

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MONTANA

In re:

Roman Catholic Bishop of Great Falls Montana,
a Montana Religious Corporate Sole
(Diocese of Great Falls),

Debtor-in-Possession

Case No. 17-60271

Chapter 11

**ORDER CONFIRMING MODIFIED FIRST AMENDED PLAN OF REORGANIZATION
PROPOSED BY
THE ROMAN CATHOLIC BISHOP OF GREAT FALLS, MONTANA**

A hearing was held before this Court on August 14, 2018 (the “**Confirmation Hearing**”), to consider confirmation of the Modified First Amended Plan of Reorganization Proposed by the Roman Catholic Bishop of Great Falls, Montana (the “**Plan**”)[Docket No. 422]. The Court has examined the record compiled in this Chapter 11 Case, and has considered, among other things: (i) the First Amended Plan of Reorganization Proposed by the Roman Catholic Bishop of Great Falls, Montana, and all schedules and exhibits thereto (the “First Amended Plan”) [Docket No. 394]; (ii) the Notice of Intended Modifications to First Amended Plan of Reorganization [Docket No. 417]; (iii) the Disclosure Statement Proposed by the Roman Catholic Bishop of Great Falls, Montana, and all schedules and exhibits thereto [Docket No. 377]; (iv) the Plan Documents; (v) the Debtor’s Memorandum In Support of Confirmation of Modified First Amended Chapter 11 Plan Of Reorganization Proposed By The Roman Catholic Bishop of Great Falls, Montana [Docket No. 418]; (vi) Certification of Service for the Solicitation Packages [Docket No. 396]; (vii) the Affidavit of Publication of Docket No. 121 [Docket No. 405]; the Affidavit re: Affidavit of Publication Notice [Docket No. 420], the Joint Objection of Oblate Fathers Western Province, Inc. and U.S. Province of Missionary Oblates of Mary Immaculate, Inc. to Confirmation of Debtor's First

Amended Chapter 11 Plan of Reorganization [Docket No. 413]; and Motion of Objection to the Disclosure Statement and Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject the Plan: and the Order Approving the Disclosure Statement and Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject the Plan [Docket Nos. 408 and 409], and testimony of witnesses and the arguments and representations of counsel and parties in interest at the Confirmation Hearing. Based upon the foregoing, the Findings of Fact And Conclusions of Law Regarding Modified First Amended Plan of Reorganization entered in connection with this Order and it appearing that all objections to confirmation of the Plan, if any, are withdrawn or overruled, and after due deliberation and sufficient cause appearing therefor:

IT IS HEREBY ORDERED:

1. Confirmation. The Plan is confirmed. All modifications to the Plan described at the Confirmation Hearing are approved.¹ All formal and informal objections, responses, statements, and comments in opposition to the Plan, other than those withdrawn with prejudice in their entirety prior to the Confirmation Hearing or by way of stipulation and order with the Debtor or resolved on the record during the Confirmation Hearing are overruled for the reasons stated on the record. The Debtor may (a) take such actions as may be necessary or appropriate to carry out the Plan and (b) execute such documents and instruments as required to implement the Plan including, without limitation, the Trust Agreement.

2. Binding Effect of Plan. Immediately upon the entry of this Order, the terms of the Plan, the Catholic Mutual Settlement, the Plan Documents, all exhibits thereto and all other relevant and necessary document are approved, effective and binding upon the Debtor, the Diocese Parties, the UCR, Catholic Mutual, the Trust, any and all Entities acquiring property under the Plan, any and

¹ Unless defined otherwise herein, terms used in this Order shall have the meanings and definitions set forth in the Plan.

all holders of Claims and Interests, any and all non-debtor parties to executory contracts, and any and all Tort Claimants, Unknown Tort Claimants, and other creditors, whether or not such creditor has filed a proof of Claim in this Chapter 11 Case, whether or not the Claim of such creditor is impaired under the Plan, and whether or not such creditor has accepted or rejected the Plan, and any other interested parties and all respective heirs, executors, administrators, successors or assigns, if any, of any of the foregoing parties. All Entities shall act or refrain from acting as set forth in the Plan.

