing." And he said, "No, no," you know.  
10 "You teed it up this way. That's the way we're gonna do it."

11           So he had the dismissal motion and he had an  
12 evidentiary hearing for two days and at the end of the day he  
13 said to me, "This is" -- in effect, he said, "This is really  
14 how much time you're all gonna have." 'Cause he told them, he  
15 had told them repeatedly through the case -- and again, we're  
16 in the Second Circuit. It's a little different than here --  
17 that they will never be able to confirm a non-consensual plan.

18           Now Purdue hadn't come out yet, but he was working off  
19 the 75 percent rule because of the asbestos analogy. He said  
20 to me, "How much time do they need?" And I said, "Thirty  
21 days." And he looked at me a little quizzically and I said,  
22 you know, "After three-plus years, Jones Day, they're pretty  
23 good. They should be able to do this in 30 days." He turned  
24 to them and said, "How much time do you need?" They said, "End  
25 of October." So he gave them the end of October. He did not

1 have a "and if you don't" to his order. He simply said, "This  
2 is your deadline for filing a consensual plan or a consensual  
3 term sheet."

4 And at least from our perspective, committee counsel  
5 in Rockville Centre, all of a sudden everyone wants to talk to  
6 us. All of a sudden there is this flurry of "let's set up this  
7 meeting. Let's set up that meeting." 'Cause at the end of the  
8 day -- and I think you talk to any litigator. Your Honor, I  
9 don't know what your experience was before you went on the  
10 bench -- but most litigators tell me when there's a deadline,  
11 stuff happens.

12 And so we think there should be a deadline for the  
13 debtor to file a plan. The consequence of that, we'll, you'll  
14 decide that if they don't, but it should be a, it has to be a  
15 consensual plan. In this Circuit, it just has to be. Will  
16 there be people that they can't convince that we can't rope in,  
17 maybe, at the time it's filed, but this, too, is a process of  
18 finding out what the debtor's actually putting on the table.

19 One of the things that --I think Mr. Knapp referred to  
20 this. People are calling us all the time saying, "What's going  
21 on? How close are you? What have they offered?" Of course,  
22 we can't tell them.

23 THE COURT: Right.

24 MR. STANG: We filed a plan in Rockville Centre. The  
25 committee did. There was no deadline. We, we filed one. The

1 exclusivity had expired and we put down numbers. Those were  
2 numbers that at least told the community what we thought the  
3 Diocese could pay and what we thought the parishes could pay  
4 and then there were insurance numbers as well. Within 30 days,  
5 the debtor filed a plan. They put down what they thought they  
6 could pay. So at least Judge Glenn at that point knew how far  
7 apart we were and in determining the preliminary injunction  
8 issue and determining the dismissal motion, he could see the  
9 gap. Now I don't think anyone believed that those were either  
10 side's final numbers, but at least someone had said something  
11 to establish to the court's knowledge where the parties were.

12           So we think that it's important to do that. And the  
13 case is different, this case is different because we're not at  
14 an impasse with the debtor yet. We made a demand. The debtor  
15 responded. We responded. The debtor is working on a response.  
16 The debtor wished we had made our counter a week after, you  
17 know, their last. We wished they were moving faster on their  
18 response to our last.

19           But we need to set, in our opinion, a deadline so that  
20 -- 'cause Mr. Mintz said earlier in the hearing in connection  
21 with the professional employment the fee considerations come at  
22 the end of case, "hopefully very soon." Well, I don't know  
23 what his clock is set at. The Committee's clock is 3 years, 3  
24 months, and 15 days --

25           THE COURT: Uh-huh (indicating an affirmative

1 response).

2 MR. STANG: -- and something has to happen here.  
3 People are -- it's expensive, but that's the least of it in  
4 some ways. People are, some people are dying. I don't wanna  
5 be melodramatic about this, but people are. People are in  
6 need. People are in need for physical needs, they're in need,  
7 emotional needs, and if we can't reach an agreement on a plan  
8 that could be confirmed on a consensual basis, we need to  
9 rethink either we're gonna wait to see what happens in Purdue,  
10 which is gonna be, I don't, sometime middle, late next year. I  
11 don't know. I don't do Supreme Court work. I don't know when  
12 they're gonna get this done, but we can't wait that long. They  
13 can't wait that long. Mr. Draper's clients can't wait that  
14 long. And so we think there needs to be a, a plan deadline.

15 We are going back to mediation. Mr. Mintz, as you  
16 saw, came up to me and said, "August 30th. You're gonna be  
17 here. We're gonna talk." It's a, it's a mediation about non-  
18 monetary issues.

19 THE COURT: Yeah.

20 MR. STANG: We have a very dynamic process going on  
21 regarding the non-moneteraries. "Dynamic" means there's a lot to  
22 be talked about.

