

Hearing Date and Time: January 14, 2021 at 10:00 a.m. (Prevailing Eastern Time)
Objection Deadline: January 6, 2021 at 4:00 p.m. (Prevailing Eastern Time)

JONES DAY
Corinne Ball
Todd Geremia
Benjamin Rosenblum
Benjamin Thomson
250 Vesey Street
New York, New York 10281
Telephone: (212) 326-3939
Facsimile: (212) 755-7306

*Counsel for the Debtor
and Debtor in Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:	:	Chapter 11
	:	
THE ROMAN CATHOLIC DIOCESE OF	:	Case No. 20-12345 (SCC)
ROCKVILLE CENTRE, NEW YORK, ¹	:	
	:	
Debtor.	:	

**NOTICE OF HEARING ON THE DEBTOR'S MOTION FOR ENTRY OF
AN ORDER EXTENDING THE DEBTOR'S EXCLUSIVE PERIODS TO FILE A
CHAPTER 11 PLAN AND SOLICIT ACCEPTANCES THEREOF**

PLEASE TAKE NOTICE that on December 30, 2020, the above-captioned debtor and debtor-in possession (the "Debtor") filed the *Debtor's Motion for Entry of an Order Extending the Debtor's Exclusive Periods to File a Chapter 11 Plan and Solicit Acceptances Thereof* (the "Motion") with the United States Bankruptcy Court for the Southern District of New York (the "Court").

PLEASE TAKE FURTHER NOTICE that any objections to the Motion must be in writing, conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Southern District of New York, be filed by **January 6, 2021 at 4:00 p.m. (Prevailing Eastern Time)**, and shall be served on (a) the Debtor, c/o The Roman Catholic Diocese of Rockville Centre, New York, 50 North Park Avenue P.O. Box 9023, Rockville Centre, NY 11571-9023; (b) counsel to the Debtor, Jones Day, 250 Vesey Street, New York, New York 10281-1047 Attn: Corinne Ball, Esq., Todd Geremia, Esq., Benjamin Rosenblum, Esq., Andrew Butler, Esq., Benjamin

¹ The Debtor in this chapter 11 case is The Roman Catholic Diocese of Rockville Centre, New York, the last four digits of its federal tax identification number are 7437, and its mailing address is 50 North Park Avenue P.O. Box 9023, Rockville Centre, NY 11571-9023.

Thomson, Esq.; and (c) William K. Harrington, U.S. Department of Justice, Office of the U.S. Trustee, 201 Varick Street, Room 1006, New York, NY 10014, Attn: Greg M. Zipes, Esq. and Shara Cornell, Esq.

PLEASE TAKE FURTHER NOTICE THAT a hearing to consider such Motion and any objections related thereto (the “Hearing”) will be held on **January 14, 2021 at 10:00 a.m. (Prevailing Eastern Time)** before the Honorable Shelley C. Chapman, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, NY 10004.

PLEASE TAKE FURTHER NOTICE that in accordance with General Order M-543, dated March 20, 2020 (“General Order M-543”),² the Hearing will be conducted telephonically. Any parties wishing to participate must do so telephonically by making arrangements through CourtSolutions LLC (www.court-solutions.com). Instructions to register for CourtSolutions LLC are attached to General Order M-543.

PLEASE TAKE FURTHER NOTICE THAT if no objections are timely filed and served with respect to the Motion, the Debtor may, on or after the Objection Deadline, submit to the Court an order substantially in the form of the proposed order annexed to the Motion, which order may be entered without further notice or opportunity to be heard.

PLEASE TAKE FURTHER NOTICE that copies of each pleading can be viewed and/or obtained by: (i) accessing the Court’s website at www.nysb.uscourts.gov, or (ii) from the Debtor’s notice and claims agent, Epiq Corporate Restructuring, LLC, at <https://dm.epiq11.com/drvc> or by calling (888) 490-0633. Note that a PACER password is needed to access documents on the Court’s website.

[Remainder of Page Intentionally Blank]

² A copy of the General Order M-543 may be obtained by visiting www.nysb.uscourts.gov/news/general-order-m-543-court-operations-under-exigent-circumstances-created-covid-19.