3. Authority: By entry of this Order, all matters provided for under the Plan that would otherwise require approval of the officers, members, directors, or managers, of the Debtor under the Plan, shall be deemed to have occurred and shall be in effect prior to, on or after the Effective Date (as appropriate), pursuant to the applicable law of the state of Montana, in which the Debtor or the Trust is chartered, organized or incorporated, with no requirement of further action by the officers, members, directors, or managers, of the Debtor.

4. Omission of Reference to Particular Plan Provisions. Failing to specifically describe or include any provision of the Plan in this Order shall not diminish or impair the effectiveness of such provision, as this Court intends that the Plan be approved and confirmed in its entirety. Each provision of the Plan shall be deemed authorized and approved by this Order and shall have the same binding effect of every other provision of the Plan, whether or not mentioned in this Order. If any inconsistencies occurs between the Plan and this Order, this Order shall govern.

5. Discharge. On the Effective Date and subject to paragraph 12.1 of the Plan, the Debtor will be discharged from all liability for all Claims that arose before the Confirmation Date, including all interest, if any, on any such Claims and debts, whether such interest accrued before or after commencement of this Case, including all Tort Claims and from any liability of the kind

specified in Sections 502(g), 502(h), and 502(i) of the Bankruptcy Code, whether or not (a) a proof of Claim is filed or is deemed filed under Section 501 of the Bankruptcy Code; (b) such Claim is Allowed under the Plan; or (c) the holder of such Claim has accepted the Plan. Nothing in the Plan, the Plan Documents or this Order shall affect, impair, discharge or diminish the Debtor's duties and obligations under the Catholic Mutual Settlement, including indemnification obligations, which obligations are approved and excepted from the Debtor's discharge. Notwithstanding any provision of the Plan, the injunctions and discharge preventing prosecution of Tort Claim against Protected Parties provides absolutely no protection to a Perpetrator.

6. Cancellation of Notes, Instruments, and Debentures. On the Effective Date, except to the extent provided otherwise in the Plan, all notes, instruments, debentures, certificates and other documents evidencing Claims shall be cancelled and deemed terminated and surrendered (regardless of whether such notes, instruments, debentures, certificates or other documents are surrendered for cancellation to the appropriate indenture trustee or other such Entity). The holders of or parties to such canceled notes, and other agreements and instruments shall have no rights against the Debtor, its Estate or the Trust arising from or relating to such notes, and other agreements and instruments or the cancellation thereof, except for the rights provided to the holders of Claims under the Plan and this Order.

7. Appointment of Trustee. The Trust Agreement, as modified, attached as Exhibit C to the Plan is approved. Omni Management Acquisition Group, LLC ("Omni") is appointed as the Trustee of the Trust from and after the Effective Date. As the Trustee, Omni will be an officer of the Bankruptcy Court, with the immunities customarily enjoyed by bankruptcy trustees. The Bankruptcy Court will have sole jurisdiction over claims and causes of action against Omni and its members, officers, directors, employees, professionals, agents, heirs and assigns (solely in Omni's

capacity as the Trustee) arising out of performing its duties, and Omni (in such capacity) may not be sued, or have claims asserted against it, in any other forum without leave of this Court. The Trustee and any professionals retained by the Trustee may be compensated by the Debtor for any services provided to or for the Trust prior to the Effective Date.

8. Distributions Under the Plan. All Distributions under the Plan shall be made under Section X of the Plan and any other relevant Plan provisions. The classification of Claims for Distributions shall be governed solely by the terms of the Plan. The classifications on the ballots tendered to or returned by the holders of Claims for voting on the Plan (a) were set forth on the ballots solely to vote to accept or reject the Plan, (b) do not represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims under the Plan for distribution, (c) may not be relied upon by any creditors as representing the actual classification of such Claims under the Plan for Distribution, and (d) shall not be binding on the Debtor, the Trust or the Trustee for purposes other than voting on the Plan.

9. Withholding and Reporting Requirements. Each holder of an Allowed Claim to receive a Distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding, and other tax obligations, for such distribution. The Trustee and the Trust have the right, but not the obligation, to not make a Distribution until such Holder has made arrangements satisfactory to the Trustee in his reasonable discretion for payment of any such tax obligation.

10. Vesting of Estate Assets. Except as otherwise provided herein or in the Plan, and as of the Effective Date of the Plan, under Sections 1141(b) and 1141(c) of the Bankruptcy Code, all property of the Debtor's Estate and all property dealt with by the Plan is vested in the Trust or the

Reorganized Debtor free and clear of all Liens, Interests and Claims of creditors of the Debtor.