23 THE COURT: Uh-huh (indicating an affirmative  
24 response).

25 MR. STANG: If it were not dynamic, we'd be very close



1 to an agreement, you know. We have a lot of precedent from  
2 other cases about dioceses coming forward in different ways  
3 making disclosures about the history of abuse. I'm not gonna  
4 get in -- I can't get into details. It wouldn't be productive,

5 THE COURT: Right.

6 MR. STANG: -- even if I could, to get into the  
7 details. But the parties are in need of that kind of  
8 mediation, which Judge Zive, I believe, is appearing at, I  
9 think, maybe by Zoom. He's gonna participate in that. We have  
10 agreed -- I think we've agreed -- that we don't need a  
11 chaperone at every mediation. It'll all be under the mediation  
12 privilege, but we don't need to have Judge Zive there --

13 THE COURT: Uh-huh (indicating an affirmative  
14 response).

15 MR. STANG: -- all the time. He's got his own docket.

16 THE COURT: Uh-huh (indicating an affirmative  
17 response).

18 MR. STANG: He has his own issues. And so moving this  
19 with a plan deadline, we think, will enhance, greatly enhance  
20 the likelihood of this case reaching a resolution that the  
21 Committee can support.

22 So your Honor, I thank you. You've give me a lot of  
23 time at the podium.

24 THE COURT: Yeah.

25 MR. STANG: I appreciate it. I'm done.

1 THE COURT: All right.

2 So Mr. Mintz, why don't you comment on that last, No.  
3 5, the plan status.

4 MR. MINTZ: Your Honor, I have a small statement that  
5 adds some additional things to talk about, too, that will be  
6 kind of related to this. And I appreciate what Mr. Stang had  
7 just said regarding time and I appreciate what he said that  
8 this case, other than the time and other than that they are a  
9 diocese, I think this case is very different than Rockville  
10 Centre. And Mr. Stang acknowledged, at least, that they are  
11 different somewhat and I think that's, that's a fair statement.  
12 In Rockville Centre you were dealing with a different type of  
13 issue and I think Mr. Stang even would say as, when he  
14 described it to me initially, that in Rockville Centre we were  
15 dealing with intransigent, the way he put it, at least -- and I  
16 again do not know-directly -- but you were dealing with  
17 intransigent parishes who were not providing information. You  
18 were dealing with a diocese that was not providing information.  
19 It may have been slow, but we have, you know, moved through  
20 this process to get where Mr. Stang has said that, generally,  
21 there is enough, there is information that they feel satisfied  
22 to be able to have these productive discussions.

23 So would I agree that it could have gone faster on  
24 their side and our side? Yes. Judge Glenn was facing a very  
25 different debtor, a very different circumstance. Our case is a

1 bit unique and, you know, no other diocese faced the year-long  
2 motion to dismiss that we dealt with at the very beginning of  
3 this case. No one else has faced the issues related to the  
4 leaks that really did sidetrack a lot of what happened. And,  
5 and we can say, "Oh, that's over," but it's not. I'm  
6 dealing -- Ms. Oppenheim is writing correct -- right now --  
7 well, she's taking notes now -- but she, she will go back to  
8 the office and start writing motions again on briefs in the  
9 Fifth Circuit related to the sanctions issue because that is  
10 still pending more than 18 months later.

11 We are dealing with -- and by the way, I wanna be  
12 clear. These leaks have not stopped at all. I don't wanna get  
13 too far into it because that's not the point, but your Honor  
14 has to know, the Committee has to know, we have had newspaper  
15 articles in the past week that are based on confidential  
16 information that came from the same sources that we have seen  
17 before.

18 Now the last time we had to bring that up and deal  
19 with this it was 18, 18 months and counting of fees, time, and  
20 effort to be able to deal with that that distracted us from  
21 everything else and while Jones Walker is a large law firm that  
22 can be able to do this, it's, it's not limitless, either, and  
23 every dollar we're spending, they also need to spend and we  
24 also have to pay for that, too. And so we're not interested in  
25 doing a large investigation to figure this out again, but it is

1 time consuming and it is difficult.

2           They will ask for information. It is hard sometimes  
3 to gather it and then the news media will ask for similar  
4 information and it is not just as easy to say, "Wait. We're  
5 just not talking to you." It takes time, it takes effort, and  
6 it is a distraction that's a problem. We have lawyers who are,  
7 unfortunately, more interested in litigating these matters in  
8 the newspaper and not at the mediation table and not in front  
9 of this Court. And that is -- no one likes to talk about that.  
10 No one likes to say that that is an issue that really makes it  
11 difficult, but it, the reality of the situation is that it  
12 does.

13           But with all of that said, your Honor, here's the  
14 deal. We 100 percent agree and have been working as hard as we  
15 can to try to have that type of productive discussions we wanna  
16 have. We know the Fifth Circuit law, okay? We understand how  
17 Fifth Circuit law works and we understand where Highland  
18 Capital puts your limits and where it doesn't. And Mr. Draper  
19 knows better than anyone how Highland Capital, where Highland  
20 Capital limits things and so does Mr. Stang's fund.

21           So we all know what the statute, what, what the Fifth  
22 Circuit is gonna say on this and we know where we are. We have  
23 agreed. And there's no shortage of wanting to talk to them.  
24 We have a standing call every week that sometimes are more  
25 productive than others. We further have agreed that on August

1 30th we are doing not only the non-monetary mediation session  
2 which we think is important, I have asked prior to that  
3 starting if Mr. Knapp or Mr. Stang or anyone, please talk to us  
4 about it. Let's make that as productive as possible. If  
5 there's areas of disagreement, maybe we can explain it to you  
6 beforehand so we can have a productive discussion about what it  
7 is. So we are working with each other.

