IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

CATHOLIC DIOCESE OF WILMII	NGTON. INC))	Case No. 09-13560 (CSS)
a Delaware corporation,)	(000)
·	Debtor.)	Re: Docket No. 1239
)	

SUPPLEMENTAL OBJECTION OF CHARLES WIGGINS TO CONFIRMATION OF SECOND AMENDED PLAN OF REORGANIZATION OF DEBTOR CATHOLIC DIOCESE OF WILMINGTON, INC.

Charles Wiggins ("Wiggins") files this supplemental objection in response to proposed revisions to the above-referenced proposed plan of reorganization (the "Plan") of the above-captioned debtor ("Debtor"). These proposed revisions (the "New Provisions") have not yet been placed on the public record and are still being negotiated; however, it appears that in essence they state or provide, among other things, that

- All claims of Wiggins are disallowed;
- Any benefits, including pension benefits, to which Wiggins may be entitled are terminated or, alternatively, the Debtor is enjoined from honoring any such rights;
- No assets of the reorganized debtors and other entities could be used to pay any benefits or sustenance to Wiggins; and
- Wiggins is classified as an abuser.

Wiggins objects to these provisions for the following reasons:

1. <u>Claims Must be Adjudicated through Claims Administration</u>. There is a procedure for adjudicating claims in the Bankruptcy Code and Bankruptcy Rules. <u>E.g.</u> 11 U.S.C. § 502; Fed. R. Bankr. P. 3007. Involuntary disallowance of a claim is not a permissible part of a

plan of reorganization. 11 U.S.C. § 1123(b). Even if it were, Wiggins has been provided with no meaningful notice of any proceeding to disallow his claim as he became aware of the proposed provisions on the afternoon of the day before the hearing. U.S. Const. Amend V.

- 2. Entitlement to Benefits Must Be Adjudicated Through an Adversary Proceeding or Other Civil Litigation. The New Provisions effectively terminates any right to benefits that Wiggins may have without notice or an opportunity to be heard. Alternatively, they include an injunction against honoring any such right to benefits (which amounts to the same thing as termination) without notice and an opportunity to be heard. Again, such a provision is not proper in a plan of reorganization as the adjudication of Wiggins' rights must occur through an adversary proceeding or other civil litigation. E.g. Fed. R. Bankr. P. 7001; 11 U.S.C. § 1123(b). The termination of such benefits without notice or an opportunity to be heard does not comply with standards of due process. U.S. Const. Amend V.
- 3. <u>Classification of Wiggins as an Abuser</u>. The Plan classifies Wiggins as an abuser and treats him as such without having provided him with any due process. The fact that he has been mentioned in various proceedings before this Court is not the same thing as due process. U.S. Const. Amend V.
- 4. To the Extent that the New Provisions are Based on Reclassification of Claims, They are Improper. To the extent that the New Provisions effectively create a new class of abusers, they are not proper. Preliminarily, if a new class is being created, members of that class require notice and an opportunity to be heard, which has not been provided. E.g., Fed. R. Bank. P. 2002(a)(8); U.S. Const. Amend V. Moreover, the Plan cannot satisfy the best interest test as to such class because the New Provisions would provide zero dividend to this class, which is less than it would receive in a chapter 7 case. 11 U.S.C. §§ 1129(a)(7); similarly, as a cramdown is required, the Plan would unfairly discriminate and is not fair and equitable. 11 U.S.C.

§§ 1129(b). Furthermore, this Plan classification would be improper as it classifies claims based on the identity of the claim holder rather than the nature of the claim. 11 U.S.C. §§ 7122; 1129.

DATED: July 27, 2011

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IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

In re:)	CHAPTER 11
CATHOLIC DIOCESE OF WILMINGTON, INC a Delaware corporation,	C.,)	Case No. 09-13560 (CSS)
Debtor.))	

CERTIFICATE OF SERVICE

I, Christopher D. Loizides, hereby certify that on July 27, 2011, I did cause to be served true and correct copies of the foregoing SUPPLEMENTAL OBJECTION OF CHARLES WIGGINS TO CONFIRMATION OF SECOND AMENDED PLAN OF REORGANIZATION OF DEBTOR CATHOLIC DIOCESE OF WILMINGTON, INC.

on the parties listed on the attached service list as indicated thereon.

DATED: July 27, 2011

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