11. Applicability of section 1146 of the Bankruptcy Code. In accordance with Section 11.4 of the Plan, under Section 1146(a) of the Bankruptcy Code, the delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, whether occurring prior or subsequent to the Confirmation Date, including any deeds, bills of sale or assignments executed in connection with any disposition of assets contemplated by the Plan shall not be subject to any stamp tax, real estate transfer tax, excise tax, sales tax, use tax or other similar tax.

12. Assumption of Remaining Executory Contracts and Unexpired Leases. Subject to the requirements of Section 365 of the Bankruptcy Code and under Section XIII of the Plan, all executory contracts and unexpired leases of the Debtor not rejected by order of the Bankruptcy Court or that are not the subject of a motion to reject pending on the Confirmation Date will be deemed assumed by the Reorganized Debtor on the Effective Date.

13. Disputed Claims. Section X of the Plan regarding procedures for resolving Disputed Claims is approved.

14. Causes of Action/Objections. Except as provided in Sections 10.3 and 10.9 of the Plan, the Reorganized Debtor shall retain and exclusively enforce the Debtor's Causes of Action, whether arising before or after the Petition Date, in any court or other tribunal, including, without limitation, a bankruptcy court adversary proceeding filed in the Chapter 11 Case. The Reorganized Debtor shall have the exclusive right, authority, and discretion to institute, prosecute, abandon, settle, or compromise all such Causes of Action, without obtaining Bankruptcy Court approval.

15. Deadline for Filing Professional Fee Claims. Professionals requesting compensation or reimbursement of expenses under Sections 327, 328, 330, 331, 503(b) and 1103 of the Bankruptcy Code for services rendered prior to the Effective Date must file and serve an application

for final allowance of compensation and reimbursement of expenses no later than forty-five (45) days after the Effective Date. All such applications for final allowance of compensation and reimbursement of expenses will be subject to the authorization and approval of this Court. Such final fee applications shall also be served on all parties entitled to notice thereof no later than forty-five (45) days after the Effective Date.

16. United States Trustee Fees. All fees due under 28 U.S.C. Section 1930 and not paid prior to the Effective Date shall be paid in Cash as soon as practicable after the Effective Date. After the Effective Date, the Reorganized Debtor shall pay quarterly fees to the U.S. Trustee, in Cash, until the Case is closed, and a Final Decree is entered. In addition, the Reorganized Debtor shall file post-Confirmation Date reports in conformance with the U.S. Trustee guidelines. The U.S. Trustee shall not be required to file a request for payment of its quarterly fees, which will be deemed Administrative Claims against the Debtor and the Debtor's Estate.

17. Exculpation and Limitation of Liability. Except as expressly provided in this Plan, none of the Exculpated Parties will have or incur any liability to, or be subject to any right of action by, any Claimant, any other party in interest, or any of their respective Representatives, financial advisors, or Affiliates, or any of their successors or assigns, for any act or omission in or relating to this Case, including the exercise of their respective business judgment and the performance of their respective fiduciary obligations, the pursuit of confirmation of the Plan, or the funding or administration of the Plan or the Trust, except liability for their willful misconduct or gross negligence (provided, however, the Diocese Parties and Reorganized Debtor will be discharged from any such liability for such acts or omissions occurring prior to the Effective Date) and in all respects, such parties will be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan or in the context of the Case. Without limiting the generality of

the foregoing, the Debtor and its members, financial advisors, and other professionals shall be entitled to and granted the benefits of § 1125(e) of the Bankruptcy Code.

The Catholic Mutual Parties, the Reorganized Debtor, the Parishes, the Committee, the Trust, the Trustee and professionals employed by the foregoing shall not have any liability to any Entity, including any governmental entity or insurer, on account of payments made to the Trust, a Tort Claimant, including any liability under the Medicare Secondary Payer Act.

18. Releases.

(a) In consideration of the monetary contributions provided by Catholic Mutual and other consideration to be provided by Catholic Mutual, including the payment of the Catholic Mutual Settlement Amount, the Debtor and all Diocese Parties irrevocably and unconditionally, without limitation, release, acquit, and forever discharge the Catholic Mutual Parties from any and all Claims and/or Causes of Action against the Catholic Mutual Parties, or the property thereof. Except as set forth in the Catholic Mutual Settlement, the Plan and Confirmation Order have no effect on the coverage of a Diocese Party that is a Covered Entity under any claims-made Certificates issued by Catholic Mutual to such Diocese Parties for: (a) Claims that may occur after the Effective Date; and (b) Covered Non-Tort Claims.