8           We are also, agreed to do this. I think we've agreed  
9 that there will be a meeting, hopefully, after about the  
10 contours of a plan and what that would look like. Mr. Stang is  
11 gonna be traveling. We think he's an important part of this.  
12 We want to then spend those 30 days looking at things and then  
13 come back and talk, whether it's here, there, we will go to  
14 have a discussion with him, more of a monetary discussion. I  
15 don't want to get too far into who's offered what, when, where,  
16 because it, it doesn't work. Mr. Stang is 100 percent correct.  
17 They made an offer. We responded. We wish they had been there  
18 completely immediately. I started begging him, "Seriously,  
19 it's been too long." They gave us a number. I responded with,  
20 "Okay. I'm gonna need a lot of time." They're now begging me,  
21 "No, you need to respond." Unfortunately, that's the way this  
22 works a little bit, but we wanna also give them a serious  
23 number and we wanna go through a financial presentation, as he  
24 said, because he's right. When he goes through the financial  
25 information that he put out in his three categories and he

1 says, "This is what's in Portfolio A and this is what we don't  
2 see and this is the real estate," all of that's --

3 THE COURT: Uh-huh (indicating an affirmative  
4 response).

5 MR. MINTZ: -- true, but there's a huge big part of it  
6 and that is the feasibility analysis and that is making sure  
7 that we are able to keep our lights on and actually have an  
8 archdiocese that is going to be able to survive. And so we  
9 have to balance all of that together in order to make this a, a  
10 confirmable plan. So that is going to take some effort and  
11 time.

12 I hear what he's asking for is, is simply a deadline.  
13 The problem that I have with that a little bit is it's a little  
14 bit arbitrary in the sense of "give me a plan that is  
15 consensual." I mean, my answer is, your Honor, we're going  
16 through contours. We understand what some of those contours  
17 are. We have worked to put it together. We do want to meet  
18 with them on August 30 to talk through contours. We wanna meet  
19 with them again after that in, in September when they're ready  
20 to talk about the monetary portions of that and probably at  
21 that point can be very close to ready to put something on file  
22 that --

23 THE COURT: Uh-huh (indicating an affirmative  
24 response).

25 MR. MINTZ: -- that says that if that's what really we

1 think is helpful. Sometimes that is helpful to put that out  
2 there. Sometimes it's not, but let us have those discussions  
3 first and then come back to you. My suggestion would be -- and  
4 we can put the date on the calendar right now -- where are we  
5 after those discussions on October 1st, or whatever date that  
6 is, to say, "Okay. Where are we? And you didn't make any  
7 progress. So Debtor, I'm gonna give you the dynamite of 15  
8 days," or whatever it is. "You should have been working."  
9 That would be my suggestion on kind of a soft deadline --

10 THE COURT: Uh-huh (indicating an affirmative  
11 response).

12 MR. MINTZ: -- on how we put that together.

13 THE COURT: Well, let me ask you this. You know,  
14 since the case began we, we knew that there were some issues  
15 out there, you know -- these are just broad strokes, you  
16 know -- regarding coverage, whether or not these claims were  
17 gonna be covered or not, and from what I understand the, the  
18 window, if you will -- that's what we're calling it -- tends to  
19 -- well, put it -- coverage is one issue having to do with  
20 insurance. You've got prescription that is always lingering  
21 out there -- and the legislature has tried to, to help us out  
22 with that -- and that's being litigated in other courts.  
23 There's this issue of feasibility regarding and feasibility in  
24 a -- in a -- in the way that is TMI's bond covenants going to  
25 interfere with the debtor's ability to liquidate property in

1 order to pay for a plan, to fund a plan. So there, there are  
2 those sorts of issues.

3 MR. MINTZ: I would say there's other feasibility  
4 issues as well, your Honor, but --

5 THE COURT: Yeah. That's just, that's not the only  
6 one, but that's the one that's come up today.

7 MR. MINTZ: Yes.

8 THE COURT: And then you've got this lift stay issue  
9 which is, which is a way of providing some backstops, some  
10 gentle, you know, backstops to, if things go south. At least,  
11 you know, it preserves certain things. It also helps define  
12 the, the scope of what we're dealing with regarding the  
13 channeling injunctions and releases. It just lets us know  
14 what's out there.

15 So there are things that, the answers to some of those  
16 questions, I was hoping would have been solved through the  
17 mediation process, you know. It sounds like sometimes we're  
18 there and sometimes we're not. I don't know anything about the  
19 status of and what kind of progress has been made, where you  
20 started and where you're at right now, but perhaps it's time to  
21 get some judicial answers about some of those questions.  
22 Because the -- the more -- the fewer variables you have, the  
23 easier the plan process gets, put it that way. I mean,  
24 usually, like --you're absolutely right. Deadlines work  
25 wonders, you know. When you have a trial date that the judge



1 says "I'm not gonna move," then it tends to, you know, bring  
2 people to the settlement table.