Dated: December 30, 2020
New York, New York

Respectfully submitted,

/s/ Corinne Ball

Corinne Ball

Todd Geremia

Benjamin Rosenblum

Benjamin Thomson

JONES DAY

250 Vesey Street

New York, NY 10281-1047

Telephone: (212) 326-3939

Facsimile: (212) 755-7306

Email: cball@jonesday.com

trgeremia@jonesday.com

broosenblum@jonesday.com

bthomson@jonesday.com

*Counsel for the Debtor
and Debtor-in-Possession*

JONES DAY
Corinne Ball
Todd Geremia
Benjamin Rosenblum
Benjamin Thomson
250 Vesey Street
New York, New York 10281
Telephone: (212) 326-3939
Facsimile: (212) 755-7306

*Counsel for the Debtor
and Debtor in Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:	:	Chapter 11
	:	
THE ROMAN CATHOLIC DIOCESE OF	:	Case No. 20-12345 (SCC)
ROCKVILLE CENTRE, NEW YORK, ¹	:	
	:	
Debtor.	:	

**DEBTOR'S MOTION FOR ENTRY OF AN ORDER EXTENDING THE DEBTOR'S
EXCLUSIVE PERIODS TO FILE A CHAPTER 11 PLAN AND SOLICIT
ACCEPTANCES THEREOF**

The Roman Catholic Diocese of Rockville Centre, New York, as debtor and debtor-in-possession (the "Debtor"), respectfully represents as follows in support of this *Motion for Entry of an Order Extending the Debtor's Exclusive Periods to File a Chapter 11 Plan and Solicit Acceptances Thereof* (the "Motion"):

¹ The Debtor in this chapter 11 case is The Roman Catholic Diocese of Rockville Centre, New York, the last four digits of its federal tax identification number are 7437, and its mailing address is 50 North Park Avenue P.O. Box 9023, Rockville Centre, NY 11571-9023.

BACKGROUND

A. General Background

1. On October 1, 2020 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtor continues to operate and pursue its religious, non-profit mission and ministry, and manage its properties and affairs as a debtor in possession under sections 1107(a) and 1108 of the Bankruptcy Code. On October 16, 2020, the U.S. Trustee appointed an official committee of unsecured creditors of the Debtor (the “Committee”). No trustee or examiner has been appointed in this case.

2. The Debtor is the seat of the Roman Catholic Church on Long Island. The State of New York established the Debtor as a religious corporation in 1958. *See* 1958 N.Y. SESS. LAWS Ch. 70 (1958), § 1. The Debtor is one of eight Catholic dioceses in New York and is the eighth-largest diocese in the United States when measured by the number of baptized Catholics. The Debtor’s total Catholic population is approximately 1.4 million, which constitutes roughly half of Long Island’s total population of 3.0 million. Pursuit of the Debtor’s mission depends upon the continuing financial support provided by the faithful in anticipation of, and in mutual support of, the Debtor’s religious and charitable mission.

3. To carry out its Catholic mission, the Debtor works closely with its 135 parishes. Parishes play a central role in the lives of Catholics by administering key aspects of the Catholic Faith, including: baptism, education, communion, Mass, confirmation, marriage, and bereavement, including last rites, funeral services and grief support. None of the parishes are debtors herein. In addition, the Debtor supports separate charitable organizations to further its pursuit of the Catholic mission to serve the poor, the hungry, those in need, and those that cannot help themselves. None of those entities are debtors herein. The Debtor is also continuing its

outreach to comfort, educate, and enlighten the faithful, especially in these times of quarantine and isolation due to COVID-19 protocols and precautions.

4. Following the enactment in 2019 of the Child Victims Act (the “CVA”), which revived what had been time-barred claims, approximately 200 lawsuits have been brought by abuse claimants against the Debtor. In its effort to fairly and equitably address this tragic legacy, the Debtor has undertaken a substantial effort to identify and marshal over 60 years of insurance policies, including both primary and excess coverage, with the goal of securing a valuable resource of the Debtor, its parishes, and its affiliates, so that it can be used for the care and compensation of abuse survivors. The Debtor has made such insurance policies and related information, together with historical financial information for itself and its charitable, educational, and service affiliates, available to counsel for the abuse claimants and the Debtor’s insurers.

5. Additional information regarding the Debtor, its mission and operations, and the events and circumstances preceding the Petition Date is set forth in the *Declaration of Charles Moore, Managing Director of Alvarez & Marsal North America, LLC, Proposed Restructuring Advisor to the Roman Catholic Diocese of Rockville Centre, New York, in Support of Chapter 11 Petition and First Day Pleadings* (the “First Day Declaration”) filed on the Petition Date.