(b) A release executed by a personal representative of the estate of a Tort Claimant or by a court appointed representative of a Tort Claimant or by the holder of a general power of attorney binds the Tort Claimant's estate and his or her heirs or devisees and the Tort Claimant provided that the personal representative or other appointed representative has filed with this Court an order of appointment. Unless otherwise ordered by the Court, no distribution will be made to or for the benefit of a Tort Claimant whose release was executed by a personal representative until such personal representative has filed an order of appointment as provided in

this Paragraph 19(c).

19. Channeling Injunction. In consideration of the undertakings of the Protected Parties pursuant to their respective settlements with the Debtor, the funding of the Trust, Catholic Mutual's payment of the Catholic Mutual Settlement Amount, and other consideration, and to further preserve and promote the agreements between and among the Protected Parties and the protections afforded the Protected Parties and pursuant to Section 105 of the Bankruptcy Code:

(a) any and all Channeled Claims, are channeled into the Trust and shall be treated, administered, determined, and resolved under the procedures and protocols and in the amounts as established under the Plan and the Trust Documents as the sole and exclusive remedy for all holders of Channeled Claims; and

(b) all Entities who have held or asserted, hold or assert, or may in the future hold or assert, any Channeled Claim are hereby permanently stayed, enjoined, barred and restrained from taking any action, directly or indirectly, for the purposes of asserting, enforcing, or attempting to assert or enforce any Channeled Claim against any of the Protected Parties, including:

(i) commencing or continuing in any manner any action or other proceeding of any kind with respect to any Channeled Claim against any of the Protected Parties or against the property of any of the Protected Parties;

(ii) enforcing, attaching, collecting or recovering, by any manner or means, from any Protected Parties, or from the property of any Protected Parties, with respect to any such Channeled Claim, any judgment, award, decree, or order against any Protected Parties;

(iii) creating, perfecting or enforcing any lien of any kind against any Protected Parties, or the property of any Protected Parties with respect to any such Channeled Claim; and

(iv) asserting, implementing or effectuating any Channeled Claim of any kind against:

- (1) any obligation due any Protected Parties;
- (2) any Protected Parties; or
- (3) the property of any Protected Parties.

(v) taking any act, in any manner, in any place whatsoever that does not conform to, or comply with, the provisions of the Plan; and

(vi) asserting or accomplishing any setoff, right of indemnity, subrogation, contribution, or recoupment of any kind against any obligation due any of the Protected Parties or the property of the Protected Parties.

20. Injunction. All Entities are barred, estopped and enjoined from asserting any Claims against the Certificates or against the Catholic Mutual Parties relating to the Certificates.

21. Supplemental Injunction Preventing Prosecution Of Claims Against Catholic Mutual. Pursuant to Sections 105(a) and 363 of the Bankruptcy Code and in consideration of the undertakings of Catholic Mutual pursuant to Catholic Mutual Settlement and the Plan, any and all Entities who have held, now hold or who may in the future hold any Interests (including all debt holders, all equity holders, governmental, tax and regulatory authorities, lenders, trade and other creditors, Tort Claimants, Unknown Tort Claimants, Diocese Parties, Perpetrators, and all others holding Interests of any kind or nature whatsoever, including those Claims released or to be released pursuant to the Catholic Mutual Settlement) against any of the Protected Parties, Covered Entity, or the Certificates, which, directly or indirectly, relate to, any of the Certificates, any Tort Claims or any Related Insurance Claims, other than Covered Non-Tort Claims, are hereby permanently stayed, enjoined, barred, and restrained from taking any action, directly or indirectly, to assert,

enforce or attempt to assert or enforce any such Interest against the Catholic Mutual Parties, Covered Entity, and/or the Certificates, including:

(a) Commencing or continuing in any manner any action or other proceeding against Catholic Mutual or the Covered Entity or the property of the Catholic Mutual Parties or the Covered Entity;

(b) Enforcing, attaching, collecting, or recovering, by any manner or means, any judgment, award, decree or order against the Catholic Mutual Parties or the Covered Entity or the property of the Catholic Mutual Parties or the Covered Entity;

(c) Creating, perfecting, or enforcing any lien of any kind against the Catholic Mutual Parties or the Covered Entity or the property of the Catholic Mutual Parties or the Covered Entity;

(d) Asserting or accomplishing any setoff, right of indemnity, subrogation, contribution, or recoupment of any kind against any obligation due the Catholic Mutual Parties or the Covered Entity or the property of the Catholic Mutual Parties or the Covered Entity; and,

(e) Taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan.