3           Perhaps -- you know, I hear what you're looking for is  
4 a date certain that a plan has to be filed, but wouldn't it be  
5 more productive to have some of these variables solved for, in  
6 order to get people funneled in the right direction regarding  
7 the plan? I'm just throwing it out there. I mean, there --  
8 if, if you're not able to solve some of these variables, I  
9 mean, we understand that a couple of courts are looking at  
10 prescription, essentially, but if you're not able to solve some  
11 of these other issues, then why not tee them up before the  
12 Court. You can vet them and we can have an answer to them.

13           I mean, it's often been said that, you know, sometimes  
14 courts don't necessarily, you know, you're never gonna be right  
15 for everybody, right? 'Cause somebody's always gonna be super  
16 unhappy, but at least you've got an answer and parties are very  
17 adaptable. They're very, you know, the, the, the parties adapt  
18 to whatever is the answer that is the answer and that's what  
19 you go with.

20           So I would -- I would just -- nobody's put a motion in  
21 front of me like they did with Judge Glenn to set a date  
22 certain for the confirmation, but I would just ask you to  
23 consider, perhaps, teeing up some of these unanswered,  
24 unsolved-for variables and see if that gets us there. I mean,  
25 I can give you a date, but if you don't have the answers to

1 some of these questions you're not gonna get there. And when  
2 you're dealing with a circuit where you don't have the option  
3 of non-consensual, third-party releases, then it makes it  
4 really easy for someone just to stall, you know. I mean, we've  
5 had actors that, you know -- nobody --

6 MR. STANG: Right.

7 THE COURT: Not everybody's thrilled about the  
8 bankruptcy process. That happens in every single case that's  
9 in front of me and any other bankruptcy court in the country.  
10 Not everybody is a thousand percent happy about being in  
11 bankruptcy court, but in this case we've also had folks that  
12 are working against the bankruptcy process and I don't think  
13 it's very helpful, but we've dealt with it.

14 Solving for some of these variables may help people  
15 to, to engage in the process. The, the more unknowns we have,  
16 the more difficult it is to write words down on a piece of  
17 paper for a plan. I mean, if you've just got too many  
18 variables hanging out there, you're not gonna get there.

19 MR. MINTZ: And, and I appreciate that, your Honor,  
20 and I think I need to talk to my client about that some and I  
21 need to talk to --

22 THE COURT: Uh-huh (indicating an affirmative  
23 response).

24 MR. MINTZ: -- Mr. Stang about that as well about how  
25 to tee some of those up. He has talked about one of the things

1 that we agree needs to be teed up, which was that lift stay --

2 THE COURT: Uh-huh (indicating an affirmative  
3 response).

4 MR. MINTZ: -- issue and perhaps other issues can be  
5 teed up as well and we can talk about how to do that to help  
6 push that forward as well.

7 THE COURT: Uh-huh (indicating an affirmative  
8 response). All right.

9 MR. STANG: Your Honor, I, I would --

10 THE COURT: Yeah.

11 MR. STANG: -- point out, well, as we, we can always  
12 say every case is different. The committee in Rockville Centre  
13 filed a full-blown plan, disclosure statement, and plan  
14 documents.

15 THE COURT: Uh-huh (indicating an affirmative  
16 response).

17 MR. STANG: If you want to see what our thinking is  
18 about insurance assignments, Mr. Mintz probably has a copy of  
19 all that on his desk. If you wanna see what we thought about  
20 trust distribution procedures as a law firm in a survivor case,  
21 that's in our plan, too, in Rockville Centre. The issue is and  
22 it comes down -- and, and the non-moneteries are critical --

23 THE COURT: Uh-huh (indicating an affirmative  
24 response).

25 MR. STANG: -- but they're being worked on. We hope

1 we can get closer. The plan, our plan in Rockville Centre,  
2 each -- in essence, they really are unique. What, what that  
3 diocese has done versus what this Archdiocese has done  
4 historically and prospectively are a world apart. I'm not  
5 saying one's better than the other. They're just a --

6 THE COURT: Uh-huh (indicating an affirmative  
7 response).

8 MR. STANG: -- world apart.

9 THE COURT: Uh-huh (indicating an affirmative  
10 response).

11 MR. STANG: It comes down to the money.

12 THE COURT: Can you describe some of that for me?

13 MR. STANG: Sure. I'll tell you what David Thuma did  
14 in New Mexico.

15 THE COURT: Uh-huh (indicating an affirmative  
16 response).

17 MR. STANG: He created -- because the Archdiocese  
18 agreed in Santa Fe -- they created a public archive run by the  
19 University of New Mexico with every abuse document that that  
20 Archdiocese had available to the public with name redactions  
21 that the Archdiocese approved. Every -- he -- they volunteered  
22 that at the 341 meeting and they paid for it and that archive  
23 is being put together by the University right now. It involves  
24 processes for reviewing complaints that come before -- I'm not  
25 sure exactly what the acronym is here -- but the Internal

1 Review Board.

2 THE COURT: Uh-huh (indicating an affirmative  
3 response).

4 MR. STANG: Who's on the Internal Review Board? What  
5 does the bishop do when the Internal Review Board says, "We  
6 think this person's credibly accused," and he comes to a  
7 different conclusion. What happens?