B. Significant Events in the Debtor’s Chapter 11 Case

6. Since the commencement of this case, the Debtor has worked diligently to effect a smooth transition into chapter 11 and move this case forward without delay. Progress made by the Debtor to date includes, among other things:

- (i) obtaining vital first- and second-day relief to provide for a smooth transition into chapter 11 and to establish procedures for the efficient administration of this chapter 11 case;

- (ii) obtaining an agreed preliminary injunction and two agreed extensions enjoining the continued prosecution of sexual abuse claims against the Debtor and related entities in New York state court;
- (iii) commencing an adversary proceeding against the Debtor's insurers in order to resolve ongoing and anticipated disputes regarding insurance coverage;
- (iv) completing and filing the Debtor's schedules of assets and liabilities and statement of financial affairs, and participating in the meeting of creditors under section 341 of the Bankruptcy Code;
- (v) reaching agreement with the Committee and the U.S. Trustee on the form and contents of the Debtor's monthly operating reports and completing the first; and
- (vi) filing a motion seeking approval of the sale of the Debtor's primary office building in order to save costs and generate funds for creditor recoveries.

7. The Debtor has accomplished a great deal in the first three months of this case and is well-positioned for the next phase of these proceedings. This next phase will focus on a number of important milestones in this chapter 11 case, including setting a bar date and providing broad notice thereof, resolving coverage disputes with the Debtor's insurers in preparation for negotiating a global settlement, negotiating a continued injunction of the prosecution of sexual abuse claims against the Debtor and related entities in New York state court, and formulating the Debtor's plan of reorganization.

JURISDICTION AND VENUE

8. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue for this matter is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

RELIEF REQUESTED

9. Pursuant to section 1121(d) of title 11 of the United States Code (the "Bankruptcy Code"), the Debtor moves for the entry of an order (the "Order") in substantially the form attached hereto as Exhibit A:

- (i) Extending the period during which the Debtors have the exclusive right to file a chapter 11 plan (the “Exclusive Filing Period”) by one hundred twenty (120) days through and including May 29, 2021; and
- (ii) Extending the period during which the Debtors have the exclusive right to solicit acceptances thereof (the “Exclusive Solicitation Period” and, together with the Exclusive Filing Period, the “Exclusive Periods”) by one hundred twenty (120) days through and including July 28, 2021.

10. Absent granting the extensions sought herein, the Debtor’s Exclusive Filing Period and Exclusive Solicitation Period will expire January 29, 2020 and March 30, 2020, respectively.

11. The Debtor also requests that such extensions be without prejudice to its rights to request further extensions or seek other appropriate relief.

BASIS FOR RELIEF

12. Under section 1121(b) of the Bankruptcy Code, a debtor has the exclusive right to file a chapter 11 plan in the first 120 days following the commencement of a chapter 11 case. If a debtor files a plan during this exclusive filing period, section 1121(c)(3) of the Bankruptcy Code provides a debtor with 60 days following the expiration of the exclusive filing period (or 180 days following the commencement of the case) to solicit acceptances of a plan.

13. Section 1121(d) of the Bankruptcy Code provides a debtor with a mechanism to extend these exclusive periods, stating that “on request of a party in interest made . . . and after notice and a hearing, the court may for cause reduce or increase the 120-day period or the 180-day period referred to in this section.” 11 U.S.C. § 1121(d)(1). The ultimate decision to extend a debtor’s exclusive periods rests within the discretion of the bankruptcy court. *See In re Excel Mar. Carriers Ltd.*, No. 13-23060 (RDD), 2013 WL 5155040, at *2 (Bankr. S.D.N.Y. Sept. 13, 2013).

14. While the Bankruptcy Code does not define “cause,” courts rely on various factors to determine whether cause exists to extend a debtor’s exclusive periods. These factors include:

- (i) the size and complexity of the case;
- (ii) the necessity for sufficient time to negotiate a chapter 11 plan and prepare adequate information;
- (iii) the existence of good faith progress toward reorganization;
- (iv) the fact that the debtor is paying its debts as they come due;
- (v) whether the debtor has demonstrated reasonable prospects for filing a viable plan;
- (vi) whether the debtor has made progress negotiating with creditors;
- (vii) the length of time a case has been pending;
- (viii) whether creditors are prejudiced by the extension;
- (ix) whether the debtor is seeking an extension to pressure creditors; and
- (x) whether or not unresolved contingencies exist.