22. Term of Injunctions and Stays and Approval of Settlement with Catholic Mutual: On the Effective Date, the injunctions provided for in this Plan, including the Channeling Injunction and the Supplemental Injunction shall be deemed issued, entered, valid and enforceable according to their terms and shall be permanent and irrevocable. All injunctions and/or stays provided for in this Plan, the injunctive provisions of Sections 524 and 1141 of the Bankruptcy Code, and all injunctions or stays protecting the Catholic Mutual Parties, are permanent and will remain in full force and effect following the Effective Date and are not subject to being vacated or modified. The Debtor

has provided due and adequate notice of the Confirmation Hearing, Plan and Catholic Mutual Settlement, including the injunctions to protect the Protected Parties, including the Catholic Mutual Parties. No further notice is necessary to bind all Claimants, including Unknown Tort Claims.. The Diocese's Settlement with the Catholic Mutual Parties embodied in the Catholic Mutual Settlement, including the releases and injunctions therein, are within the reasonable range of litigation outcomes if the Diocese and other releasing parties were to litigate the matters resolved pursuant to the Catholic Mutual Settlement and Plan, and represent fair and reasonable consideration for the releases and injunctions as to Claims therein. The Catholic Mutual Settlement is in compliance with and satisfies the requirements for approval of a settlement or compromise pursuant to Bankruptcy Rule 9019, section 1123(b) of the Bankruptcy Code and all other applicable provisions of the Bankruptcy Code and applicable non-bankruptcy law, and is therefore hereby approved.

23. Limitation of Injunction and Discharge: Notwithstanding any provision of this Plan, the foregoing injunctions and discharge preventing prosecution of Tort Claims against Protected Parties provides absolutely no protection to a Perpetrator.

24. Dismissal of Adversary Proceedings With Prejudice: On confirmation, the post-petition litigation at Adversary Proceeding 17-00081 and 18-00014 will be dismissed against the Debtor and all named defendants, with prejudice.

25. Modifications to Plan: The Modifications to the First Amended Plan set forth in the Notice of Intended Modifications to First Amended Plan (Docket No. 417) which modified paragraphs 3.1, 7.1.2, 7.2.4, and 7.6, which language was requested by the Oblates; the revised Trust Agreement; and schedules to the Allocation Protocol are approved.

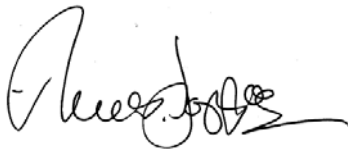
26. Termination of Committee. On the Effective Date, the Committee shall cease to exist and its members, designated representatives and/or agents (including, without limitation,

attorneys, investment bankers, financial advisors, accountants and other professionals) shall, subject to those matters set forth below for which the Court retains jurisdiction, be released and discharged from any further authority, duties, responsibilities and obligations relating to, arising from, or in connection with the Committee.

27. Notice of Effective Date. The Debtor shall send via email a copy of this Order and a notice of the Effective Date to all Professionals retained by the Debtor and the Committee and employed at the expense of the Estate within five (5) business days after the occurrence of the Effective Date.

28. Retention of Jurisdiction. Notwithstanding the entry of this Order and the Effective Date, this Court shall retain and have exclusive jurisdiction after the Effective Date over any matter arising under the Bankruptcy Code, arising in or relating to this Chapter 11 Case or the Plan, including, without limitation, all categories specifically set forth in Section XV of the Plan (which provisions are incorporated by reference), in each case to the greatest extent permitted by applicable law.

Dated: August 22, 2018

A handwritten signature in black ink, appearing to read "Jim D. Pappas", written over a horizontal line.

Honorable Jim D. Pappas
United States Bankruptcy Judge

Approved as to form:

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