8 THE COURT: Uh-huh (indicating an affirmative  
9 response).

10 MR. STANG: Now I know what canonically happens --

11 THE COURT: Right.

12 MR. STANG: -- but you know, what happens when a  
13 parent wants to enroll their child? Now I'm not, I'm telling  
14 you some of the concepts. I'm not --

15 THE COURT: Uh-huh (indicating an affirmative  
16 response).

17 MR. STANG: -- telling you what the Archdiocese --

18 THE COURT: Right.

19 MR. STANG: -- agreed to or not agreed to. When --  
20 this happened in Boy Scouts. When a parent wants to enroll a  
21 child in a, in, in school -- in that case a youth organization  
22 -- they are told proactively have there been any sexual abuse  
23 complaints in the last "X" years coming out of the school,  
24 stuff like that.

25 But it's a lot to do with document production. It's a

1 lot to do with transparency. It's support for survivors beyond  
2 the monetary compensation perhaps they're getting in the form  
3 of therapy. It's how you do the intake when someone calls the  
4 victims coordinator. What is the training of that victims  
5 coordinator? What are the audits? I mean, they have their  
6 process for reviewing their internal processes. What is the --  
7 is there a third party who can review those and review it with  
8 historical data to see the adequacy of the program? When  
9 recommendations are made, do they go into the Archdiocese's  
10 decision-making box or can they be posted somewhere so that the  
11 public knows when a third-party expert approved by the court as  
12 part of a plan says, "These are the things you should be  
13 doing"? Those are some of the things that --

14 THE COURT: Uh-huh (indicating an affirmative  
15 response).

16 MR. STANG: -- in other cases have been discussed.  
17 And again, I'm not trying to suggest to you in any way, shape,  
18 or form what the Archdiocese's position is because that would  
19 be inappropriate, but that's the kinds of issues --

20 THE COURT: Uh-huh (indicating an affirmative  
21 response).

22 MR. STANG: -- that come up in these non-monetary  
23 considerations.

24 THE COURT: Uh-huh (indicating an affirmative  
25 response).

1 MR. MINTZ: And I wanna just add to that.

2 THE COURT: Yeah.

3 MR. MINTZ: Because those are the issues and I don't  
4 wanna say what their position is then on, on what they are  
5 versus what ours because they're the subject of negotiation.

6 I do wanna say we are negotiating those things. It is  
7 -- I can say and I will say it is our position that a lot of  
8 this is in public documents that we are already doing and we  
9 have asked people to, to, to look at that.

10 THE COURT: Uh-huh (indicating an affirmative  
11 response).

12 MR. MINTZ: And a lot of this is going to be  
13 reaffirming what we have already done. And so that sense is a  
14 lot of what we're talking about and there's a lot they want to  
15 look at it to be done this way and we wanna look at it to be  
16 done trying to get to the same goal.

17 But we have the same goal at that point, your Honor,  
18 and that's what we're trying to work towards --

19 THE COURT: Uh-huh (indicating an affirmative  
20 response).

21 MR. MINTZ: -- is how to get that survivor support, as  
22 he said, to the right spot that we can get to. I think we are  
23 very far along on that and I'm hopeful that this next meeting  
24 will push us even farther down that road.

25 THE COURT: Uh-huh (indicating an affirmative

1 response) .

2 MR. DRAPER: Let me address one thing that --

3 THE COURT: Yeah.

4 MR. DRAPER: -- is there and, and we've heard a lot  
5 about Rockville Centre. We've heard about this case. We've  
6 looked at time. We have one issue that's not been mentioned  
7 here that I think the Court is very well aware of, is we have  
8 Ida issues.

9 THE COURT: Hmm.

10 MR. DRAPER: And when you, when you look at what  
11 happened in Ida, when you look at our coverage that we have at  
12 both the parish level as well as the Archdiocese level, we have  
13 an enormous gap between coverage and between cost of repair and  
14 what, and also fundamental decisions as to what is repaired and  
15 what's not and the cost of that is significant and it has a  
16 huge impact on the plan. It has huge impact on the  
17 sustainability of the Archdiocese and the parishes as a go-  
18 forward basis and it is not something that they faced in  
19 Rockville Centre. It is something we deal with on a daily  
20 basis. It's something we deal with as to how to make the  
21 claims and what we -- we're gonna make the claims -- what  
22 dollars we have available for repairs now versus what dollars  
23 we're gonna have to go litigate with an insurer about. It's  
24 significant and it's huge.

25 And so that, that filter on all of this has been --



1 take -- everything Mr. Mintz said about third parties trying to  
2 disrupt the process, take everything about disagreements that  
3 we have over documentation, but that overlay is significant  
4 and, and, and the damage that was done by Ida was enormous.

5           You then have, on top of that, you have insurance  
6 issues that we face both at the parish level and at the  
7 Archdiocese level. The increase -- I live north of I-12. Our  
8 in, my insurance increases are, roughly, 40 percent. My  
9 understanding is as you go south of I-12 when you come into New  
10 Orleans, when you go into the, the, the western parishes,  
11 you're looking at 60, 70, 80 percent. You're looking at named-  
12 storm deductibles.