See In re Adelphia Communs. Corp., 336 B.R. 610, 674 (Bankr. S.D.N.Y. 2006); *In re Cent. Jersey Airport Servs., LLC*, 282 B.R. 176, 184 (Bankr. D.N.J. 2002); *In re Express One Int’l Inc.*, 194 B.R. 98, 100 (Bankr. E.D. Tex. 1996); *see also In re Gibson & Cushman Dredging Corp.*, 101 B.R. 405, 409-10 (E.D.N.Y. 1989) (listing certain of the above factors); *In re Grand Traverse Dev. Co. Ltd. P’ship*, 147 B.R. 418, 420 (Bankr. W.D. Mich. 1992) (same).

15. Not all of these factors are relevant in every case, and a finding that even one of these factors exists may justify extending a debtor’s exclusive periods. *See Express One*, 194 B.R. at 100-01 (four factors relevant in determining whether cause exists to extend exclusivity); *In re Interco, Inc.*, 137 B.R. 999, 1000-01 (Bankr. E.D. Mo. 1992) (four factors demonstrated that bondholders’ committee failed to show cause to terminate debtors’ exclusivity); *In re United*

Press Int'l, Inc., 60 B.R. 265, 269-70 (Bankr. D.C. 1986) (holding that the debtor showed “cause” to extend its exclusive period based upon a showing of certain of the factors listed above). In fact, the mere complexity and size of a chapter 11 case alone may warrant extension of the exclusive periods in order to permit a debtor meaningful opportunity to formulate a chapter 11 plan. *See, e.g., In re Texaco, Inc.*, 76 B.R. 322, 327 (Bankr. S.D.N.Y. 1987) (holding that “cause” existed to grant debtor’s first request to extend exclusivity based on size and complexity of case alone).

16. Based on a weighing of the relevant factors, there is more than sufficient cause to approve the extension of the Exclusive Periods requested by the Debtor:

- This chapter 11 case is not only large, but highly complex. As of the Petition Date, the Debtor was a defendant in over 200 personal injury lawsuits pending in New York state court. The process of reaching an accurate and fair assessment of the Debtors liability for sexual abuse claims, and addressing the insurance coverage issues that must be resolved in formulating a consensual plan of reorganization, are necessarily complicated.
- The Debtor, its creditors and its insurers require additional time to gather and share the information needed to negotiate a plan of reorganization. The Debtor is in the process of negotiating procedures to permit sharing appropriate information with its insurers and the Committee while protecting the confidentiality of claimants. Further, the universe of potential claims against the Debtor will not be known until the claims bar date has been reached.
- As described in detail above, the Debtor has made good faith progress toward reorganization by, among other things, commencing an adversary proceeding to resolve insurance disputes that will be important to reaching a global settlement in this case, making progress towards establishing a claims bar date, and engaging in fruitful, ongoing negotiations with the Committee on a variety of issues.
- Since filing this chapter 11 case, the Debtor believes that it has continued to pay substantially all of its undisputed, postpetition expenses and invoices in the ordinary course of business or as otherwise provided by order of the Court.
- The requested extension of the Exclusive Periods is the first such request made in this chapter 11 case and comes approximately three months after the Petition Date. This amount of time is not long given the complexity of the issues involved and the fact that the number of abuse claims against the Debtor remains unknown.

- The Debtor is not seeking an extension of the Exclusive Periods to pressure or prejudice any of its stakeholders. Rather, the Debtor is seeking an extension of the Exclusive Periods to preserve and build upon the progress made to date by securing adequate time to develop a plan of reorganization. The Debtors' efforts towards reaching a global settlement with its insurers and claimants will benefit, not prejudice, its creditors.
- Understanding the universe of claims against the Debtor is a critical condition precedent to identifying the universe of claims asserted against the Debtor. In particular, the amount of such claims—and other details, such as when such claims allege that abuse occurred—will be critical in advancing discussions with the Debtor's insurers towards a global resolution of this chapter 11 case. Until the claims bar date is reached, the potential claims outstanding against the Debtor remain a significant unresolved contingency.