13           MR. MINTZ: If you can get coverage at all.

14           MR. DRAPER: If you can get --

15           THE COURT: Right.

16           MR. DRAPER: -- coverage at all. You're looking at  
17 named-storm deductibles that are enormous.

18           And so those are cash needs and things that we have to  
19 have in order to go forward. I think BRG has the information,  
20 but again, it's, it's an overlay to everything that's going on  
21 here and cannot be ignored.

22           MR. STANG: Your Honor?

23           THE COURT: Yeah.

24           MR. STANG: I want -- I grew up in Miami so I know  
25 about hurricanes, but I, not the kind of destruction that was

1 suffered here in Katrina and with Ida. I thought I'd just  
2 throw in that I know something about hurricanes.

3           Two things. We got a capital expenditure budget from  
4 the Diocese and BRG put boots on the ground with, in  
5 coordination with the Diocese, accompanied by the Diocese to  
6 re, to look at sites. They didn't look at every location, I  
7 don't think, that was on the list, but they spent several days  
8 with construction specialists from BRG to go through and see is  
9 this a, you know, are you trying to get a spanking new  
10 archdiocese or are we talking about repairs and maintenance  
11 that are essential to maintain the operation of a building?

12           I don't know how to say this in a nice way so I'm just  
13 gonna say it. They have to deal with this. If they have to  
14 reconfigure their parishes 'cause they can't afford to have the  
15 current configuration, I don't know what to say except you're  
16 take, you're expecting that to be borne by survivors. I mean,  
17 that's in a sense what I'm hearing and what we've heard. And  
18 there will be, whatever tolerance there will be for that, but  
19 if they have parishes that cannot operate because their  
20 insurance costs are too high, then something, they have to do  
21 something about that. Our plan does not redraw parish lines.  
22 I mean, we, we try to do a lot of things.

23           THE COURT: Uh-huh (indicating an affirmative  
24 response).

25           MR. STANG: We're not going there.

1           So all I can say is I, I, I feel for the people of the  
2 community. I really do. I, I'm an outsider, but I, I  
3 appreciate what the City has gone through. But if they can't  
4 operate the way they historically have, the chapter 11 provides  
5 them a means to try to mitigate the impact of that through  
6 different devices and to the extent the chapter 11 process  
7 doesn't do it, the canonical process can do it. But you can  
8 only ask creditors to do so much when operationally your  
9 situation, which is of no fault of their own -- they didn't  
10 create these storms -- I, I don't know what to say except  
11 that's kinda your, what you have to struggle with and if that  
12 means consolidating parishes because you can't afford to insure  
13 every building you've got, well, maybe that's something they  
14 should be looking at. I'm not here to tell them what to do.  
15 It's not my place. There are too many complex issues for the  
16 Creditors' Committees to say, "This is what we think your  
17 parish map should look like."

18           THE COURT: Uh-huh (indicating an affirmative  
19 response).

20           MR. STANG: But Mr. Eagan's a financial guy. He knows  
21 what these issues are. The debtor has lots of professionals  
22 who know what these issues are and I guess I can tell you this.  
23 You will ask the creditors to take a certain hit because of  
24 this or not and if they say, "No. We, we just can't accept  
25 that kind of impact. We'd rather litigate in state court,"

1 well, I guess that's, I don't wanna go there, but maybe that's  
2 where things end up and that's, that would be too bad. Because  
3 I believe that a consen -- I do believe this. A consensual  
4 plan will be in the interest of the vast number of survivors.

5 THE COURT: Uh-huh (indicating an affirmative  
6 response).

7 MR. STANG: But getting there does have people who  
8 will make demands that, you know, will put pressure on us and  
9 pressure on them. And I'm not talking about Mr. Trahant.  
10 There are -- I mean, I don't know who's out there who's gonna  
11 say that's not enough money. He's kind of like the boogeyman  
12 in some ways in this case. It's not all about him. It's about  
13 survivors who simply say at some point, "I'd rather litigate my  
14 matters in state court than the offer you're making."

15 THE COURT: Uh-huh (indicating an affirmative  
16 response).

17 MR. STANG: And we will do everything we can to  
18 demonstrate that a deal we can get behind is a reasonable deal,  
19 but we're not at that point yet.

20 THE COURT: Right.

21 Well, a couple of things regarding Ida. I mean,  
22 there, you know, it's, if we could get to the point where we  
23 knew what the insurance payouts are and then, you know, and,  
24 and then you get, you know, your appraisals, you look at your  
25 contractors and you say, "This is how much to rebuild, what we

1 can rebuild," or whatever, if we could just get there, that's  
2 the easy question. That's something that has to, that affects,  
3 you know, the risk of living in this area of the country and  
4 now it's not just this area of the country. It's, you know,  
5 that dome has spread --

6 MR. STANG: Yeah.

7 THE COURT: -- you know. The risk of living in  
8 different parts of the country is an existential question that  
9 affects families. It affects businesses. It affects  
10 institutions like schools and churches. It affects everybody.

11 I think what Mr. Draper is talking about is we can't  
12 even get there to make those determinations because we're still  
13 working through the litigation that's required to even, you  
14 know, find out what, what coverage was had, what, what's the  
15 insurance payout gonna be. I mean, we can't even get there.  
16 It's taken a, a very long time. And so I think that as it  
17 relates to this case it just slows things down.

18 Is that what I hear you saying, Mr. Draper?

19 MR. DRAPER: Yes.

20 THE COURT: I mean, it really --

21 MR. DRAPER: It's --

22 THE COURT: -- puts a drag on the ability to move  
23 forward with any sort of, you know, a plan of this magnitude.

24 MR. DRAPER: It's, it's an overlay on --

25 THE COURT: It is.

1 MR. DRAPER: -- everything that's going on. It is an  
2 -- just like Mr. Trahant was an unnecessary distraction. We  
3 all wish Ida didn't happen. It is an enormous economic --

4 THE COURT: Uh-huh (indicating an affirmative  
5 response).

6 MR. DRAPER: -- distraction.

7 And the issues Mr. Stang has talked about, of course  
8 we're looking at. We're not, we're not blind to what --

9 THE COURT: Right.

10 MR. DRAPER: -- what's there and what we have to do  
11 and, and to reach a consensual plan. We're looking at every  
12 possible way that we can get from Point A to Point B and get  
13 this behind us.

14 THE COURT: Uh-huh (indicating an affirmative  
15 response). Yeah. I mean, like I said, families, businesses,  
16 you know, institutions, every single, down to the individual,  
17 you have to make those determinations about, you know, what,  
18 you know, you know, what mission, you know, is each family  
19 gonna, you know, what's, what's required --

20 MR. DRAPER: Uh-huh (indicating an affirmative  
21 response).

22 THE COURT: -- you know. What are our limits? What's  
23 required? What would we like to have versus what we can have  
24 when you're living in this part of the country dealing with the  
25 realities that we're dealing with?

1           So I get it, you know. And like I said, I, I still  
2 remain optimistic. I, I am confident and I can see it,  
3 already. I mean, the posture between the parties has changed  
4 dramatically over the last three years, dramatically. The  
5 professionals are doing what they do. They are being  
6 professional. They are working together and I can see it. I  
7 don't, I haven't seen you guys in a long time and that's how I  
8 knew that things were going on that were positive outside of  
9 this courtroom. I, I trust Judge Zive. I trust the  
10 professionals that are involved in this case. I particularly  
11 trust, you know, individual committee counsel that they're  
12 going to represent the best interests of, of their  
13 constituencies.

14           What I'll say is I remain optimistic that this process  
15 is the best one for this, this type of debtor. I think your  
16 focus on August 30th on non-monetary remedies -- and I've said  
17 it many times in open court before -- I think that's the most  
18 important part of this whole plan. You can always go to state  
19 court and get, you know, a check, but you can't, I'm not  
20 convinced that you can get the non-monetary remedies that you  
21 seek anywhere but here through a consensual plan. And that is,  
22 you know, if I have any priorities for any of these cases, if I  
23 had one for this case, it would be to see a plan that's  
24 proposed in good faith with non-monetary remedies that are  
25 going to make it, you know, you're never going to, you know,

1 there are bad people in the world, right? But you can set up  
2 systems that can deal with it, that can, you know, provide  
3 support, that can provide protection. You can set up a system  
4 like that and, and those protections are what this process can  
5 provide that I don't think you can get anywhere else, a, a  
6 system that would protect the most vulnerable, right? And  
7 that's -- that's -- anyway. I won't lecture any further.

8 But I think a plan that's proposed in good faith would  
9 have significant non-monetary remedies in this case. All  
10 right.

11 So that said, do you -- we've got a status conference  
12 to talk about the lift stay issue. So I would ask that you  
13 present some sort of process and I, I'm fairly agreeable to, if  
14 the parties consent to whatever it is, I'll try to make it  
15 happen on my end, fairly agreeable to that. Because I think  
16 that, like I said, it will start answering some of these  
17 unsolved variables that we've got, right, regarding the, the  
18 channeling and the releases as well as sort of provide some  
19 protection in case things fall apart, which I hope they won't,  
20 but you never know.

21 As far as your motions, you, you were saying that you  
22 were gonna try to get some teed up by September's omnibus date.  
23 That's the 21st of September?

24 MR. MINTZ: Yes, your Honor.

25 THE COURT: Okay.



1           MR. MINTZ: That, that would be the real estate, I've  
2 been calling it a real estate proceeding. It's a --

3           THE COURT: Right.

4           MR. MINTZ: It is to list these 11 properties for  
5 sale.

6           THE COURT: Okay. All right.

7           MR. MINTZ: That, I know will be up. We will have  
8 that teed up for -- I have it on my calendar when I have to  
9 file that by -- but it will be teed up in regular order.

10          THE COURT: Okay. And did you need any other status  
11 conferences on any of these issues that we've discussed today  
12 or would you rather just figure out what you, how to tee up the  
13 issues that we've talked about today and, and sort of stage 'em  
14 that way?