17. The relevant factors described above support the Debtor's requested extension of the Exclusive Periods. Extending the Exclusive Periods by one hundred twenty (120) days will ensure that the Debtor and its creditors are able to capitalize on the progress they have made to date in this chapter 11 case. Further, the requested extension is well within the range of similar relief granted by courts in this district under similar circumstances. *See, e.g., In re Grupo Aeroméxico, S.A.B. de C.V.*, No. 20-11563 (SCC) (Bankr. S.D.N.Y. October 26, 2020) [Docket No. 577] (granting an initial extension of the debtors' exclusive periods by 120 days); *In re Purdue Pharma L.P.*, No. 19-23649 (RDD) (Bankr. S.D.N.Y. Jan. 28, 2020) [Docket No. 782] (granting an initial extension of the debtors' exclusive periods by 180 days); *In re Windstream Holdings, Inc.*, No. 19-22312 (RDD) (Bankr. S.D.N.Y. June 20, 2019) [Docket No. No. 699] (same); *In re NII Holdings, Inc.*, No. 14-12611 (SCC) (Bankr. S.D.N.Y. January 12, 2015) [Docket No. 375] (granting an initial extension of the debtors' exclusive periods by 90 days).

NOTICE

18. Notice of this Motion will be provided to: (a) the Office of the United States Trustee for the Southern District of New York; (b) the Committee; and (c) all parties entitled to

notice pursuant to Bankruptcy Rule 2002. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

NO PRIOR REQUEST

19. No prior request for the relief sought herein has been made to this Court or any other court.

[Remainder of Page Intentionally Blank]

WHEREFORE, the Debtor respectfully requests that the Court enter the Order and grant such other and further relief as may be appropriate.

Dated: December 30, 2020
(New York, New York)

Respectfully submitted,

/s/ Corinne Ball

Corinne Ball

Todd Geremia

Benjamin Rosenblum

Benjamin Thomson

JONES DAY

250 Vesey Street

New York, NY 10281-1047

Telephone: (212) 326-3939

Facsimile: (212) 755-7306

Email: cball@jonesday.com

trgeremia@jonesday.com

brosenblum@jonesday.com

bthomson@jonesday.com

*Counsel for the Debtor
and Debtor-in-Possession*

EXHIBIT A

PROPOSED ORDER

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:	:	Chapter 11
	:	
THE ROMAN CATHOLIC DIOCESE OF	:	Case No. 20-12345 (SCC)
ROCKVILLE CENTRE, NEW YORK, ¹	:	
	:	
Debtor.	:	

**ORDER EXTENDING THE DEBTOR'S EXCLUSIVE PERIODS
TO FILE A CHAPTER 11 PLAN AND SOLICIT ACCEPTANCES THEREOF**

This Court has considered the *Debtor's Motion for Entry of an Order Extending the Debtor's Exclusive Periods to File a Chapter 11 Plan and Solicit Acceptances Thereof* (the "Motion"),² the First Day Declaration, the statements of counsel and the evidence adduced with respect to the Motion at a hearing before this Court (the "Hearing"). This Court has found that (i) this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b), (iii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409, (iv) sufficient cause exists within the meaning of section 1121(d) of the Bankruptcy Code to extend the Exclusive Periods, and (v) notice of the Motion and the Hearing was sufficient under the circumstances. After due deliberation, this Court has determined that the relief requested in the Motion is in the best interests of the Debtor, its estate and its creditors; and good and sufficient cause having been shown;

ACCORDINGLY, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.

¹ The Debtor in this chapter 11 case is The Roman Catholic Diocese of Rockville Centre, New York, the last four digits of its federal tax identification number are 7437, and its mailing address is 50 North Park Avenue P.O. Box 9023, Rockville Centre, NY 11571-9023.

² Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

2. The Exclusive Filing Period is extended through and including May 29, 2021 pursuant to section 1121(d) of the Bankruptcy Code.

3. The Exclusive Solicitation Period is extended through and including July 28, 2021 pursuant to section 1121(d) of the Bankruptcy Code.

4. The relief granted in this Order is without prejudice to the Debtor's right to seek further extensions of the Exclusive Filing Period and the Exclusive Solicitation Period.

5. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion.

6. The requirements set forth in Local Rule 9013-1(a) are satisfied.

7. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the interpretation, implementation and/or enforcement of this Order.

Dated: _____, 2021
New York, New York

UNITED STATES BANKRUPTCY JUDGE