15          MR. MINTZ: Why don't we -- my suggestion would be --  
16 and I, I'll welcome their comments -- would be we're coming  
17 back on the 30th to discuss, you know, at least that procedure.  
18 We can discuss at that point if there's other discussions that  
19 we might want to --

20          THE COURT: Okay.

21          MR. MINTZ: -- set up at that point.

22          THE COURT: I'll just give you the time then. Okay.  
23 That's right. So that's at 1:00 on the 30th. Okay.

24          MR. MINTZ: Do you need us to file --

25          THE COURT: If you --

1 MR. MINTZ: -- something to set that or --

2 THE COURT: Well, let's see. Well, I guess we also  
3 need to rule on the employment motion.

4 MR. MINTZ: There's that, too.

5 THE COURT: Yeah. I don't think that we have -- given  
6 what I've heard today, I think it's go time regarding the --  
7 the -- if we really want to invest in this plan process, I  
8 think that we don't really have much of a choice. Let's see.  
9 Mr. -- I don't, I wanna make sure I get the names right.

10 Mr. Spencer has told me that Rock Creek just simply  
11 doesn't do this work. Mr. Knapp has told me that his, he  
12 anticipates -- I'm not, I can see you sweating, already --  
13 that, that you believe that this engagement will be discrete  
14 and fairly limited in scope.

15 MR. KNAPP: Yes, your Honor. That's my understanding.

16 THE COURT: Okay.

17 MR. KNAPP: I mean, it's a -- they have a set of  
18 analysis that was produced to us, I think, complete as of last  
19 month.

20 THE COURT: Uh-huh (indicating an affirmative  
21 response).

22 MR. KNAPP: And so it'll be analyzing that using his  
23 assumptions and then, hopefully, we can use that to then have  
24 that discussion. 'Cause that's part of the feasibility topic  
25 as well, is how they're gonna fund these pension benefits

1 liabilities --

2 THE COURT: Right.

3 MR. KNAPP: -- going forward.

4 THE COURT: Okay. All right.

5 I reviewed the, the motion. I had, at first blush, I  
6 had some of the same concerns that the Committee had and that  
7 the debtor had, but again, where we're standing today I, I am  
8 fully invested in the plan process and I believe that the  
9 retention of, of the actuary is the way that we need to go.

10 So I'll go ahead and approve that. Of course, the  
11 debtor and the Committees and any other party in interest  
12 reserves all rights to object to fees on the backend. I trust  
13 that between Mr. Campbell and Mr. Spencer that the services  
14 won't be duplicative. I understand that they do completely  
15 different things, but I'll let the U. S. Trustee and the  
16 parties in interest review those timesheets when they come in.  
17 So that's approved.

18 So if you'll submit the proposed order, I appreciate,  
19 for that.

20 I'll -- we'll do a, a Memo to Record, but I would  
21 really appreciate it if someone in your shop could just send a  
22 proposed order setting the status, the two status conferences  
23 that we had. You don't need to go into a great detail about --  
24 we've got one --

25 MR. MINTZ: August 30th.

1 THE COURT: -- August 30th, but weren't you gonna come  
2 back before then to discuss the lift stay or was that --

3 MR. STANG: That was --

4 MR. MINTZ: That is --

5 MR. STANG: That is --

6 THE COURT: That is --

7 MR. STANG: That is the one.

8 THE COURT: Oh, that is?-

9 MR. STANG: Yes.

10 THE COURT: It wasn't just other stuff that you wanted  
11 to throw in there. Okay. Then that's fine. We'll do that.

12 MR. MINTZ: I'm saying --

13 THE COURT: Yeah.

14 MR. MINTZ: -- if we have other things to discuss,  
15 your Honor --

16 THE COURT: Then you can do it.

17 MR. MINTZ: -- we would like to do that --

18 THE COURT: Okay.

19 MR. MINTZ: -- on August 30th.

20 THE COURT: All right. So --

21 MR. MINTZ: However, it is for --

22 THE COURT: Very similar to this status conference and  
23 the way it unfolded. Okay.

24 MR. MINTZ: Yes.

25 THE COURT: Okay.

1           MR. MINTZ: Mr. Stang will come, I'm sure, with a list  
2 of seven things and then we'll --

3           THE COURT: Okay.

4           MR. STANG: Six.

5           And your Honor, if we could get an advance copy of the  
6 real estate motion --

7           MR. MINTZ: Yeah.

8           MR. STANG: -- that, that would be appreciated.

9           THE COURT: Okay. Excellent.

10          All right. In that case, I don't need a proposed  
11 order --

12          MR. MINTZ: Okay.

13          THE COURT: -- for the August 30th. I'll just --  
14 that's just a one pager. That's not a problem and I'll do that  
15 one. All right.

16          MR. MINTZ: Thank you, your Honor.

17          MR. DRAPER: Thank you, your Honor.

18          THE COURT: All right. Thank you very much.

19          MR. STANG: Thank you, your Honor.

20          (Proceedings concluded at 3:58 p.m.)

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CERTIFICATE

I, court-approved transcriber, certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter.

/s/ Janice Russell

August 21, 2023

Janice Russell, Transcriber

Date